# Health and Human Services Commission
## Summary of Recommendations - House

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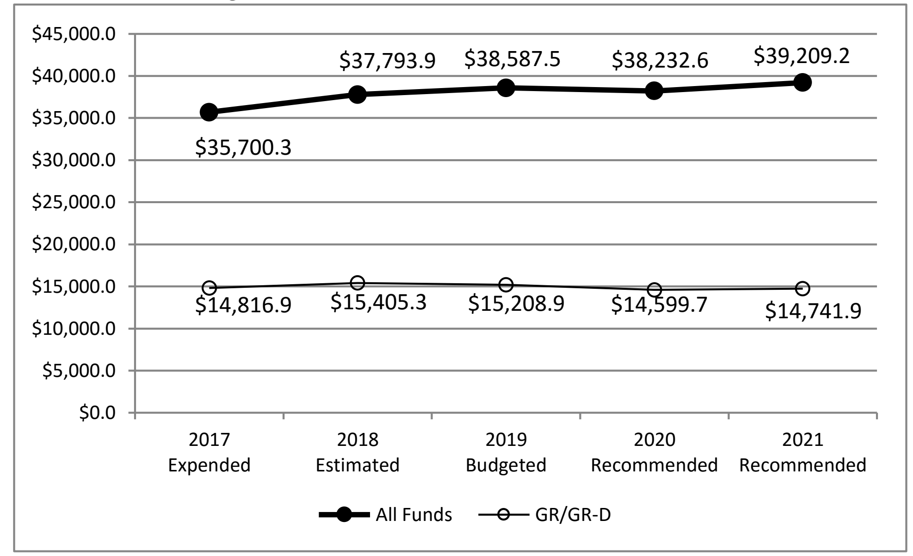
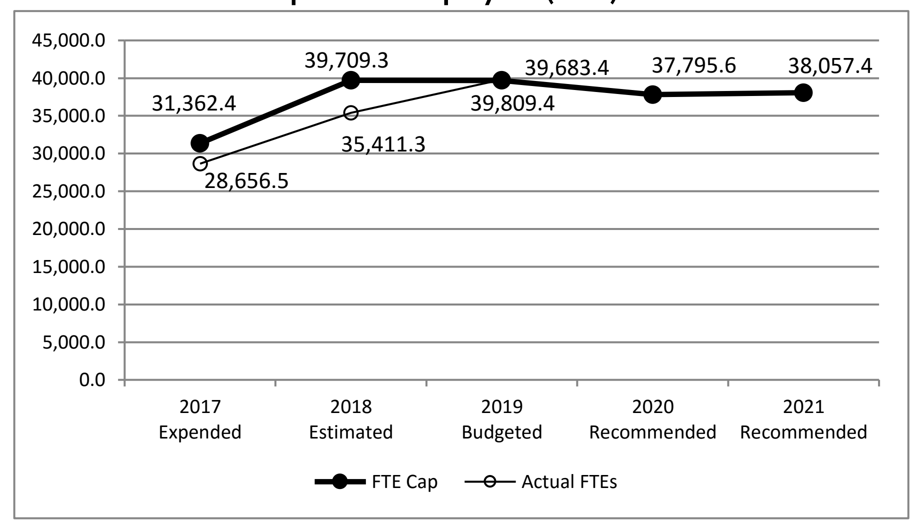
| Method of Financing | 2018-19 Base | 2020-21 Recommended | Biennial Change ($) | Biennial Change (%) |
|---|---|---|---|---|
| General Revenue Funds | $30,417,132,093 | $29,178,413,096 | ($1,238,718,997) | (4.1%) |
| GR Dedicated Funds | $197,068,511 | $163,216,702 | ($33,851,809) | (17.2%) |
| *Total GR-Related Funds* | *$30,614,200,604* | *$29,341,629,798* | *($1,272,570,806)* | *(4.2%)* |
| Federal Funds | $43,610,435,443 | $46,418,186,136 | $2,807,750,693 | 6.4% |
| Other | $2,156,820,252 | $1,681,989,028 | ($474,831,224) | (22.0%) |
| **All Funds** | **$76,381,456,299** | **$77,441,804,962** | **$1,060,348,663** | **1.4%** |

| | FY 2019 Budgeted | FY 2021 Recommended | Biennial Change | Percent Change |
|---|---|---|---|---|
| FTEs | 39,809.4 | 38,057.4 | (1,752.0) | (4.4%) |

### Historical Funding Levels (Millions)




### Historical Full-Time-Equivalent Employees (FTEs)




**Note:** Fiscal year 2017 expenditures and FTEs reflect DARS, DADS, and HHSC programs but do not reflect DSHS programs that did not transfer until fiscal year 2018 pursuant to SB 200, Eighty-fifth Legislature, 2015.

### Agency Budget and Policy Issues and/or Highlights

The Health and Human Services Commission Office of Inspector General (OIG) is under Strategic Fiscal Review (SFR) for the Eighty-sixth Legislative Session. This packet incorporates SFR findings for OIG. For additional details about OIG, including fiscal and policy issues, rider recommendations, and SFR findings, see the presentation titled *Health and Human Services Commission - Office of Inspector General: Summary of Recommendations - House.*

The bill pattern for this agency (2020-21 Recommended) represents an estimated 81.9% of the agency's estimated total available funds for the 2020-21 biennium.

| | Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions) | General Revenue | GR-Dedicated | Federal Funds | Other Funds | All Funds | Strategy in Appendix A |
|---|---|---|---|---|---|---|---|
| | *SIGNIFICANT Funding Changes and Recommendations (each issue is explained in Section 3 and additional details are provided in Appendix A):* | | | | | | |
| A) | LBB Forecast - Medicaid | ($1,370.7) | ($22.3) | $3,345.8 | ($0.4) | $1,952.4 | Goal A |
| B) | LBB Forecast - Children's Health Insurance Program (CHIP) | $314.3 | $0.0 | ($127.5) | $0.0 | $186.8 | Goal C |
| C) | Federal Funding Changes - Opioid State Targeted Assistance | $0.0 | $0.0 | ($92.5) | $0.0 | ($92.5) | 7 Strategies |
| D) | Expand Outpatient Mental Health Treatment Capacity for Children | $11.0 | $0.0 | $0.8 | $0.0 | $11.8 | D.2.2. |
| E) | Maintain Mental Health Grant Programs at Fiscal Year 2019 Service Levels | $22.7 | $0.0 | $0.0 | $0.0 | $22.7 | D.2.3. |
| F) | Maintain Mental Health State Hospitals at Fiscal Year 2018 Service Levels | $27.4 | $0.0 | $0.0 | $0.8 | $28.2 | G.2.1. |
| G) | Staffing and Operation of Increased Capacity at San Antonio, Kerrville, and Rusk State Hospitals | $27.6 | $0.0 | $0.0 | $0.0 | $27.6 | G.2.1. |
| H) | One-time Funding - State Hospital Construction | $0.0 | $0.0 | $0.0 | ($300.0) | ($300.0) | G.4.2. |
| I) | Reduced Census, Contract Savings, and Federal Funding Changes at the State Supported Living Centers | ($49.7) | $0.0 | $44.3 | $0.0 | ($5.4) | G.1.1. |
| J) | Program Discontinuation - Office of Minority Health Statistics & Engagement | ($0.7) | $0.0 | ($0.7) | ($0.9) | ($2.3) | F.3.3. |
| K) | Full Biennium of Healthy Texas Women 1115 Demonstration Waiver | ($58.5) | $0.0 | $58.5 | $0.0 | $0.0 | D.1.1. |
| L) | LBB Forecast - Early Childhood Intervention (ECI) | $0.0 | $0.0 | $4.2 | $0.0 | $4.2 | D.1.3. |
| M) | Pediatric Tele-connectivity Resource Program for Rural Texas Grants | $2.7 | $0.0 | $3.1 | $0.0 | $5.8 | D.1.10. |
| N) | LBB Forecast - Temporary Assistance for Needy Families (TANF) Cash Assistance | $0.1 | $0.0 | $3.9 | $0.0 | $4.0 | E.1.1. |
| O) | One-time Funding - Hurricane Harvey | ($110.0) | $0.0 | ($409.8) | $0.0 | ($519.8) | E.1.4. |
| P) | Revised Public Assistance Cost Allocation Plan (PACAP) | $36.7 | $0.7 | $68.0 | $3.9 | $109.3 | 16 Strategies |
| Q) | Vehicle Replacement - State-owned Facilities | $7.9 | $0.0 | $0.0 | $0.0 | $7.9 | G.4.1 |
| R) | Align Integrated Eligibility and Enrollment with Fiscal Year 2019 Appropriated Levels | ($87.2) | $0.0 | ($61.2) | $0.0 | ($148.4) | I.1.1. |
| S) | Earned Federal Funds (EFF) Revised Target | ($3.6) | $0.0 | $0.0 | $0.0 | ($3.6) | I.2.1. |

| | Funding Changes and Recommendations for the 2020-21 Biennium compared to the 2018-19 Base Spending Level (in millions) | General Revenue | GR-Dedicated | Federal Funds | Other Funds | All Funds | Strategy in Appendix A |
|---|---|---|---|---|---|---|---|
| | *OTHER Funding Changes and Recommendations (these issues are not addressed in Section 3 but details are provided in Appendix A):* | | | | | | |
| T) | One-time Funding - SSLC and State Hospital Deferred Maintenance | $0.0 | $0.0 | $0.0 | ($158.6) | ($158.6) | G.4.2. |
| U) | Agency Base Requests Not Included for New and Expanded Capital Budget Projects | ($11.6) | $0.0 | ($3.1) | $0.0 | ($14.7) | D.1.9, F.2.3, G.2.1, & L.1.2. |
| V) | Biennialize Certain Contract Oversight and Regulatory FTEs | $4.1 | $0.0 | ($16.9) | $0.0 | ($12.8) | 13 Strategies |
| W) | Federal Funding Changes - Money Follows the Person | $0.0 | $0.0 | ($20.4) | $0.0 | ($20.4) | D.2.1, D.2.4, & I.2.1. |
| X) | Expiration of OMB Circular A-87 Cost Allocation Waiver for TIERS | ($4.8) | $0.0 | ($37.2) | $0.0 | ($42.0) | I.3.1, & I.3.2. |
| Y) | Federal Funding Changes - Other | ($8.7) | $0.0 | $77.8 | $0.0 | $69.1 | 11 Strategies |
| Z) | One-time Funding - Other | ($2.0) | $0.0 | $0.0 | ($0.8) | ($2.8) | D.1.1, D.2.2, & M.1.1. |
| AA) | Changes in Program Demand | ($1.3) | $0.0 | ($22.3) | $0.0 | ($23.6) | E.1.2, G.3.1, I.2.1, & J.1.1. |
| AB) | Revenue Changes | $17.8 | ($12.3) | $0.0 | ($5.5) | $0.0 | F.2.3, G.2.1, & H.1.1. |
| AC) | Miscellaneous Items | ($2.2) | $0.0 | ($7.0) | ($13.3) | ($22.5) | 17 Strategies |
| | **TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)** | **($1,238.7)** | **($33.9)** | **$2,807.8** | **($474.8)** | **$1,060.4** | As Listed |
| | *SIGNIFICANT & OTHER Funding Increases* | $472.3 | $0.7 | $3,606.4 | $4.7 | $2,429.8 | As Listed |
| | *SIGNIFICANT & OTHER Funding Decreases* | ($1,711.0) | ($34.6) | ($798.6) | ($479.5) | ($1,369.4) | As Listed |

**Notes:**

(1) Totals may not sum due to rounding.

(2) This schedule includes the following amounts related to the Office of Inspector General (OIG). For additional details about OIG, including fiscal and policy issues, rider recommendations, and SFR findings, see the

(a) Revised PACAP: $3.5 million in General Revenue; $4.7 million in Federal Funds; $0.4 million in Other Funds; $8.6 million in All Funds;

(b) Miscellaneous (related to biennialization of transfer of subrogation and recovery program from other HHSC strategies): $0.6 million in General Revenue; $0.6 million in Federal Funds; $1.2 million in All Funds; and

(c) Miscellaneous (related to maintaining 2018-19 base spending level for direct support services): ($4.2) million in General Revenue; ($2.5) million in Federal Funds; ($1.4) million in Other Funds; ($8.1) million in All Funds.

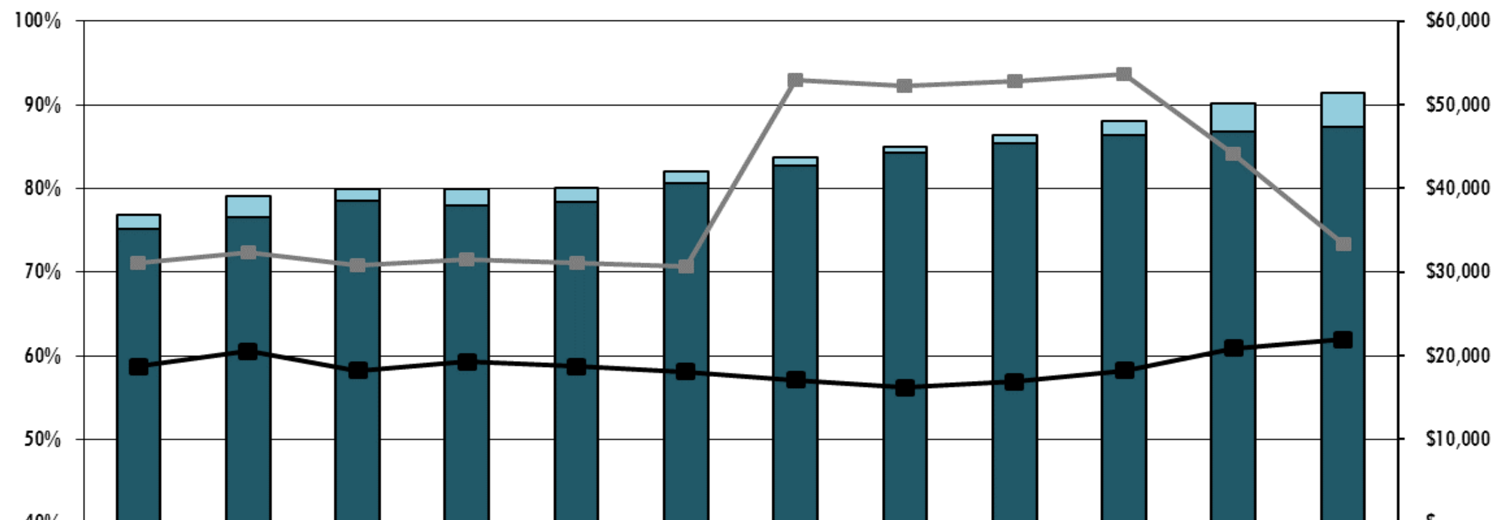
## Health and Human Services Commission
## Selected Fiscal and Policy Issues - House

1. **Health and Human Services Program Financing.** Financing of many HHS programs is based on an array of matching rates that determine the amount of state funds (General Revenue, General Revenue-Dedicated, and Other Funds) and the amount of Federal Funds. The primary matching rate for Medicaid client services is the Federal Medical Assistance Percentage (FMAP). Each state has a different FMAP, ranging from 50 to 83 percent, based on its per capita personal income (PCPI) relative to the nation's PCPI.

   The CHIP program (client services and administrative services) is matched at the Enhanced Federal Medical Assistance Percentage (EFMAP), a more favorable rate with a state share that is a 30 percent reduction to the state share under FMAP. Additionally, under provisions of the federal Affordable Care Act, a 23 percentage point increase to EFMAP became available for federal fiscal years (FFYs) 2016 to 2019. The increase applies to the CHIP program and certain children enrolled in Medicaid who were previously eligible for CHIP. The federal Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable (HEALTHY KIDS) Act increased the EFMAP by 11.5 percentage points for FFY 2020. Certain other Medicaid services are matched based on EFMAP without the percentage point increases.

   The chart below shows Texas FMAPs and EFMAPs (with the increases) for FFYs 2010 to 2021, which were used as the basis for budget recommendations affected by FMAP or EFMAP. FFY 2021 FMAP is an estimate developed by the LBB; final FFY 2021 FMAP will not be available until the fall of 2019.

**Federal Medical Assistance Percentage (FMAP) and Per Capita Personal Income (PCPI), FFY 2010 to 2021**




| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US PCPI | $36,768 | $39,122 | $39,919 | $39,913 | $39,996 | $42,065 | $43,766 | $44,918 | $46,329 | $48,064 | $50,137 | $51,439 |
| Texas PCPI | $35,213 | $36,626 | $38,463 | $37,956 | $38,321 | $40,615 | $42,716 | $44,327 | $45,352 | $46,327 | $46,739 | $47,291 |
| FMAP | 58.73% | 60.56% | 58.22% | 59.30% | 58.69% | 58.05% | 57.13% | 56.18% | 56.88% | 58.19% | 60.89% | 61.96% |
| EFMAP | 71.11% | 72.39% | 70.75% | 71.51% | 71.08% | 70.64% | 92.99% | 92.33% | 92.82% | 93.73% | 84.12% | 73.37% |

Projected

**Notes:** Reflects FFY regular FMAPs and does not reflect enhanced FMAPs related to the American Recovery and Reinvestment Act (ARRA) that applied from the first quarter of FFY 2009 until the third quarter of FFY 2011. Per capita personal income is the average of the most recent three years available at the time each FMAP was calculated and does not include any updates to the data made after that time. For example, FFY 2020 FMAP is based on the average of 2015 to 2017 per capita personal income as reported by the Bureau of Economic Analysis in September 2018.

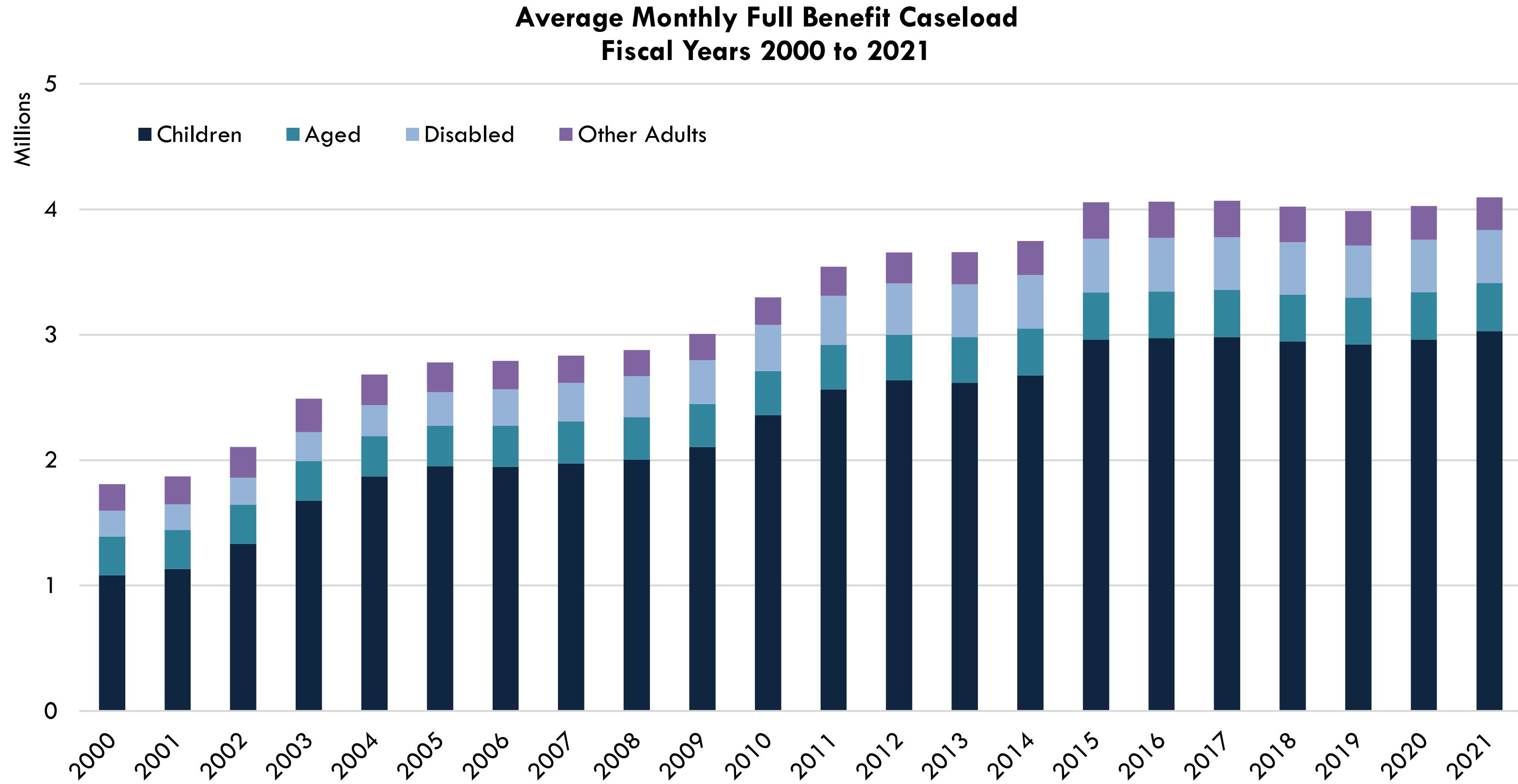
Other matching rates are available for client services in the Medicaid program including 90/10 for family planning services, an enhanced match under the Community First Choice Program for certain long-term-care services, and a 50 percent reduction to the state share under FMAP for certain services provided through the Money Follows the Person Demonstration. Most administrative services under Medicaid receive a 50 percent federal match, but some services are eligible for 90/10 or 75/25 matching rates.

2. **Medicaid Client Services.** Recommendations for Goal A, Medicaid Client Services, include $62.9 billion in All Funds, including $23.5 billion in General Revenue and $0.1 billion in General Revenue-Dedicated Funds. These amounts represent an increase of $2.0 billion in All Funds and a decrease of $1.4 billion in General Revenue Funds relative to projected 2018-19 expenditures, which are estimated to be $61.0 billion in All Funds, including $25.1 billion in General Revenue and General Revenue-Dedicated Funds. Projected 2018-19 expenditures are $4.1 billion in All Funds, including $1.8 billion in General Revenue Funds, above the 2018-19 General Appropriations Act, an increase that includes revenue adjustments, certain transfers, and assumed supplemental funding. Major items contributing to in 2020-21 funding changes include:
    - Net more favorable federal matching rates;
    - Increase of $0.2 billion in All Funds, including $0.1 billion in General Revenue, for loss of one-time savings in 2018-19 associated with cash accounting for long-term-care programs formerly at the Department of Aging and Disability Services;
    - Decrease of $0.1 billion in General Revenue for one-time reimbursement to federal government associated with Medicaid orthodontia authorizations; and
    - Increase of $1.9 billion in All Funds, including $0.8 billion in General Revenue, for caseload growth, maintaining fiscal year 2019 average costs for most services, leap year, and cost growth associated with average costs established by the federal government

    *FMAP and Enhanced FMAP*. More favorable FMAPs and Enhanced FMAPs (EFMAPs) reduce General Revenue demand by $2.4 billion in 2020-21. The increase to Federal Funds associated with the more favorable matches is $2.3 billion because some of the reduced General Revenue demand is associated with the cost of Medicare Giveback payments, which do not have matching federal funds. Replacing two full fiscal years of 23 percentage point increase to the EFMAP with one month of 23 percentage point increase, 12 months of 11.5 percentage increase, and 11 months with no increase will increase General Revenue demand by $196.7 million with an equal reduction to Federal Funds. The net effect of changes to FMAP and EFMAP is a reduction to General Revenue demand of $2.2 billion.

    *Revenues*. Projected declines in Tobacco Settlement Receipts, available General Revenue-Dedicated, and program-generated revenues will result in an increased need for other sources of General Revenue. Tobacco Settlement Receipts are primarily used to fund CHIP and any remaining funds are appropriated for children enrolled in Medicaid. Revenues declined in fiscal years 2017 and 2018 and are projected to continue declining throughout fiscal year 2021. The amount of funds available for Medicaid are expected to decline from $805.0 million in 2018-19 to $375.0 million in 2020-21, a reduction of $430.0 million due to declining revenue and increased demand in CHIP. Recommendations include reductions of $22.3 million in General Revenue-Dedicated and $30.8 million in program-generated revenues.

    *Caseload and Cost Growth*. Full benefit caseloads declined in fiscal year 2018 by 1.1 percent, the first decline since fiscal year 2000. Declines occurred across all enrollment groups except STAR Health. Caseloads are projected to decline by an additional 0.9 percent in fiscal year 2019 before returning to low growth in the 2020-21 biennium. Premiums for STAR Kids increased substantially in fiscal year 2018 and many of those premiums increased again in fiscal year 2019. Growth in STAR Kids expenditures account for nearly 30 percent of overall growth for full benefit clients although they represent only four percent of enrollment. Recommendations do not include an estimated $1.7 billion in All Funds, including $0.8 billion in General Revenue, to fund anticipated increases in cost due to medical inflation, higher utilization, or increased acuity.




*Community Care Waivers.* Community care waivers include Home and Community-based Services (HCS), Community Living and Support Services (CLASS), Deaf-Blind Multiple Disabilities (DBMD), Medically Dependent Children Program (MDCP), and Texas Home Living (TxHML). Recommendations include $3.1 billion in All Funds, including $1.2 billion in General Revenue Funds, to provide services to waiver clients. Fiscal year 2018 appropriations were exceeded for three of the four waivers by an estimated total of $43.4 million in All Funds ($34.6 million in General Revenue). Recommendations assume declines in waiver slot allocations as necessary in fiscal year 2019 to remain within appropriations and the resulting August 2019 caseload is maintained in the 2020-21 biennium.

- For HCS, recommendations maintain the August 2019 appropriated level. Fiscal year 2018 expenditures exceeded appropriations due to exceeding slots early in the fiscal year.
- For CLASS, recommendations are 238 slots below the August 2019 appropriated level. Fiscal year 2018 expenditures exceeded appropriations as a result of ongoing increases in average monthly costs.
- For DBMD, recommendations are 25 slots below the August 2019 appropriated level. Fiscal year 2018 expenditures did not exceed appropriations; however, rising average monthly costs in fiscal year 2018 will require lower caseloads to stay within appropriations for fiscal year 2019.
- For TxHmL, 2018-19 appropriations assumed ongoing caseload reductions to reduce unanticipated expenditure increases resulting from a near-doubling of average monthly costs following implementation of Community First Choice (CFC). Fiscal year 2018 expenditures exceeded the appropriated level because

caseload reductions have not been realized and average monthly costs have begun growing again (despite select rate reductions implemented in fiscal year 2017). August 2019 recommendations are 1,038 slots below the appropriated level.

*Program of All-inclusive Care for the Elderly (PACE)*. Recommendations include $89.8 million in All Funds, including $34.8 million in General Funds, for the PACE program. The 2018-19 GAA provided funding for 1,341 PACE slots in each fiscal year at an average monthly cost across the three sites of $2,788.30. The commission did not request funding for rate increases and no funding was provided. When the fiscal year 2018 PACE rates were established, HHSC chose to increase rates for all enrollment groups at each of the three sites except for Medicaid only clients at the El Paso site. Rate increases ranged from 3.7 to 39.2 percent. HHSC reduced the allocation of slots at all sites from a total of 1,341 to a total of 1,271 (a reduction of 70 slots) to avoid exceeding appropriated funding. Recommendations maintain the higher rates and the lower slot allocation in the 2020-21 biennium.

3. **Children's Health Insurance Program (CHIP).** Appropriations for the 2018-19 biennium included $2,018.1 million in All Funds ($153.1 million in General Revenue). After adjusting for transfers and available revenue, General Revenue appropriations total $148.6 million. Current LBB staff projections are $1,992.4 million in All Funds ($145.0 million in General Revenue), producing a biennial General Revenue surplus of $3.5 million.

   Recommendations include $2,179.3 million in All Funds ($459.4 million in General Revenue) for CHIP Client Services, an increase of $186.8 million in All Funds ($314.3 million in General Revenue) from the projected 2018-19 biennial level. Increases in All Funds are associated with caseload growth, maintaining fiscal year 2019 premiums, and an increase in the Health Insurance Providers Fee with a small offset related to one-time Hurricane Harvey expenditures. In addition to these factors, the loss of the 23 percentage point increase in the EFMAP contributes to the increased General Revenue demand and is partially offset by a reduction associated with more favorable EFMAPs (without the 23 percentage point increase). A biennial comparison of General Revenue and All Funds appropriated and recommended for CHIP can be found in the table on page 9.

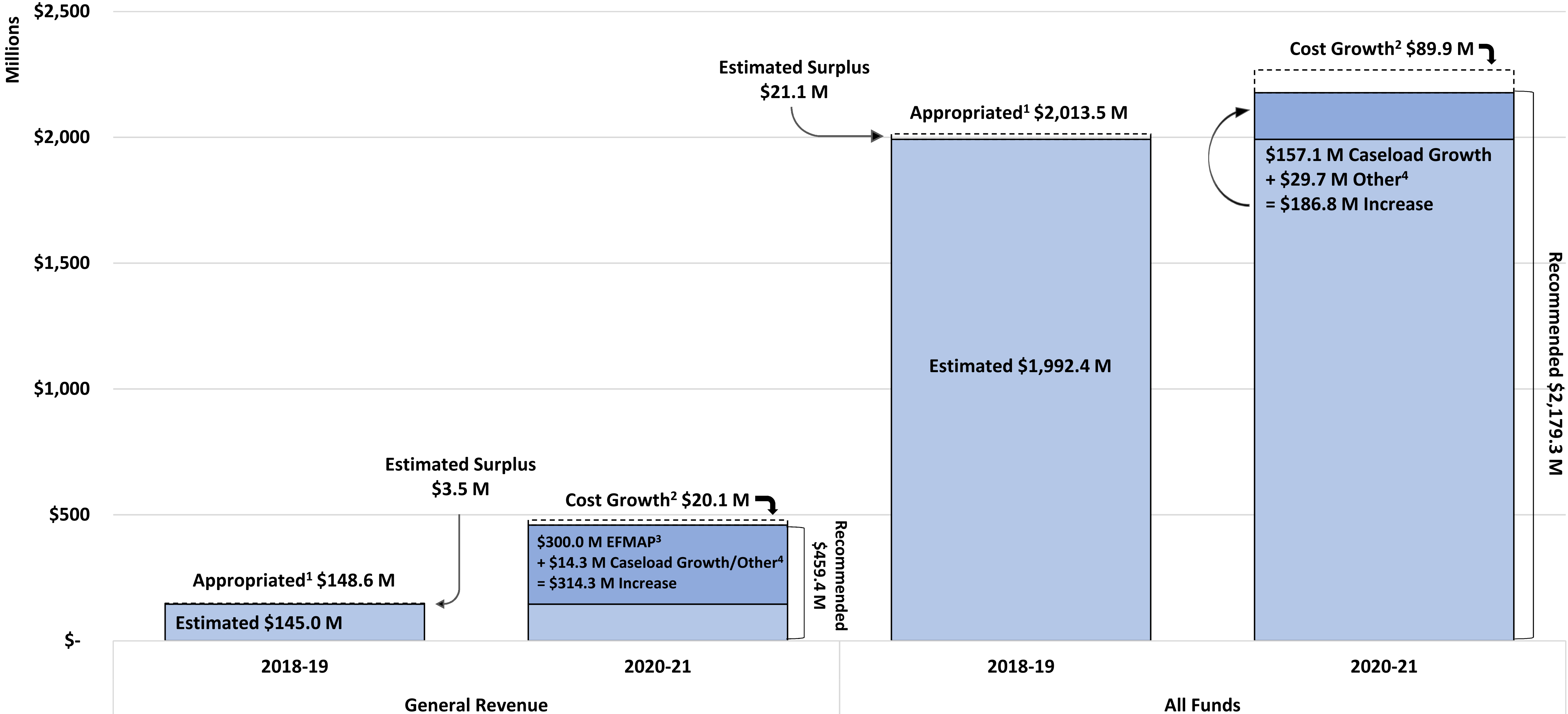
   a. *EFMAP*. The EFMAP will be more favorable in FFY 2020 than in FFY 2018 and is expected to be more favorable in FFY 2021 than in FFY 2019; however, the 23 percentage point increase pursuant to the federal Affordable Care Act will end on September 30, 2019. The federal HEALTHY KIDS Act provided for an 11.5 percentage point increase for FFY 2020. Replacing two full fiscal years of the 23 percentage point increase with one month of 23 percentage point increase, 12 months of 11.5 percentage point increase, and 11 months with no increase will increase General Revenue demand by $357.8 million with an equal reduction to Federal Funds. The more favorable EFMAPs without the increases will partially offset this increase, reducing General Revenue demand by $57.8 million with an equal increase to Federal Funds.

   b. *Caseload*. Caseloads grew significantly in the first half of fiscal year 2018 but began declining in April 2018. Much of the early growth was due to HHSC extending enrollment by six months for persons affected by Hurricane Harvey. Extensions applied to those with certification periods ending in August through November 2017. As those extensions ended, caseloads began declining. Caseloads are expected to return to growth in fiscal year 2019 and are projected to continue growing throughout the 2020-21 biennium. CHIP Perinatal caseloads, which have been declining to varying degrees since fiscal year 2010, are projected to continue declining through fiscal year 2021. Recommendations include $157.1 million in All Funds ($12.2 million in General Revenue) in the 2020-21 biennium for net caseload growth.

   c. *Hurricane Harvey*. In addition to enrollment extensions, the Health and Human Services Commission (HHSC) also waived CHIP copayments and enrollment/renewal fees through November 30, 2017 for recipients affected by Hurricane Harvey. Managed Care Organizations (MCOs) were to compensate providers for the waived copayments and HHSC anticipates reimbursing MCOs $0.5 million in All Funds ($37,224 in General Revenue) in fiscal year 2019. Waived fees resulted in a decline in premium copayment revenue in fiscal year 2018.

   d. *Average Costs*. Recommendations maintain fiscal year 2019 projected average costs in the 2020-21 biennium. Maintaining the higher, on average, fiscal year 2019 average costs for two years results in increased costs of $27.6 million in All Funds ($2.0 million in General Revenue). The recommendations do not include funding for cost growth in the 2020-21 biennium, estimated to be $89.9 million in All Funds ($20.1 million in General Revenue). Most services in the CHIP program are provided through managed care with monthly premiums paid to MCOs. Services provided outside of the monthly premiums include delivery supplemental payments made to the MCOs and payments for vaccines and newborn screening made to the Department of State Health Services (DSHS). Fiscal year 2018 premiums (medical, pharmacy, and dental) for most age groups declined from those for fiscal year 2017 while fiscal year 2019 premiums are mostly higher than fiscal year 2018. Two notable exceptions are dental premiums, which continued to decline in fiscal year 2019, and CHIP Perinatal premiums (medical and pharmacy), which mostly increased in both fiscal years.

## Biennial Comparison of Funding for CHIP




[1] Adjusted for $4.6 million net reduction in available revenues due primarily to lower than assumed premium copayment revenue related to Hurricane Harvey and discontinuing use of some Medicaid drug rebate revenue in CHIP.
[2] Cost growth not included in recommendations.
[3] Includes $357.8 million increase to General Revenue due to loss of 23 percentage point increase partially offset by $57.8 million reduction to General Revenue due to more favorable EFMAPs calculated without the percentage point increases.
[4] Includes maintaining fiscal year 2019 rates, increase in Health Insurance Providers Fee, and reduction for one-time reimbursements to managed care organizations related to Hurricane Harvey.

e. *CHIP Reauthorization*. The federal HEALTHY KIDS Act extended federal funding for CHIP for six years, through FFY 2023 and the Advancing Chronic Care, Extenders and Social Services (ACCESS) Act extended federal funding for an additional four years, through FFY 2027. These acts also extended maintenance-of-effort (MOE) requirements for CHIP and Medicaid, which were set to expire at the end of FFY 2019, through FFY 2027. States are required to maintain eligibility standards, methodologies, and procedures that are no more restrictive than those in effect on March 23, 2010 as a condition of receiving federal funding. Amendments to the MOE provision related to families with incomes above 300 percent of the Federal Poverty Level (FPL) do not apply to Texas.

f. *Health Insurance Providers Fee*. Recommendations assume an increase of $2.6 million in All Funds ($0.1 million in General Revenue) related to payment of the Health Insurance Providers Fee and associated taxes. The federal Consolidated Appropriations Act of 2016 included a moratorium on payments for fee year 2017, which would have been reimbursed by the state during fiscal year 2018. Federal HR 195, 115th Congress suspends collection of the fee for fee year 2019, which would have been reimbursed by the state during fiscal year 2020. While both the 2018-19 and 2020-21 biennia only include payment for one year, there is an increase in the 2020-21biennium due to a projected increase in the total amount of the fee to be collected nationwide.

g. *Revenues*. The non-federal share of CHIP is funded with the following four General Revenue methods-of-financing: Tobacco Settlement Receipts, premium copayments (enrollment and renewal fees), experience rebates, and vendor drug rebates. Except for Tobacco Settlement Receipts, all of these funding sources are revenues generated by the program; as the program grows, these revenues typically grow as well. Experience and drug rebate revenue are shared with the federal government based on EFMAPs; the loss of the 23 percentage point increase results in the state retaining a greater share of these rebates in the 2020-21 biennium. In fiscal years 2017 and 2018 HHSC was using Medicaid drug rebates for certain children formerly eligible for CHIP to fund the CHIP program. This practice is assumed to be discontinued beginning in fiscal year 2019. These factors, in addition to lower premium copayment collections in fiscal year 2018 due to Hurricane Harvey, result in a net increase in program-generated revenues of $8.0 million.

h. *Mental Health and Substance Use Disorder Services*. The federal Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment (SUPPORT) for Patients and Communities Act requires state CHIP programs to cover mental health and substance use disorder services for children and pregnant women eligible for the program. While CHIP already covers mental health and substance use disorder services for children enrolled in the program, it is unclear if the state would be required to provide this coverage to mothers of unborn children covered through CHIP Perinatal. If the state were required to provide this coverage, there would be a cost to add these services to the list of covered benefits. Recommendations do not include any increase for this purpose and an estimate of cost is not currently available.

4. **FTE Adjustment.** Recommendations for HHSC's FTE cap remove a portion of FTEs in certain strategies that were consistently vacant in fiscal year 2018 according to HHSC's Monthly Financial Reports. Recommendations for HHSC assume the FTE allocation of the recommended FTE cap would reflect between 100 to 107.5 percent of the average fill level in fiscal year 2018. This would result in a reduction of 1,752.0 FTEs in each fiscal year of the 2020-21 biennium. The actual fill level for fiscal year 2018 totaled 35,411.3 FTEs. This adjustment would not affect overall funding levels.

5. **Medicaid and CHIP Contracts and Administration.** Recommendations for Medicaid and CHIP Contracts and Administration include the following:

| Strategy | Fiscal Year 2018 | | Fiscal Year 2019 | | Fiscal Year 2020 | | Fiscal Year 2021 | | Over/(Under) 2018-19 Base | |
|---|---|---|---|---|---|---|---|---|---|---|
| | General Revenue | All Funds | General Revenue | All Funds | General Revenue | All Funds | General Revenue | All Funds | General Revenue | All Funds |
| B.1.1, Medicaid Contracts and Administration | $193.8 | $553.2 | $196.9 | $564.4 | $197.1 | $566.2 | $196.9 | $605.3 | $3.2 | $53.9 |
| B.1.2, CHIP Contracts and Administration | $1.1 | $15.2 | $1.0 | $16.4 | $2.5 | $16.8 | $4.3 | $16.8 | $4.8 | $2.1 |
| **Total** | **$194.9** | **$568.4** | **$197.9** | **$580.7** | **$199.6** | **$583.0** | **$201.2** | **$622.1** | **$8.0** | **$56.0** |

a. *Contract Oversight*. HHSC Medicaid and CHIP Services Division provides contract oversight of managed care organizations for the Medicaid and CHIP programs. HHSC's role has shifted over time from directly providing services and administering the day-to-day functions of Medicaid to acting primarily as a contract manager and providing critical oversight of third party vendors who directly coordinate and administer the delivery of services. In the 2018-19 biennium, the State Auditor's Office, the Office of the Inspector General, HHSC Internal Audit, and a review of HHSC managed care contract management and oversight conducted by Deloitte all identified deficiencies in HHSC's managed care contract management and oversight functions.

   On June 1, 2018, HHSC received LBB approval to transfer $1.8 million in All Funds ($0.9 million in General Revenue) and 98.0 FTEs in fiscal year 2018 and $7.2 million in All Funds ($3.6 million in General Revenue) and 98.0 FTEs in fiscal year 2019 from Strategy I.1.1, Integrated Eligibility and Enrollment, to Strategy B.1.1, Medicaid Contracts and Administration, to provide for additional managed care oversight and for additional utilization reviews for Medicaid and CHIP programs. Recommendations include an increase of $5.4 million in All Funds ($2.7 million in General Revenue) to biennialize the approval and provide sufficient funding to maintain the additional FTEs for the 2020-21 biennium.

b. *Claims Administrator Contract*. HHSC contracts with a group of vendors collectively known as the Texas Medicaid and Healthcare Partnership (TMHP) to provide claims administration and to develop and operate the Medicaid Management Information System (MMIS) in the Medicaid program. As Texas has expanded the use of managed care in Medicaid, managed care organizations have taken on certain functions, such as claims adjudication and prior authorization for claims originating from their clients. TMHP still adjudicates claims for fee-for-service (FFS), processes encounter data for both FFS and managed care, and performs certain other claims administrator functions. Due to the bundling of services and the fixed costs of maintaining and upgrading MMIS, which automates many of the claims administrator functions, costs for the contract are relatively fixed and do not decrease in proportion to the number of clients or the volume of claims remaining in FFS. Accenture has been the primary contractor for TMHP since 2014.

   Recommendations continue Rider 9, Texas Medicaid and Healthcare Partnership (TMHP), that requires HHSC to lead an Executive Steering Committee to provide additional oversight for the TMHP contract, report any budget overruns to the Legislative Budget Board, and seek approval from the Legislative Budget Board and the Governor prior to expending appropriations on cost overruns.

   Recommendations include $513.4 million in All Funds ($159.8 million in General Revenue) for the 2020-21 biennium in Strategy B.1.1, Medicaid Contracts and Administration, in support of the Claims Administrator Contract. Recommendations maintain capital budget authority at 2018-19 spending levels for the MMIS.

c. *Enrollment Broker*. HHSC contracts with Maximus to provide managed care enrollment broker services for the state's Medicaid population. The enrollment broker serves as an intermediary between managed care organizations (MCOs), clients, and HHSC. Recommendations include $138.1 million in All Funds ($69.2 million in General Revenue) in Strategy B.1.1, Medicaid Contracts and Administration, in support of the Enrollment Broker contract, which is a decrease of $1.1 million in All Funds ($0.3 million in General Revenue) from the 2018-19 base spending level.

6. **Article IX, Section 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditure Proposal.**

a. *Cross-Article Behavioral Health Funding*. Recommendations for Article IX, Sec. 10.04(a), Informational Listing – Behavioral Health and Substance Abuse Services, identify $4.0 billion in All Funds ($3.0 billion in General Revenue and $28.3 million in General Revenue-Dedicated Funds) for non-Medicaid/CHIP behavioral health expenditures among 23 different agencies across six articles. Recommendations add five agencies, DSHS, Texas Education Agency, Texas School for the Deaf, Texas Tech University Health Sciences Center, and the Supreme Court of Texas, to the informational listing. In previous biennia, funding for prescription-related expenditures for CHIP and medications used to treat substance use disorders in the Medicaid and CHIP programs were not included in the informational listing. When including these amounts, Medicaid and CHIP expenditures for behavioral health services are estimated to total $3.4 billion in All Funds and $111.7 million in All Funds respectively. Both estimates include projected cost growth that is not funded. Total behavioral health funding, including Medicaid and CHIP expenditures, is estimated to be $7.5 billion in All Funds for the 2020-21 biennium. **See Supplemental Schedule 3-1, Cross-Article Behavioral Health Funding**, for a summary table of cross-article behavioral health recommendations.

Recommendations for non-Medicaid or CHIP behavioral health services reflect a decrease of $324.3 million in All Funds (increase of $127.9 million in General Revenue) from 2018-19 spending levels, primarily related to a decrease of $380.5 million in Economic Stabilization Funds for one-time funding in 2018-19 for new construction and significant repairs at the state hospitals, and a projected decrease of $92.5 million in Federal Funds for the Opioid State Targeted Response Grant awards. This decrease is partially offset by a $57.1 million increase in All Funds ($32.1 million in General Revenue) at certain Article III agencies to expand mental health-related services for students, and a $61.3 million increase in General Revenue at HHSC to maintain fiscal year 2019 service levels for certain community mental health grant programs, expand outpatient treatment capacity for children, and operate increased capacity at state mental health hospitals. (See Selected Fiscal and Policy Issues #8, #9, #10, and #13)

b. *Statewide Behavioral Health Coordinating Council*. Recommendations for Article IX, Sec. 10.04(b), Statewide Behavioral Health Coordinating Council, require 15 of the 23 agencies identified in the informational listing to serve on the Statewide Behavioral Health Coordinating Council (Council). Recommendations exempt Article IV and Article VIII agencies from serving on the Council as these agencies do not provide direct behavioral health-related services to clients and extend the time for review of the Council's Coordinated Statewide Expenditure Proposal for fiscal year 2020.

7. **Substance Abuse Services Funding.** Recommendations for Strategy D.2.4, Substance Abuse Services, total $435.7 million in All Funds ($93.4 million in General Revenue). This represents a decrease of $81.9 million in All Funds from the 2018-19 spending levels, primarily related to a projected decrease of $82.2 million in Federal Funds for the Opioid State Targeted Response Grant awards (see Selected Fiscal and Policy Issue #8). Recommendations include a $0.4 million increase in MH Appropriated Receipts to provide statistical data as part of a Substance Abuse and Mental Health Services Administration (SAMHSA) initiative. Recommendations include $93.4 million in General Revenue for the 2020-21 biennium to continue maintenance of effort (MOE) requirements for an estimated $285.9 million in Federal Funds for the Substance Abuse Prevention and Treatment Block Grant (SABG).

8. **Federal Funding to Address the Opioid Crisis.** Recommendations include $54.7 million in Federal Funds in opioid-specific grants from the Substance Abuse and Mental Health Services Administration (SAMHSA) in the 2020-21 biennium. HHSC receives federal funding for this purpose through two separate grant opportunities: 1) the State Targeted Response to the Opioid Crisis (Opioid STR) Grant, and 2) the State Opioid Response (SOR) Grant. The total project period for both grant opportunities is currently two years. Both grants can be used towards similar services to address opioid use disorder (OUD) prevention, treatment, and recovery activities, including medication assisted treatment (MAT). The grants must supplement, not supplant, existing state activities pertaining to opioids.

Recommendations assume HHSC will receive $27.4 million in Opioid STR in fiscal year 2019 and for each fiscal year of the 2020-21 biennium, based on current federal reauthorization of the grant and historical amounts awarded to HHSC for this purpose. Recommendations also reflect the receipt of $92.5 million in SOR in fiscal year 2019. HHSC received $46.2 million in SOR in September 2018, and it is assumed HHSC will receive another $46.2 million from SAMHSA in May 2019, at the same time SAMHSA should release the Opioid STR award for fiscal year 2019. Timing of the award distribution may change based on actions taken by the federal Department of Health and Human Services. Recommendations for federal opioid-specific grants are further detailed in the table below:

| HHSC Strategy | Expended Fiscal Year 2018 | Estimated Fiscal Year 2019 | Recommended Fiscal Year 2020 | Recommended Fiscal Year 2021 | Over/(Under) 2018-19 Base |
|---|---|---|---|---|---|
| D.2.1, Community Mental Health Svcs - Adults | $2,068,168 | $11,530,546 | $2,068,168 | $2,068,168 | ($9,462,378) |
| D.2.3, Community Mental Health Crisis Svcs | $325,000 | $975,000 | $325,000 | $325,000 | ($650,000) |
| D.2.4, Substance Abuse Services | $24,969,189 | $107,171,374 | $24,969,188 | $24,969,188 | ($82,202,187) |
| I.3.1, TIERS & Eligibility Support Tech | $ - | $290 | $ - | $ - | ($290) |
| L.1.1, HHS System Supports | $ - | $25,176 | $ - | $ - | ($25,176) |
| L.1.2, IT Oversight & Program Support | $ - | $95,894 | $ - | $ - | ($95,894) |
| L.2.1, Central Program Support | $ - | $22,260 | $ - | $ - | ($22,260) |
| **GRAND TOTAL** | **$27,362,357** | **$119,820,540** | **$27,362,356** | **$27,362,356** | **($92,458,185)** |

**Source:** Legislative Budget Board; Health and Human Services Commission.
**Notes:**
1) Services provided by federal funding in Strategy D.2.1 include supportive employment, peer recovery, and mental health recovery services.
2) Services provided by federal funding in Strategy D.2.3 support mobile crisis outreach teams.
3) Services provided by federal funding in Strategy D.2.4 include opioid misuse and overdose prevention, MAT, and recovery support services.
4) Fiscal year 2019 reflects the receipt of SOR ($46.2 million) in September 2018, and assumes the receipt of an additional award of SOR ($46.2 million) and Opioid STR ($27.4 million) in May 2019.
5) Fiscal year 2020 and 2021 recommendations assume continued funding of Opioid STR ($27.4 million per fiscal year). Additional funding has not yet been provided through a Congressional Appropriations Act. HHSC received Opioid STR funding in May of fiscal years 2017 and 2018.

9. **Community Mental Health Funding.**

a. *Community Mental Health Services for Adults*. Recommendations for Strategy D.2.1, Community Mental Health Services – Adults, include $712.7 million in All Funds ($608.5 million in General Revenue) for the 2020-21 biennium. This represents a $2.2 million decrease in All Funds from 2018-19 spending levels, primarily related to a projected decrease of $9.5 million in Federal Funds for the Opioid STR grant, a $2.6 million decrease in Federal Funds due to the discontinuation of Money Follows the Person Rebalancing Demonstration in August 2019, and a $2.3 million decrease in MH Appropriated Receipts due to the discontinuation of an agreement to provide statistical data to a third-party entity. These decreases are partially offset by an anticipated increase of $12.7 million in Federal Funds for the Mental Health Block Grant. HHSC provides funding to 37 local mental health and two local behavioral health authorities (LMHAs/LBHAs) to provide mental health services to eligible adults with a serious mental illness diagnosis.

b. *Community Mental Health Services for Children*. Recommendations for Strategy D.2.2, Community Mental Health Services – Children, include $185.0 million in All Funds ($133.1 million in General Revenue) for the 2020-21 biennium. This represents an $18.9 million increase in All Funds ($8.9 million in General Revenue) from 2018-19 spending levels. The increase is primarily related to $11.8 million in All Funds ($11.0 million in General Revenue) to expand outpatient treatment capacity for children and an anticipated $11.8 million increase in Federal Funds for the Mental Health Block Grant. These increases are partially offset by the removal of $2.0 million in one-time grant funding for a pilot program for children in the foster care system, discussed in more detail below. HHSC also provides funding to the LMHAs and LBHAs to provide mental health services to eligible children between the ages of 3 and 17 with a mental health diagnosis.

HHSC was appropriated $2.0 million in General Revenue in Strategy D.2.2, Community Mental Health Services – Children, in fiscal year 2018 to establish a one-time grant program to increase access to targeted case management and rehabilitative services for high-needs children in the foster care system. As of November 2018, HHSC identified five entities that will receive grant funds, including one LMHA.

c. *YES Waiver*. Recommendations for Strategy D.2.5, Behavioral Health Waiver and Plan Amendment, include $59.9 million in All Funds ($23.4 million in General Revenue) for the Youth Empowerment Services (YES) waiver for the 2020-21 biennium. The YES waiver is a 1915(c) Medicaid waiver program that provides home and community-based mental health services to children and youth between ages 3 and 18 with a severe emotional disturbance (SED) who meet certain other eligibility requirements. YES waiver services may include respite care for families and caregivers, specialized therapies, and minor home modifications. The Centers for Medicare and Medicaid Services (CMS) approved an extension of the YES waiver for a five-year period, starting April 1, 2018. The program is expected to serve 2,822 clients in fiscal year 2020 and 2,961 clients in fiscal year 2021.

d. *HCBS – AMH*. Recommendations for Strategy D.2.5, Behavioral Health Waiver and Plan Amendment, include $44.7 million in All Funds ($23.8 million in General Revenue) for Home and Community Based Services – Adult Mental Health (HCBS – AMH) for the 2020-21 biennium. HCBS – AMH is a 1915(i) Medicaid state plan amendment that provides services and supports for individuals ages 18 or older with a mental illness who are at risk for long-term psychiatric hospitalization, frequent arrests, or frequent emergency department visits. Services provided through HCBS – AMH are tailored to the individual's needs, and can include recovery management, substance use disorder services, and psychosocial rehabilitation. HCBS – AMH is expected to serve 561 clients in fiscal year 2020 and 540 clients in fiscal year 2021.

10. **Community Mental Health Grants.**

a. *Community Mental Health Grant Program*. HHSC was appropriated $10.0 million in General Revenue in fiscal year 2018 and $20.0 million in General Revenue in fiscal year 2019 to implement the provisions of House Bill 13, Eighty-fifth Legislature, Regular Session, 2017. The bill required HHSC to support community mental health programs providing services and treatments for individuals experiencing mental illness. HHSC awarded half of the funds to 25 local mental and behavioral health authorities (LMHAs/LBHAs), and the other half to 31 non-profit and governmental entities, including $0.2 million for Texas Tech University Health Science Center to expand the Telemedicine Wellness Intervention Triage and Referral (TWITR) project. Recommendations for Strategy D.2.3, Community Mental Health Crisis Services, provide $10.0 million in General Revenue to biennialize fiscal year 2019 grant program funding.

b. *Mental Health Grant Program for Justice-Involved Individuals*. HHSC was appropriated $12.5 million in General Revenue in fiscal year 2018 and $25.0 million in General Revenue in fiscal year 2019 to implement the provisions of Senate Bill 292, Eighty-fifth Legislature, Regular Session, 2017, which required HHSC to establish a grant program to reduce recidivism, arrests, and incarceration of individuals with serious mental illness. HHSC awarded $30.8 million to urban counties; the remaining $6.7 million was awarded to counties with a rural designation. Recommendations for Strategy D.2.3, Community Mental Health Crisis Services, provide $12.5 million in General Revenue to biennialize fiscal year 2019 grant program funding.

11. **Waitlist Funding for Community Mental Health Services.**

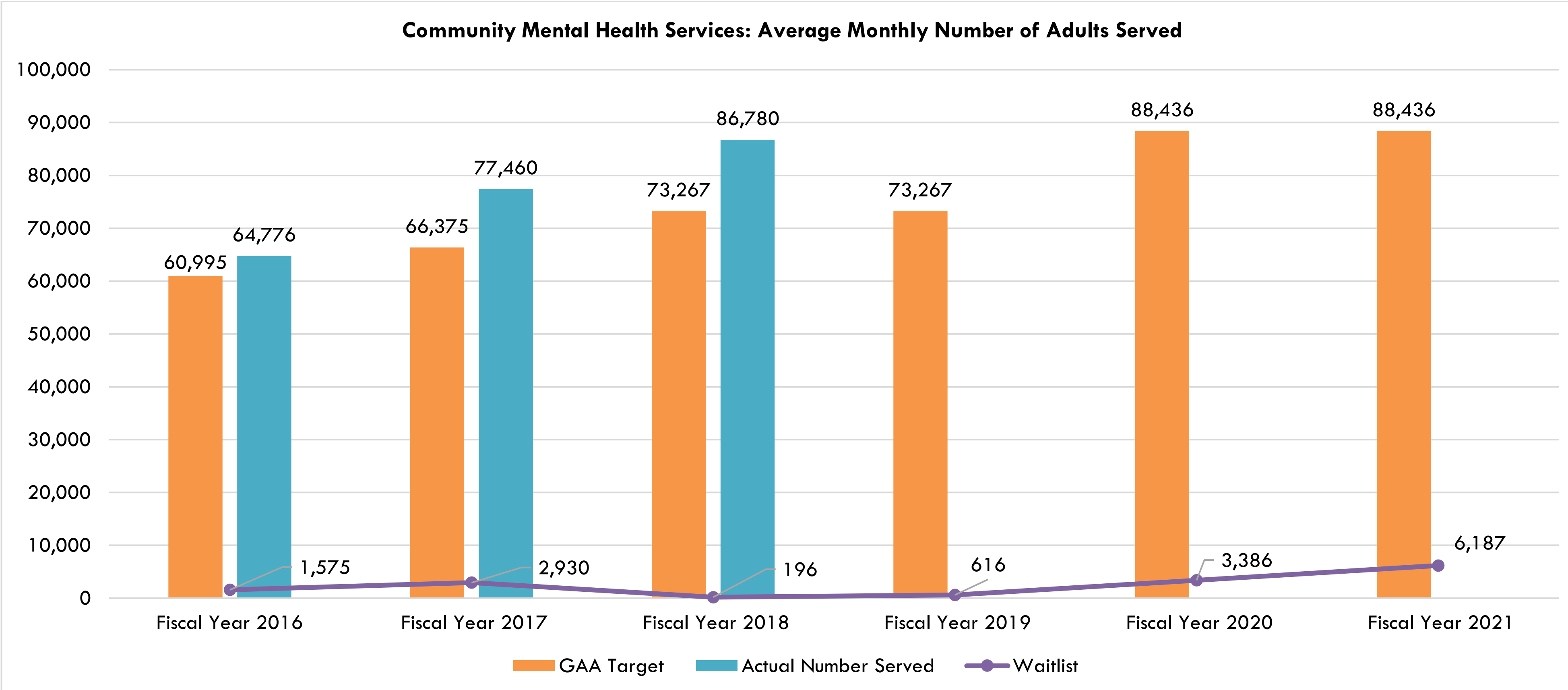
a. *HHSC Rider 80, Increased Access to Community Mental Health Services (2018-19 GAA)*. In the 2018-19 biennium, HHSC was appropriated $62.2 million in All Funds ($54.4 million in General Revenue) to address the waitlist for adults and $0.5 million in All Funds ($0.4 million in General Revenue) to address the waitlist for children. As of October 2018, HHSC has disbursed $31.3 million of this funding to the local mental health and local behavioral health authorities (LMHAs/LBHAs) to address waitlists. The number of adults on the waitlist decreased from 2,767 in September 2017 to 196 in August 2018. The number of children on the waitlist decreased from 60 to seven over the same period of time. Recommendations for the 2020-21 biennium continue this funding to continue providing mental health services.

Of the 196 adults on the waitlist in August 2018, 127 individuals were waiting for services through Tri-County Behavioral Health Care, the LMHA for Liberty, Walker, and Montgomery counties. Tri-County Behavioral Health Care previously cited population growth as an issue impacting operations. Six of the LMHAs/LBHAs operated a waitlist for adults in August 2018; one LMHA/LBHA operated a waitlist for children in August 2018. However, 923 adults and 67 children were reported to be underserved, or receiving a lower level of care than what was recommended. Underserved clients can include clients who are underserved due to LMHA/LBHA resource limitations, and clients who decline to participate in the more intensive and frequent services offered through a higher level of care.

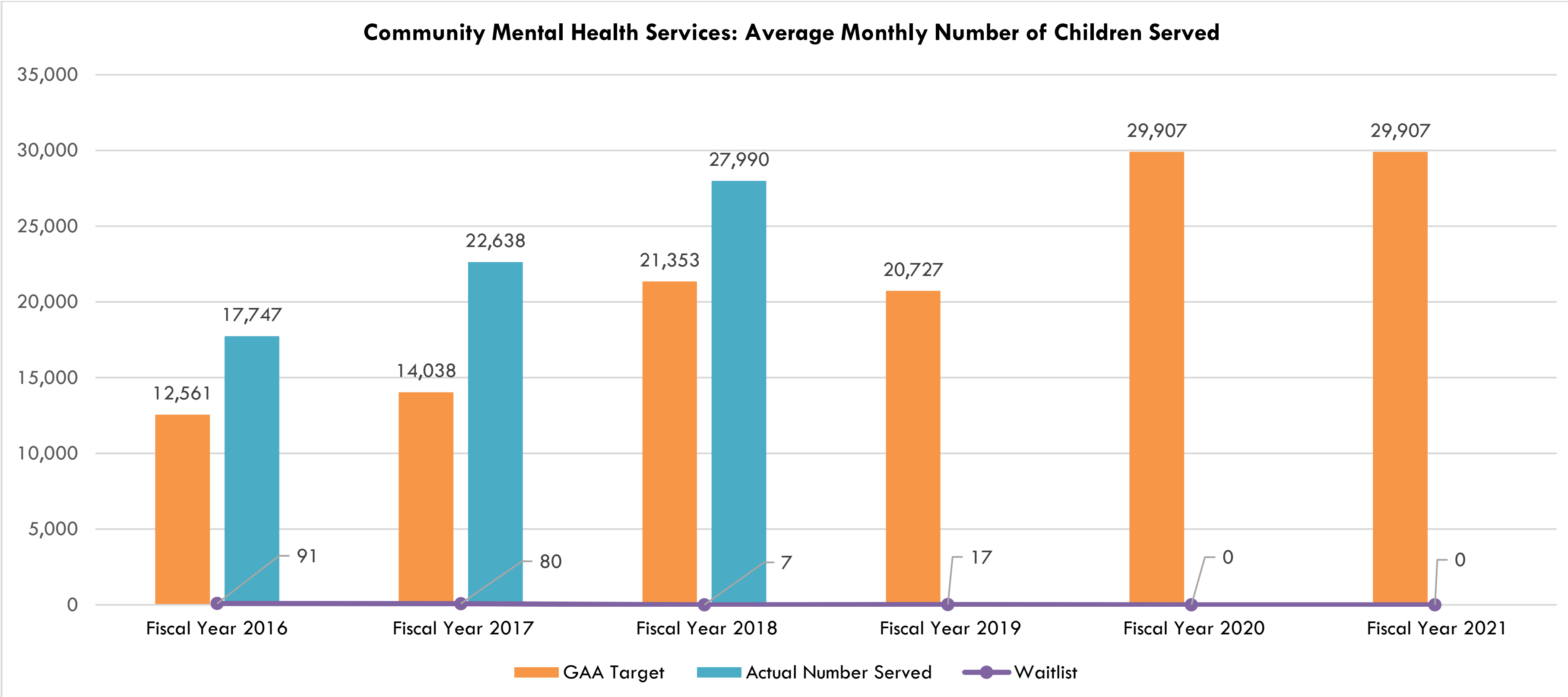
b. *Waitlists Specific to the Former NorthSTAR Area*. North Texas Behavioral Health Authority (NTBHA) and LifePath are the LBHAs for counties formerly served through the NorthSTAR behavioral health waiver. NTBHA received $8.1 million of the $62.7 million in All Funds identified in Rider 80 including $4.4 million in enhanced waitlist funding to avoid future waitlists in the NTBHA catchment area. These LBHAs did not operate a waitlist for services in fiscal year 2018, and do not anticipate operating a waitlist in fiscal year 2019.

c. *Factors Contributing to the Operation of Waitlists*. HHSC Rider 75, Quarterly Reporting of Waiting Lists (2018-19 GAA), required the agency to report quarterly on waitlists for community mental health services. The final report for fiscal year 2018 noted some short-term and long-term factors that affect community mental health waitlists for both adults and children. Short-term factors include loss or retirement of a prescribing provider and lack of funding. Long-term factors include workforce shortages, especially in rural and underserved areas, and population growth. HHSC also noted that waitlists may not be able to be eliminated if demand increases beyond total capacity at the LMHAs and LBHAs.

The 39 LMHAs and LBHAs typically serve more individuals than the targeted amount listed in the General Appropriations Act. The charts below illustrate the average monthly number of adults and children served through community mental health programs and the number of individuals on the waitlist for these services at the end of each fiscal year:




**Source:** Department of State Health Services; Health and Human Services Commission; Legislative Budget Board.
**Notes:** Waitlist for fiscal years 2019, 2020, and 2021 is projected by the agency and assumes no additional funding would be provided in the 2020-21 biennium to take individuals off the waitlist. According to the agency, the average cost to take an adult off the waitlist is $4,800 per person.




**Source:** Department of State Health Services; Health and Human Services Commission; Legislative Budget Board.
**Notes:** Waitlist for fiscal year 2019 is projected by the agency. Waitlist for the 2020-21 biennium reflects LBB estimates to align with funding provided by House Bill 1, Introduced, Eighty-sixth Legislature, 2019. According to the agency, the average cost to take a child off the waitlist is $5,100 per person.

12. **Waitlists for Inpatient Mental Health Services.** HHSC operates nine state-owned mental health facilities and one state-owned inpatient residential treatment facility for adolescents. Patients are admitted into the state hospitals voluntarily, through a civil commitment, or through a forensic commitment for competency restoration. Commitments can also be made to maximum-security units (MSUs) at North Texas State Hospital – Vernon Campus or Rusk State Hospital, depending on the severity of the patient's crime. The average daily census at the state hospitals for fiscal year 2018 was 2,109 individuals; this is 292 individuals below the fiscal year 2018 target in the 2018-19 GAA. According to the agency, staffing shortages, recruitment issues, and potential life and safety code violations all contribute to a lower average daily census and waitlists. The state hospitals are also serving a higher ratio of forensic patients who average significantly longer lengths of stay than civil patients, resulting in fewer overall patients per year served through the state hospital system. As of October 2018, 265 individuals were waiting for non-maximum security forensic capacity, and 452 individuals were waiting for maximum-security capacity; the average wait time for admission in fiscal year 2018 was 42 days and 231 days, respectively. Two MSU construction projects, expected to be completed by February and October of 2021, would replace 40 existing MSU beds and add 130 MSU beds to the system.

13. **State Hospital Funding.** Recommendations for Strategy G.2.1, Mental Health State Hospitals, total $852.4 million in All Funds ($720.9 million in General Revenue) for the 2020-21 biennium to continue funding for the state hospitals at fiscal year 2018 service levels and fund increased capacity at San Antonio, Kerrville, and Rusk State Hospitals, made available by completed construction projects. (See Selected Fiscal and Policy Issue #14). Also included is a method of finance swap of $5.9 million in General Revenue for Public Health Medicaid Reimbursements Account No. 709 to align with recommendations for DSHS. Recommendations do not include $6.5 million in General Revenue to fund an agency-requested capital project to update the Clinical Management for Behavioral Health Services (CMBHS) electronic health record system.

Appropriations for the 2018-19 biennium included certain patient revenue collections and federal reimbursement for uncompensated care and medical coding upgrades that are now anticipated to not be collected. This resulted in an agency-estimated need of $21.8 million in General Revenue in fiscal year 2018 and $22.5 million in General Revenue in fiscal year 2019. Pursuant to HHSC Rider 187, Mental Health Appropriation Transfer Between Fiscal Years (2018-19 GAA), HHSC received approval to transfer $15.0 million in General Revenue from fiscal year 2019 into fiscal year 2018 to partially offset the resulting shortfall. HHSC Rider 187(b) limits a transfer approved through the rider to $15.0 million in General Revenue; HHSC plans to send a request to transfer additional funds to Strategy G.2.1, Mental Health State Hospitals, if their projected need exceeds $15.0 million in fiscal year 2018.

Fiscal year 2018 expenditures now total an estimated $415.7 million in All Funds. Recommendations assume these operational costs would continue into the 2020-21 biennium, and would fund fiscal year 2018 services levels in each fiscal year of the 2020-21 biennium. Recommendations also fund increased capacity at the state hospitals. The table below compares 2018-19 estimated expenditures to recommendations:

| Strategy G.2.1, Mental Health State Hospitals | Agency's Estimated Expenditures for Fiscal Year 2018 | Agency's Budgeted Expenditures for Fiscal Year 2019 | Recommendations for Fiscal Year 2020 | Recommendations for Fiscal Year 2021 |
|---|---|---|---|---|
| General Revenue | $346.9 million | $319.5 million | $354.5 million | $366.3 million |
| Federal Funds | $5.0 million | $5.2 million | $5.0 million | $5.0 million |
| Other Funds | $63.7 million | $63.7 million | $61.4 million | $60.1 million |
| **All Funds** | **$415.7 million** | **$388.5 million** | **$421.0 million** | **$431.5 million** |

**Source:** Legislative Budget Board; Health and Human Services Commission.
**Notes:** Fiscal year 2019 amounts include adjustments for LBB approved transfers and revenue not anticipated to be collected.

14. **New Construction Projects at State Hospitals.** HHSC Rider 147, New Construction of State Hospitals (2018-19 GAA), identified $300.0 million in Economic Stabilization Funds (ESF) in Strategy G.4.2, Facility Capital Repairs and Renovations, for planning and new construction projects at the state hospitals and other state-funded inpatient mental health facilities. The rider required concurrent approval from the Legislative Budget Board and Governor's Office for specific projects or significant repairs prior to expenditure of the funds. HHSC received approval to expend $293.7 million in ESF in the 2018-19 biennium, including $0.7 million to hire 3.0 FTEs to oversee the projects. The approved projects would add a minimum of 338 inpatient beds to the state hospital system, including 130 new maximum-security unit (MSU) beds.

Recommendations provide cross-biennia authority for any unexpended balance in ESF from fiscal year 2019 to fiscal year 2020. The table below summarizes 2018-19 approved projects:

| New Construction Projects[1] | 2018-19 Approved Requests[2] | Estimated Start of Construction[3] | Estimated Move In Date |
|---|---|---|---|
| San Antonio State Hospital - 296 Bed Replacement[4] | $ 14,500,000 | October 2019 | December 2022 |
| Austin State Hospital - 240 Bed Replacement[4] | $ 15,500,000 | October 2019 | June 2023 |
| San Antonio State Hospital - 40 Bed Unit | $ 11,500,000 | January 2019 | March 2020 |
| Kerrville State Hospital - 70 Bed MSU | $ 30,500,000 | May 2019 | February 2021 |
| Rusk State Hospital - 100 Bed MSU | $ 91,500,000 | March 2019 | October 2021 |
| Rusk State Hospital - 100 Bed Unit[4] | $ 4,500,000 | October 2021 | March 2024 |
| Harris County Psychiatric Center - 228 Bed Facility | $ 125,000,000 | March 2019 | December 2021 |
| **GRAND TOTAL** | **$ 293,000,000** | | |

**Source:** Health and Human Services Commission.
**Notes:**
1) Projects mostly align with HHSC's Comprehensive Plan for State-Funded Inpatient Mental Health Services, submitted in August 2017. The plan was submitted pursuant to HHSC Rider 147, New Construction of State Hospitals, and noted potential projects for the Legislature to consider for the 2018-19, 2020-21, and 2022-23 biennia.
2) HHSC received approval to expend $293.7 million in ESF for construction projects, including $0.7 million to hire 3.0 FTEs to oversee the construction projects that is not included in the 2018-19 total above.
3) Based on information from HHSC as of October 2018.
4) HHSC's Exceptional Item Request #7, Funding State Hospital Planning and Construction (Comprehensive Plan Phase II), includes a placeholder of $4 in General Revenue to construct replacement of the San Antonio State Hospital and Austin State Hospital, the 100 bed unit at Rusk State Hospital, and funding for new projects for the Legislature to consider.

15. **State Supported Living Centers.**

a. *2020-21 Biennium*. Recommendations total $1,369.1 million in All Funds ($518.9 million in General Revenue) for the 2020-21 biennium. This is a $5.5 million decrease in All Funds ($49.7 million decrease in General Revenue) from the 2018-19 biennium. The decrease in General Revenue is primarily due to more favorable FMAP assumptions, resulting in $44.5 million in General Revenue savings. Recommendations for the state supported living centers (SSLCs) continue the agency's fiscal year 2018 estimated expenditures into fiscal year 2020, with reductions to account for the following:

- $5.0 million in General Revenue reduction associated with contract savings: HHSC cancelled certain non-essential state office contracts on September 1, 2018. Services provided through the contracts, including external quality reviews and risk assessments, were part of a quality improvement program required by the 2009 settlement agreement between the state and the U.S. Department of Justice. According to HHSC, the functions of the non-essential state office contracts were brought in-house, resulting in an overall savings of $5.0 million;

- $2.7 million in All Funds ($1.2 million in General Revenue) reduction related to LBB staff-projected census declines at the SSLCs: Recommendations assume 10.0 percent of prior fiscal year's budgeted expenditures are variable and reduce the variable portion of expenditures by a projected census decline of 1.9 percent in fiscal year 2019 and 2.0 percent in fiscal year 2020. Recommendations assume a reduction of $1.3 million in All Funds ($0.6 million in General Revenue) in fiscal year 2019 and include an additional reduction of $1.4 million in All Funds ($0.6 million in General Revenue) in fiscal year 2020; and

- $1.1 million in Federal Funds reduction due to the discontinuation of Money Follows the Person (MFP) Rebalancing Demonstration in fiscal year 2020: Texas is approved to spend MFP funds until August 2019. HHSC is seeking approval from CMS to spend the funds through September 2020. Recommendations assume Texas's current authority for MFP expenditures.

Overall recommendations for fiscal year 2020 total $685.2 million in All Funds ($263.7 million in General Revenue).

Recommendations continue fiscal year 2020 assumptions into fiscal year 2021, with an additional $1.4 million in All Funds ($0.6 million in General Revenue) reduction associated with a further 2.0 percent decline in census, for a total of $683.8 million in All Funds ($255.3 million in General Revenue).

b. *Summary of State Supported Living Center (SSLC) Long Range Planning Report*. HHSC is required to provide a report every two years that updates the public about the provision of services at the SSLCs. According to the report, the number of admissions exceeded the number of transitions to community settings during the 2016-17 biennium, slowing the census decline. However, total overall separations, which includes community transitions, deaths, and discharges, continued to be higher than admissions. Since fiscal year 2010, the most frequent type of admission to SSLCs has been Involuntary Regular commitments, or individuals with a diagnosis of IDD who meet civil commitment criteria. Almost 39 percent of the 139 new admissions during fiscal year 2017 had a Home and Community-based Services (HCS) waiver slot at the time of admission; the agency reports residents with complex behavioral health needs are unable to have their needs met in a community setting.

16. **Office of Minority Health Statistics and Engagement.** Recommendations for the 2020-21 biennium include a decrease of $2.3 million in All Funds ($0.7 million in General Revenue) in Strategy F.3.3, Additional Advocacy Programs, and the deletion of former Rider 135, Office of Minority Health Statistics and Engagement, due to the discontinuation of the Office of Minority Health Statistics and Engagement (Office). Rider 135 identified funding and FTEs to carry out the functions of the Office in fiscal year 2018. The rider limited Office funding in fiscal year 2019 to federal grants, interagency contracts, and gifts and donations if HHSC was unsuccessful in transferring the functions of the Office to a university. The agency was unable to transfer the functions of the Office to a university, and the Office ceased functions as of September 1, 2018.

17. **Women's Health Programs.** Recommendations include $278.8 million in All Funds ($141.1 million in General Revenue) for women's health programs for the 2020-21 biennium, which is a decrease of $0.2 million in All Funds ($58.8 million in General Revenue) from 2018-19 spending levels.

a. *Healthy Texas Women (HTW)*. As outlined in HHSC Rider 104, Funding for Healthy Texas Women Program (2018-19 GAA), fiscal year 2019 appropriations for HHSC Strategy D.1.1, Women's Health Programs, assumed HHSC would seek approval to receive federal matching funds for the HTW Program. The GAA assumed a 90 percent federal matching rate and included $90.0 million in Medicaid Federal Funds and $10.0 million in General Revenue Match for Medicaid in fiscal year 2019 for HTW. On June 30, 2017, HHSC submitted the Healthy Texas Women Section 1115 Demonstration Waiver application to the Centers for Medicare and Medicaid Services (CMS), with a proposed effective date of September 1, 2018. The application is pending.

The 2018-19 GAA assumed all HTW expenditures would be subject to a 90 percent federal matching rate, however, if approved, family planning services are anticipated to be matched at 90 percent and non-family planning services are anticipated to be matched at FMAP. The 2018-19 base, as well as 2020-21 recommendations, assume this mix of match rates. The increased General Revenue demand was addressed through transfers in fiscal year 2019.

Recommendations for 2020-21 include $161.4 million in All Funds, reflecting a $55.7 million increase in Federal Funds due to an assumed full biennium of waiver approval, offset by a corresponding decrease in General Revenue. Recommendations also include $5.8 million in Vendor Drug Rebates – Public Health (General Revenue Account No. 8046), offset by a corresponding decrease in General Revenue. HHSC receives these rebates from manufacturers of long-acting reversible contraception (LARC). Recommendations also include modifying Rider 81, Vendor Drug Rebates and Report, to provide HHSC appropriation authority for rebates generated in excess of appropriations. If vendor drug rebate collections are higher than assumed in the GAA, the rider directs HHSC to use the rebates as a first source and to decrease General Revenue expenditures by a like amount so as to not exceed All Funds appropriations for the program. See also Section 4, Rider Highlights.

b. *Family Planning Program (FPP)*. Recommendations maintain 2018-19 spending levels of $80.8 million in All Funds ($77.0 million in General Revenue) for FPP.

c. *Breast and Cervical Cancer Services (BCCS)*. Recommendations include $20.1 million in All Funds ($3.0 million in General Revenue) for BCCS, and assume a $0.6 million biennial increase in Federal Funds, offset by a corresponding decrease in General Revenue. Recommendations are $0.6 million in Appropriated Receipts (Other Funds) below the 2018-19 base due to one-time settlement funds received from the State of Washington assumed in fiscal year 2019.

d. *Title V Women's Dental and Health Services*. The Title V Women's Dental and Health Services program provides prenatal services to pregnant women who are in the process of applying for and enrolling in Medicaid or the CHIP Perinatal program. Because the services provided and population served by the program are dissimilar to HTW, FPP, and BCCS, recommendations transfer both historical and recommended funding for Title V Women's Dental and Health Services from Strategy D.1.1, Women's Health Programs, to Strategy D.1.8, Title V Dental and Health Services, which also includes Title V Children's Dental and Health Services. Recommendations for Strategy D.1.8, Title V Dental and Health Services, include $17.5 million in All Funds ($3.2 million in General Revenue).

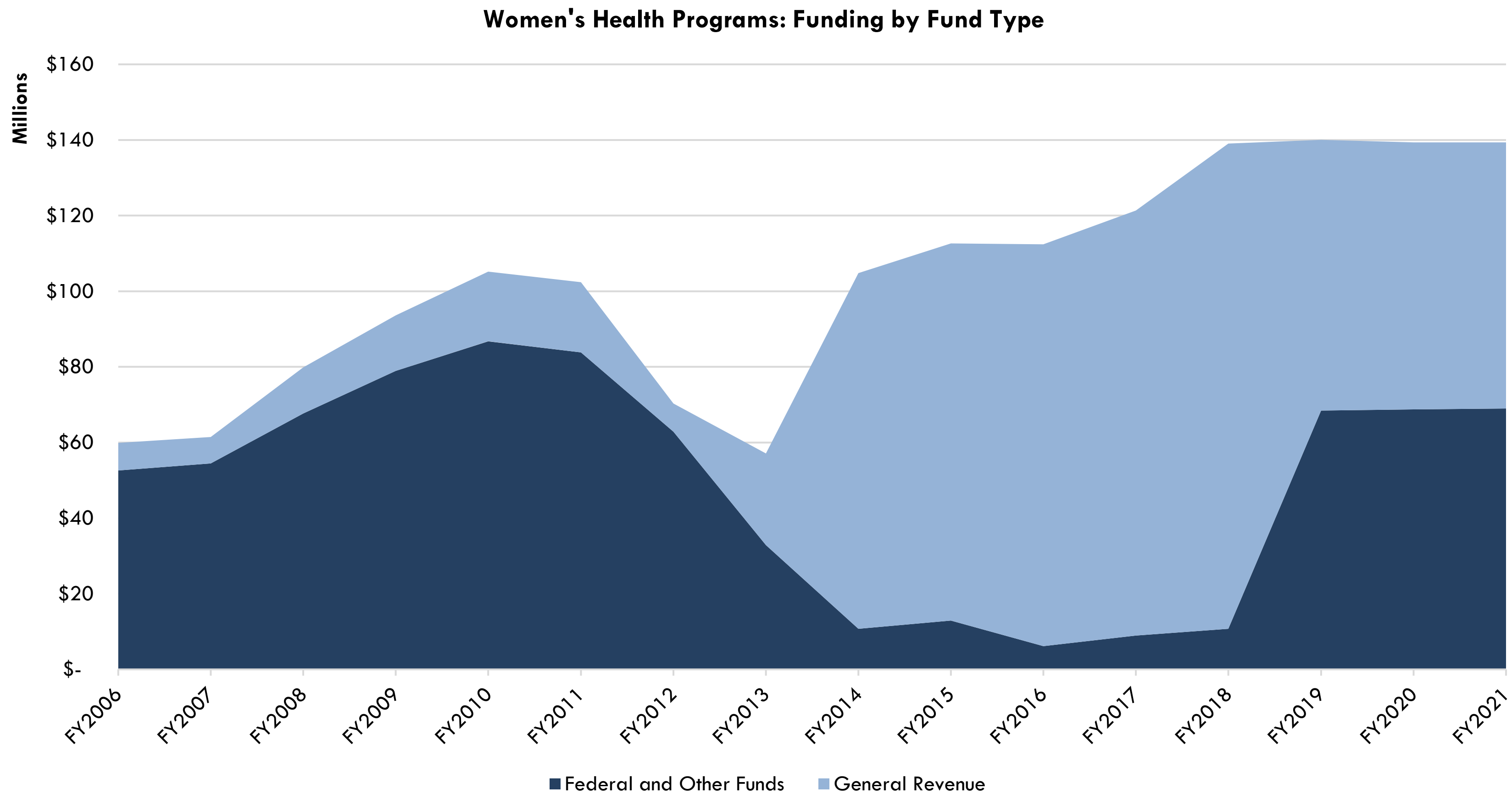
e. *Administration*. Recommendations include $16.5 million in All Funds ($9.6 million in General Revenue) for administration of HTW, FPP, and BCCS, and assume a $2.9 million biennial increase in Federal Funds, offset by a corresponding decrease in General Revenue. The majority of the Federal Funds increase ($2.8 million) is based on the assumption that approval of HHSC's 1115 Waiver application will result in a 50 percent federal matching rate for administrative expenditures related to HTW. Recommendations assume HHSC will hire additional FTEs in fiscal year 2019 to administer these programs and reflect a $0.3 million All Funds increase to biennialize fiscal year 2019 funding.

**Funding for Women's Health by Program (in millions)**

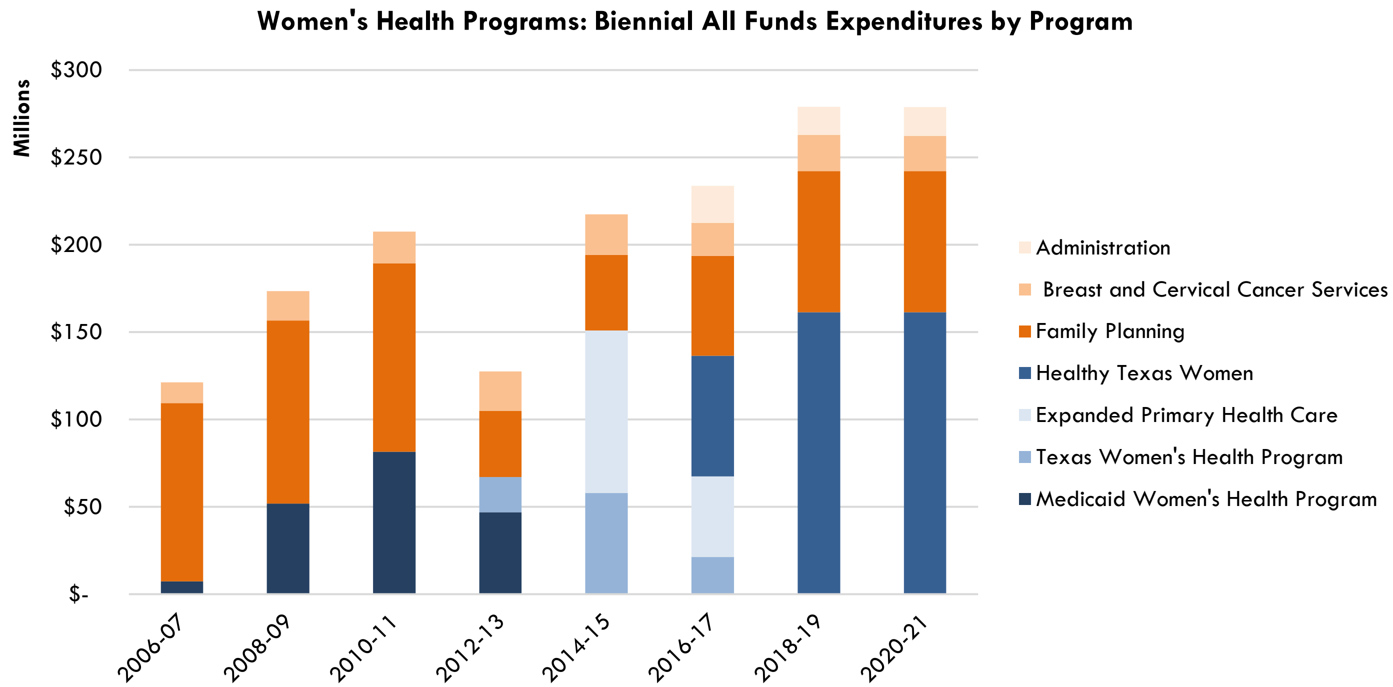
| | Healthy Texas Women | | Family Planning Program | | Breast and Cervical Cancer Services | | Administration | | Total, D.1.1, Women's Health Programs | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **General Revenue** | **All Funds** | **General Revenue** | **All Funds** | **General Revenue** | **All Funds** | **General Revenue** | **All Funds** | **General Revenue** | **All Funds** |
| 2018-19 Spending Level | $107.1 | $161.3 | $77.0 | $80.8 | $3.6 | $20.8 | $12.2 | $16.1 | $199.9 | $279.0 |
| 2020-21 Biennium Recommendations | $51.4 | $161.3 | $77.0 | $80.8 | $3.0 | $20.1 | $9.6 | $16.5 | $141.1 | $278.8 |
| **Biennial Change** | **($55.7)** | **-** | **-** | **-** | **($0.6)** | **($0.6)** | **($2.5)** | **$0.3** | **($58.8)** | **($0.2)** |

**Source:** Legislative Budget Board.

The two figures below show spending on women's health programs for fiscal years 2006 through 2021.




**Source:** Legislative Budget Board.

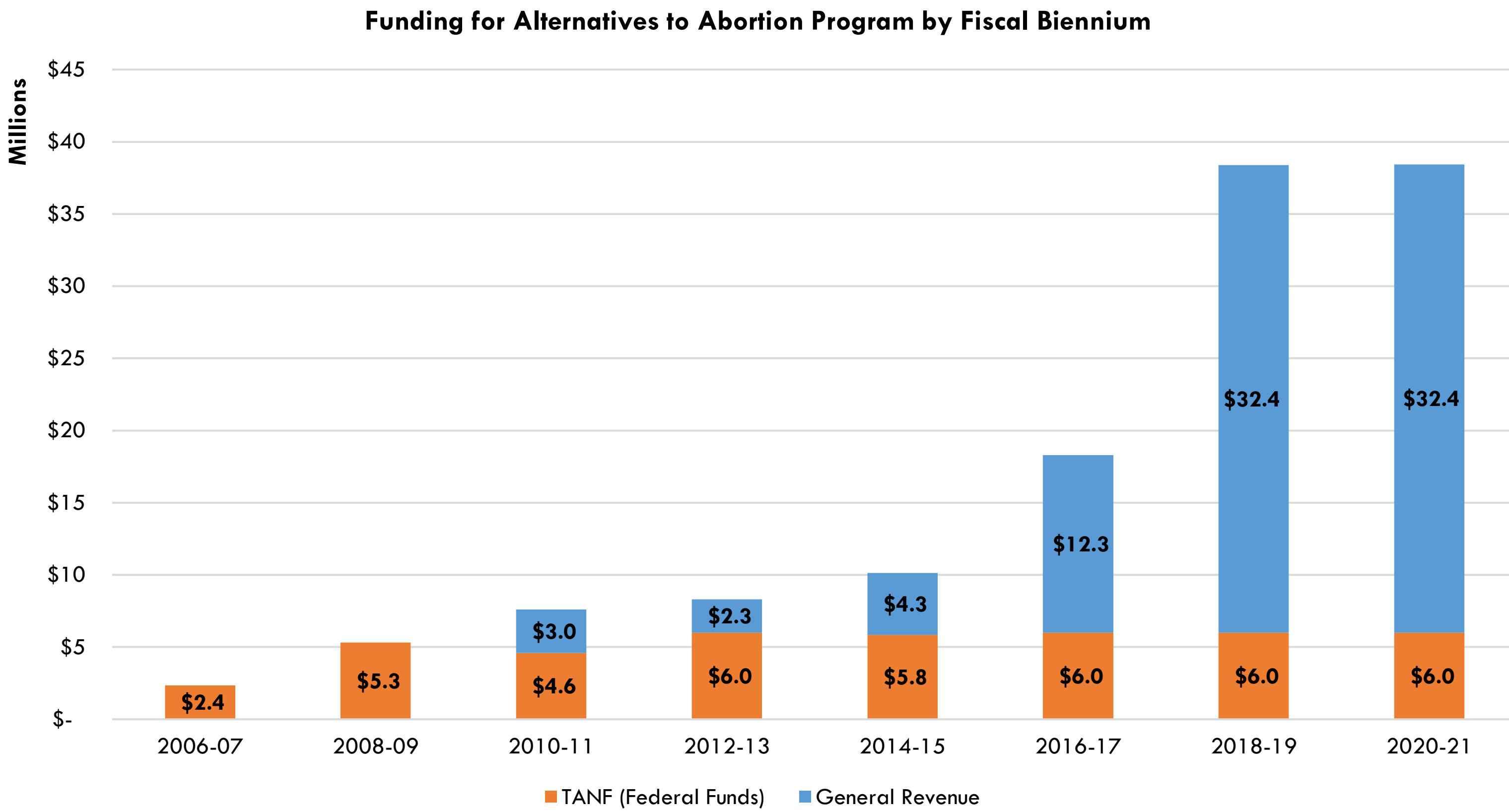



**Source:** Legislative Budget Board.
**Note:** Administrative costs are rolled into program costs prior to the 2016-17 biennium.

18. **Alternatives to Abortion.** Recommendations include $38.4 million in All Funds ($32.4 million in General Revenue) in Strategy D.1.2, Alternatives to Abortion, for the 2020-21 biennium, which is a $66,479 increase above 2018-19 spending levels, due to biennialization of funding for contract oversight staff.

Appropriations for the 2018-19 biennium included $18.3 million in All Funds ($12.3 million in General Revenue) for Strategy D.1.2, Alternatives to Abortion. Additionally, HHSC Rider 107, Alternatives to Abortion (2018-19 GAA), allowed HHSC to transfer up to $20.0 million from any appropriated funds into Strategy D.1.2, Alternatives to Abortion, if the agency determined that there was a demand based on program utilization. Rider 107 also required HHSC to submit an annual report to the LBB and the Governor's Office regarding any identified need for additional funds and expenditure of funds by grant recipients.

HHSC's first report identified three opportunities for program expansion: expanding services through a child's third birthday; adding pregnancy care case management; and adding job training and placement services. The report also communicated HHSC's intention to transfer $20.0 million into Strategy D.1.2, Alternatives to Abortion, pursuant to Rider 107. The agency later indicated that the funding would be transferred out of Medicaid. The figure below shows funding for the Alternatives to Abortion program by method of finance for fiscal years 2006 through 2021.




**Note:** Fiscal years 2006 through 2017 are expended; fiscal year 2018 is estimated; fiscal year 2019 is budgeted; fiscal years 2020 and 2021 are recommended.
**Source:** Legislative Budget Board.

Subcontractors, which include adoption agencies, residential care facilities for pregnant women, pregnancy centers, and social service providers, provide the following services:

- Counseling, referral, and pregnancy information through a hotline and website;
- Mentoring;
- Information regarding pregnancy and parenting;
- Support groups in maternity homes;
- Referrals to community and social service programs such as childcare, transportation, housing, and state and federal benefit programs;
- Classes on life skills, budgeting, parenting, stress management and obtaining a GED certificate; and
- Material items such as car seats, maternity clothes, infant diapers, and formula.

Under the expanded program, services are available to any pregnant woman or adoptive parent who seeks services from a contracted program provider. Services are available for a period of three years postpartum; 90 days after miscarriage or loss of a child; or for up to two years post-adoption finalization.

19. **Early Childhood Intervention (ECI) Services.** Recommendations include $293.6 million in All Funds ($60.2 million in General Revenue) for the 2020-21 biennium, which is a $4.2 million Federal Funds increase above 2018-19 spending levels for anticipated caseload growth. Recommendations include Legislative Budget Board (LBB) forecasted amounts for total expenditures, average monthly caseload, average monthly cost per child, and average monthly hours of services per child. Caseloads grew 3.2 percent in fiscal year 2018. Projections assume similar growth in fiscal year 2019 and slower growth for the 2020-21 biennium similar to population projections. Average cost for the 2020-21 biennium is maintained at the fiscal year 2019 level. Average monthly service hours of 2.82 per child in fiscal year 2018 are maintained through fiscal year 2021. The table below illustrates the LBB's projections for ECI caseload:

**Average Monthly Number of Children Served in Comprehensive Services**

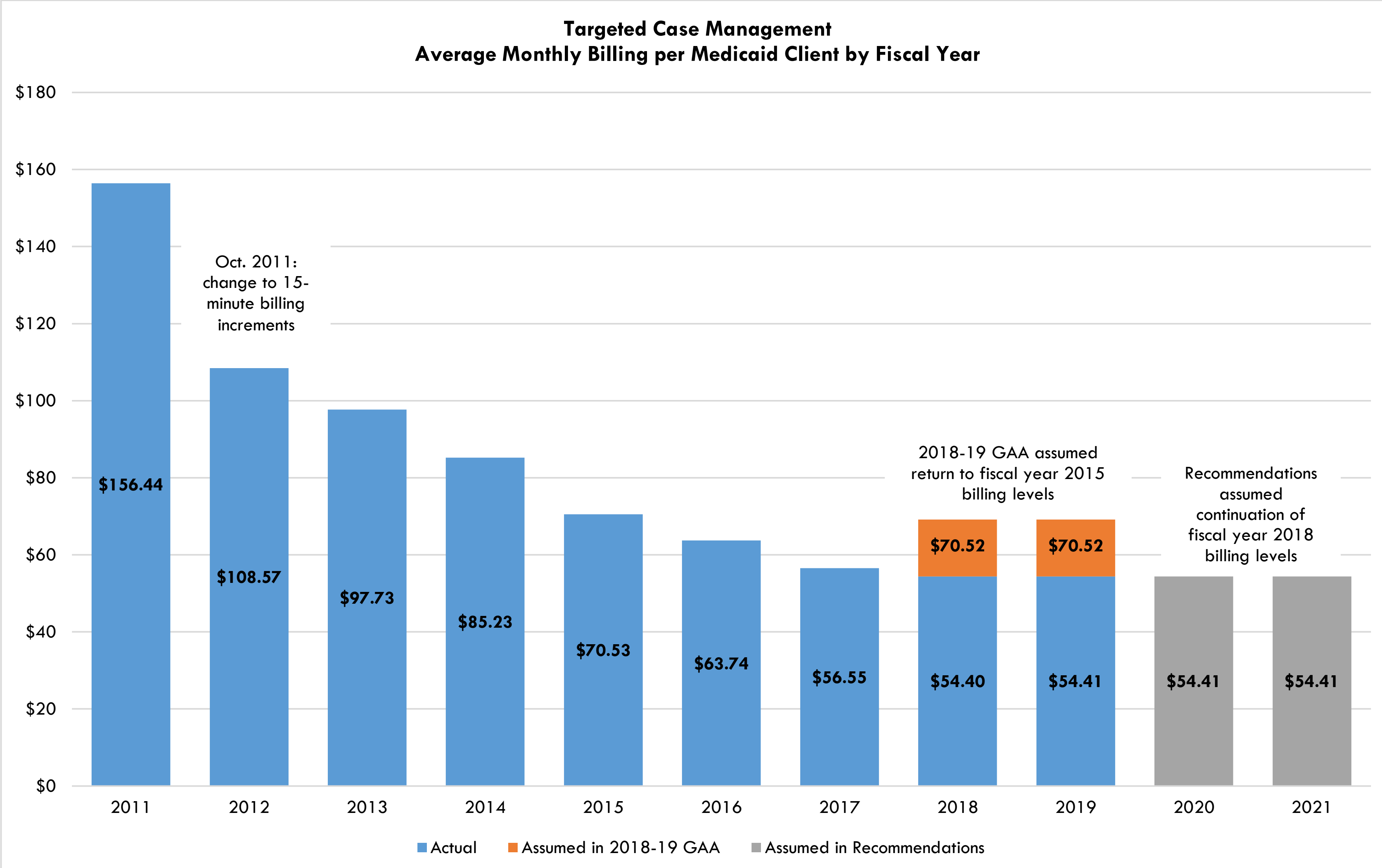
| Fiscal Year | 2017 | 2018 | Trend | 2019 | Trend | 2020 | Trend | 2021 | Trend |
|---|---|---|---|---|---|---|---|---|---|
| LBB Recommendations | 28,647 | 29,553 | 3.2% | 30,513 | 3.2% | 30,761 | 0.8% | 30,832 | 0.2% |

a. *Medicaid Billing*. Included in each ECI provider's contract is a maximum amount to be reimbursed by HHSC, and an amount to be collected by the provider from Medicaid billings for targeted case management (TCM), specialized skills training (SST) services, and Medicaid Administrative Claiming (MAC) costs.

i. *Targeted Case Management (TCM) Reimbursement:* ECI providers can receive reimbursement for providing TCM, which involves assisting Medicaid-eligible clients and their families to gain access to the rights and procedural safeguards under IDEA Part C, and to needed medical, social, educational, developmental, and other appropriate services. TCM billing began to decline in fiscal year 2012, after the state plan changed to require providers to bill for TCM in 15-minute increments instead of billing by the hour. Though the initial decline in TCM billing between fiscal years 2011 and 2012 was expected, billing has continued to decline in every year since. HHSC has not provided a complete explanation for the continued decline. However, declines in Medicaid billing should represent a decline in services provided by ECI contractors, which should reduce overall provider costs.

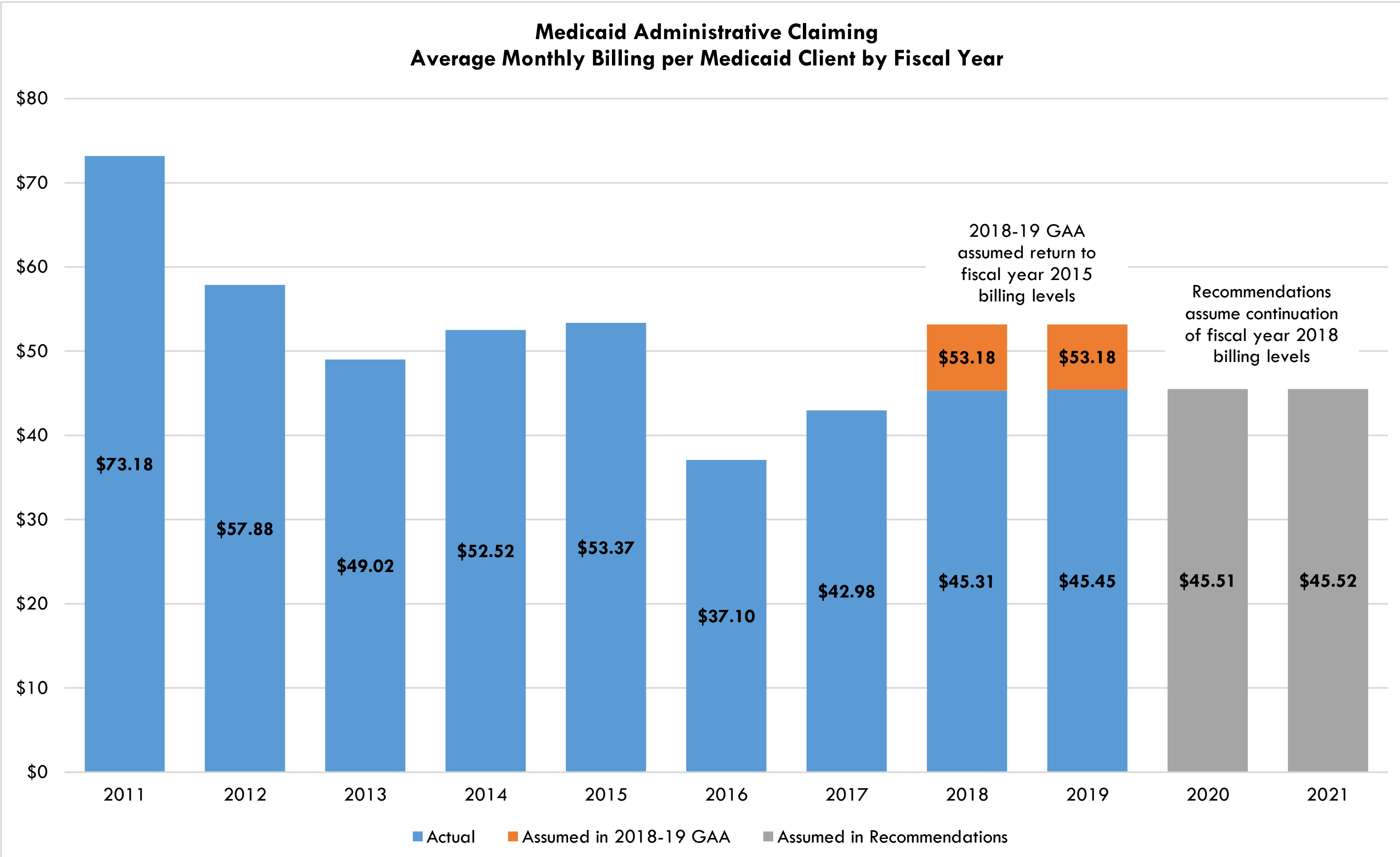
In order to increase TCM billing, HHSC Rider 114, Early Childhood Intervention (ECI) Services: Medicaid Billing (2018-19 GAA), directed HHSC to provide technical assistance to local ECI providers regarding TCM. Additionally, Rider 114 allowed HHSC to seek federal approval for a Medicaid state plan amendment to authorize Medicaid reimbursement for pooled increments of TCM services. HHSC indicated that the agency took several steps to provide technical assistance in accordance with the rider, including: presenting TCM trends and best practices at a meeting of ECI program directors; establishing a TCM workgroup that meets monthly; providing training on TCM billing and reimbursement to ECI contractors; and beginning a project to revise TAC rules to define TCM and clarify TCM documentation requirements. HHSC has not sought a state plan amendment to authorize Medicaid reimbursement for pooled increments of TCM.

TCM billing is projected to decline 3.8 percent between fiscal year 2017 and fiscal year 2018, to an average of $54.40 per Medicaid client per month. Recommendations maintain fiscal year 2018 billings for TCM during the 2020-21 biennium. The figure below shows average monthly TCM billing per Medicaid client for fiscal years 2011 through 2021.




**Source:** Legislative Budget Board; Health and Human Services Commission.

ii. *Medicaid Administrative Claiming (MAC)*. ECI contractors can also receive reimbursement for MAC, which includes activities that facilitate client access to medically necessary Medicaid-funded services. Billings for MAC have declined significantly from fiscal year 2011 levels. Additionally, between fiscal year 2015 and fiscal year 2016, MAC billings declined 30.5 percent, and have not fully recovered since. The agency has not been able to provide a clear reason for the emerging decline in MAC billing. Recommendations assume continuation of fiscal year 2018 billing levels. The figure below shows average monthly MAC billing per Medicaid client for fiscal year 2011 through 2021.




**Source:** Legislative Budget Board; Health and Human Services Commission.

b. *IDEA Part C Expenditures*: HHSC regularly does not expend all of the IDEA Part C Federal Funds appropriated to the agency for ECI services. This can be partially attributed to Medicaid billings for TCM, SST, or MAC being lower than appropriated levels assumed. The General Revenue appropriated as match for Medicaid for these services is then reclassified as unmatched General Revenue. HHSC uses this unmatched General Revenue in lieu of Part C funding in order to meet the maintenance of effort (MOE) requirement for Part C. The base assumes all appropriated IDEA Part C Federal Funds will be expended in 2018-19. The table below compares IDEA Part C appropriations to actual expenditures for fiscal years 2014 through 2019.

**IDEA Part C Appropriations versus Expenditures for Fiscal Years 2014 through 2019 (in millions)**

| Fiscal Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| Appropriations | $40.7 | $48.4 | $41.0 | $53.3 | $42.3 | $46.9 |
| Expenditures | $31.2 | $47.3 | $31.9 | $44.9 | $42.3 | $46.9 |
| **Unexpended IDEA Part C Funds** | **$9.5** | **$1.0** | **$9.1** | **$8.4** | **-** | **-** |

**Note:** Appropriations include regular appropriations, supplemental appropriations, and approved transfers into the ECI program. Expenditures for fiscal years 2014 through 2017 are based on data submitted to LBB by HHSC. Fiscal years 2018 and 2019 are based on LBB forecast, which assumes HHSC will expend all IDEA Part C appropriations in fiscal year 2018 and 2019.

c. *ECI Provider Contracts:* HHSC works with contractors to provide ECI services for the state. HHSC signed contracts with 42 contractors to provide ECI services in fiscal year 2019. In fiscal year 2018, three providers gave notice of intent to terminate their contracts with HHSC to provide ECI services.

HHSC bases ECI contract amounts (referred to as the “cost reimbursement” amount), in part, on the amount the agency projects each contractor would bill for Medicaid TCM, SST, and MAC. HHSC determines each contractor’s estimated total need and subtracts estimated Medicaid TCM, SST, and MAC collections to arrive at the contractor’s preliminary cost reimbursement amount. Additional adjustments may be made by HHSC to stay within the overall ECI program budget or to adjust for other factors, but this is generally how the agency determines a contractor’s cost reimbursement amount. Cost reimbursement amounts are paid with TANF Federal Funds, IDEA Parts B and C Federal Funds, Foundation School Funds, General Revenue Match for MAC, and any General Revenue not used as Medicaid matching funds. The cost reimbursement amount identified in an ECI provider’s contract is the maximum amount they would be reimbursed, even if the provider serves more children than the contract assumed. However, HHSC can make mid-year adjustments to contract amounts based on actual provider caseload.

As noted in subsection (b) above, when billing for Medicaid TCM, SST, or MAC is less than amounts assumed in the GAA, HHSC reclassifies the associated General Revenue Match for Medicaid as unmatched General Revenue, and expends this General Revenue in lieu of IDEA Part C Federal Funds in order to meet federal MOE requirements. This then leaves a balance of unexpended Part C funds. According to HHSC, ECI provider contracts are not currently structured in a way where any Part C balances remaining at the end of the fiscal year can be utilized to cover provider costs in excess of the cost reimbursement amount determined in the initial contract or during mid-year adjustments. HHSC is not exploring ways in which contracts can be restructured so any remaining IDEA Part C appropriations can be distributed to providers after the end of the fiscal year. LBB staff are looking into the feasibility of HHSC making such changes to the contract structure.

20. **Pediatric Tele-connectivity Resource Program for Rural Texas.** Recommendations include $5.8 million in All Funds ($2.7 million in General Revenue) in Strategy D.1.10, Additional Specialty Care, for the Pediatric Tele-connectivity Resource Program For Rural Texas established by House Bill 1697, Eighty-fifth Legislature, Regular Session, 2017. The purpose of the program is to award grants to rural health care facilities to connect the facilities with pediatric specialists and subspecialists who provide telemedicine services. Recommendations assume HHSC will be able to receive federal Medicaid and CHIP matching funds for the program.

21. **Temporary Assistance for Needy Families (TANF) Cash Assistance.** Recommendations assume an increase of $4.0 million in All Funds, including $0.1 million in General Revenue and $3.9 million in TANF Federal Funds, above 2018-19 expenditure levels to fund assumed increases in caseload and grant per recipient. Caseloads in the TANF Cash Assistance programs have mostly declined since fiscal year 2004. Recommendations assume continued caseload declines through fiscal year 2019 and 1.0 percent caseload growth in fiscal years 2020 and 2021 in the TANF program, the TANF State Program for two-parent families, and One-Time Payments for Children. Grant per recipient historically increases each year because the maximum grant is tied to the Federal Poverty Level (FPL), which in turn is tied to the Consumer Price Index. LBB staff forecast assumes an increase in the grant per recipient amount for both monthly cash assistance programs of 2.4 to 2.6 percent in fiscal year 2020 and fiscal year 2021 based on projected growth in the FPL. Recommendations maintain the eligibility for TANF at 17 percent of FPL.

22. **Hurricane Harvey.**

    a. *Other Needs Assistance (ONA)*. HHSC is the state agency responsible for administering ONA after a disaster. ONA provides funding for the repair or replacement of damaged personal property or other disaster-related expenses. ONA is 75 percent funded by the Federal Emergency Management Agency (FEMA) and 25 percent funded by the state. HHSC provided notification of several appropriation transfers in fiscal year 2018, totaling $110.0 million in General Revenue, and an increase of 223.0 temporary FTE positions in order to provide and administer ONA after Hurricane Harvey. The General Revenue was used to draw down $343.7 million in Federal Funds.

    b. *CHIP*. HHSC waived CHIP copayments and enrollment/renewal fees through November 30, 2017 for recipients affected by Hurricane Harvey. Managed Care Organizations (MCOs) were to compensate providers for the waived copayments and HHSC anticipates reimbursing MCOs $0.5 million in All Funds ($37,224 in General Revenue) in fiscal year 2019. Waived fees resulted in a decline in premium copayment revenue in fiscal year 2018.

    c. *Behavioral Health*. HHSC received two federal grants after Hurricane Harvey for the Texans Recovering Together program, which provided free, confidential crisis counseling and referral services to people impacted by the disaster.

    d. *Disaster Supplemental Nutrition Assistance Program (D-SNAP)*. HHSC is the state agency responsible for administering D-SNAP, which is 100 percent federally funded and is not reflected in the agency's bill pattern.

23. **Regulatory Functions.** Recommendations for strategies in Goal H, Regulatory Services, include $310.6 million in All Funds ($119.8 million in General Revenue and $16.7 million in General Revenue-Dedicated Funds), which is an increase of $9.7 million in All Funds (increase of $18.7 million in General Revenue and a decrease $11.6 million in General Revenue-Dedicated Funds) compared to 2018-19 spending levels, primarily related to biennialization of funding transferred from Strategy I.1.1, Integrated Eligibility & Enrollment, for certain regulatory FTEs approved by the LBB in fiscal year 2018 and to the impact of HHSC's revised Public Assistance Cost Allocation Plan.

    a. *Consolidation of Regulatory Functions*. Pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015, certain regulatory functions transferred from the Department of Aging and Disability Services (DADS), Department of Family and Protective Services (DFPS), and DSHS to HHSC on September 1, 2017.

       Pursuant to SB 200, Child Care Licensing (CCL), including both licensing and investigation activities, was slated to transfer from DFPS to HHSC on September 1, 2017. This transfer was assumed in the 2018-19 GAA. However, Senate Bill 11, Eighty-fifth Legislature, 2017; House Bill 5, Eighty-fifth Legislature, 2017; and House Bill 249, Eighty-fifth Legislature, 2017, amended statute to require the Child Protective Services (CPS) division of DFPS to perform all investigations of alleged abuse, neglect, or exploitation occurring in a child care facility.

       $6.9 million in All Funds ($3.0 million in General Revenue) and 119.0 FTEs in each year of the 2018-19 biennium were transferred from HHSC Strategy H.1.3, Child Care Regulation, to DFPS in order for DFPS to fulfill investigative functions. HHSC continues to be responsible for child care licensing activities.

b. *Texas.Gov*. HHSC utilizes Texas.Gov for a number of the agency's regulatory programs. Recommendations include new Strategy H.4.1, Texas.Gov, to capture subscription fees paid by HHSC to the Texas.Gov vendor. Recommendations maintain agency-reported annual subscription fees of $0.1 million for fiscal years 2018 and 2019 into the 2020-21 biennium.

*(See Selected Fiscal and Policy Issue #25 for information about the Public Assistance Cost Allocation Plan)*

24. **Sunset Review of Behavioral Health Boards.** The Texas State Board of Examiners of Marriage and Family Therapists, Texas State Board of Examiners of Professional Counselors, and Texas State Board of Social Worker Examiners, which fall under HHSC, are currently undergoing Sunset Review (see Rider Highlights #129, Sunset Contingency). Recommendation 1.1 of the *Sunset Advisory Commissions' Staff Report with Commission Decisions* (June 2018) is to consolidate the Board of Examiners of Marriage and Family Therapists, Board of Examiners of Professional Counselors, and Board of Social Worker Examiners with the Board of Examiners of Psychologists—currently an independent agency under Article VIII—to form the Texas Behavioral Health Executive Council. If adopted by the Legislature, Sunset Recommendation 1.1 would transfer funding and FTEs for the boards from HHSC to the new Behavioral Health Executive Council in fiscal year 2021. None of the remaining recommendations, if implemented, would have a fiscal impact at HHSC. According to the Sunset Commission, the net cost to the state to implement recommendations would be $0.9 million in General Revenue in fiscal year 2020.

25. **Administration.** Recommendations include $942.5 million in All Funds ($340.3 million in General Revenue) for all strategies in Goal L, System Oversight and Program Support, which is an increase of $18.7 million All Funds ($22.5 million in General Revenue) over 2018-19 spending levels. Activities within Goal L, System Oversight and Program Support, include: human resources; civil rights; procurement and contracting; ombudsman; executive leadership and policy; IT related capital projects and program support; legal; communications; risk and compliance management; rate analysis and system forecasting; actuarial analysis; strategic planning; program evaluation; internal audit; and budget management.

    a. *Public Assistance Cost Allocation Plan (PACAP)*. As the state administrator of certain public assistance programs including Medicaid, CHIP, and TANF, HHSC is required to have a PACAP. The PACAP allocates all HHSC direct and indirect administration costs to benefitting HHSC programs and to DSHS and DFPS.

    The consolidation of the health and human services agencies required by Senate Bill 200, Eighty-fourth Legislature, 2015, resulted in a need for HHSC to update the agency's PACAP. According to HHSC, the transfer of several heavily General Revenue funded programs to the agency, such as state hospitals, results in the allocation of more administrative costs to General Revenue than under the previous PACAP. In order to ensure General Revenue expenditures for administration did not exceed appropriations during the 2018-19 biennium, HHSC operated administrative functions at reduced levels and instituted an internal hiring freeze in Goal L during fiscal year 2018. HHSC indicated that, while the agency was able to operate administrative functions at a lower All Funds level during the 2018-19 biennium, this practice is not sustainable.

    The table below compares appropriations, expenditures, and recommendations from fiscal year 2016 to fiscal year 2021 for strategies in Goal L, System Oversight and Program Support. Appropriations for the 2018-19 biennium were $164.2 million in All Funds below 2016-17 spending levels. The majority of this reduction was in Interagency Contracts (IAC) and is attributable to HHS transformation. The decrease in IACs was partially offset by a $60.3 million increase in General Revenue. The agency's 2018-19 base was $36.2 million below appropriations, which is attributable to HHSC operating administrative functions at a lower level in order to operate within General Revenue appropriations.

    Recommendations partially restore HHSC to 2018-19 All Funds appropriated levels for strategies in Goal L, System Oversight and Program Support. This includes an increase of General Revenue to account for the impact the revised PACAP is expected to have on the allocation of administrative costs. This General Revenue was reallocated from one-time capital projects within strategies in Goal L, System Oversight and Program Support, and from Strategy I.1.1, Integrated Eligibility and Enrollment. Recommendations also include an increase of $3.6 million in IAC over the 2018-19 base. These IACs are with DFPS and DSHS for system oversight. The increase in IAC may require additional appropriations for DFPS and DSHS.

**Goal L, HHS Enterprise Oversight and Policy (in millions)**

| | 2016-17 Base | 2018-19 Approp | 2018-19 Approp Over/(Under) 2016-17 Base | 2018-19 Base | 2018-19 Base Over/(Under) 2018-19 Approp | 2020-21 Rec | 2020-21 Rec Over/(Under) 2018-19 Base | 2020-21 Rec Over/(Under) 2018-19 Approp |
|---|---|---|---|---|---|---|---|---|
| General Revenue | $258.0 | $318.3 | $60.3 | $317.8 | ($0.5) | $340.3 | $22.5 | $22.0 |
| General Revenue-Dedicated | - | $0.2 | $0.2 | - | ($0.2) | - | - | ($0.2) |
| Federal Funds | $363.8 | $322.7 | ($41.0) | $279.1 | ($43.6) | $271.7 | ($7.4) | ($51.0) |
| Interagency Contracts (IAC) | $498.4 | $314.1 | ($184.3) | $325.1 | $11.0 | $328.7 | $3.6 | $14.6 |
| Other Funds (non-IAC) | $4.1 | $4.7 | $0.6 | $1.8 | ($2.9) | $1.8 | - | ($2.9) |
| **All Funds** | **$1,124.2** | **$960.0** | **($164.2)** | **$923.7** | **($36.2)** | **$942.5** | **$18.7** | **($17.5)** |

**Source:** Legislative Budget Board.
**Notes:**
(1) HHSC was appropriated $0.2 million from General Revenue-Dedicated Account No. 129, Hospital Licensing, in Goal L in the 2018-19 biennium.
(2) Amounts may not sum due to rounding.

While the primary impact of the revised PACAP is on strategies in Goal L, HHS Enterprise Oversight and Policy, because the PACAP allocates all direct and indirect administrative costs, other changes throughout the agency are also attributable to revision of the PACAP. These shifts can be seen in strategies in Goal B, Medicaid and CHIP Support; Strategy D.1.10, Additional Specialty Care (related to the Office of eHealth); Strategy D.2.5, Behavioral Health Waiver and Plan Amendment; Strategy F.3.3, Additional Advocacy Programs; Strategy G.4.1, Facility Program Support; H.1.1, Facility/Community-Based Regulation; H.2.1, Child Care Regulation; H.3.1 Professional and Occupational Regulation; strategies in Goal I, Program Eligibility Determination and Enrollment; and Strategy K.1.2, OIG Administrative Support.

b. *Administrative Support Services*. HHSC is statutorily required to provide administrative support services to DSHS and the Texas Civil Commitment Office (TCCO). Administrative support services include strategic planning and evaluation, audit, legal, human resources, information resources, purchasing, contracting, financial management, and accounting services. While House Bill 5, Eighty-fifth Legislature, Regular Session, 2017, established DFPS as an independent agency outside of the HHS System, the bill requires DFPS and HHSC to enter into contracts for the provision of administrative services including payroll, procurement, information resources, rate setting, purchasing, and contracting.

26. **Procurement and Contracting.** The Procurement and Contracting Section (PCS) within HHSC Strategy L.1.1, HHS System Supports, provides procurement and solicitation activities, contract administration, and contract reporting for the agency as well as for DSHS and DFPS. PCS is partially funded by IAC with DSHS and DFPS.

**HHSC Procurement and Contracting Services Funding (in millions)**

| | 2018-19 Estimated/Budgeted | 2020-21 Recommended | 2020-21 Recommended Over/(Under) 2018-19 Estimated/Budgeted |
|---|---|---|---|
| General Revenue | $9.5 | $11.9 | $2.4 |
| All Funds | $33.3 | $36.0 | $2.7 |
| FTEs | 198.3 | 198.3 | - |

$0.2 million in All Funds ($0.1 million in General Revenue) and 4.0 FTEs in fiscal year 2018 and $0.9 million in All Funds ($0.4 million in General Revenue) and 4.0 FTEs in fiscal year 2019 was transferred from Strategy I.1.1, Integrated Eligibility and Enrollment, to PCS. Recommendations biennialize the transfer in 2020-21, resulting in an increase of $0.9 million in All Funds ($0.4 million in General Revenue). The remaining biennial increase for PCS is attributable to revision of the Public Assistance Cost Allocation Plan.

*(See Selected Fiscal and Policy Issue #5 for information about oversight of Managed Care Organization (MCO) contracts and Selected Fiscal and Policy Issue #25 for information about the Public Assistance Cost Allocation Plan)*

27. **Capital Needs.** Recommendations include the following related to capital needs and projects:

- *Texas Integrated Eligibility Redesign System (TIERS)* – Recommendations include $334.3 million in All Funds ($122.4 million in General Revenue) for TIERS capital projects and support. Recommendations maintain the 2018-19 base level of General Revenue and include a $42.1 million decrease in Federal Funds to align with federal financial participation (FFP) rates for new development, maintenance, and operations of TIERS; revised cost allocation estimates based on the new Public Assistance Cost Allocation Plan; and the assumed expiration of a Federal waiver that allows states to utilize enhanced Medicaid matching rates for all costs of modernizing the eligibility systems, even when certain functionality also benefits other federal programs that are matched at a lower rate. The waiver's current three-year extension ends after December 2018. Current Medicaid matching rates for eligibility system modernization remain at 90 percent for design and implementation activities and at 75 percent for maintenance and operations. HHSC provides eligibility services to clients of state and federal programs including SNAP Food Benefits, TANF, CHIP, and Medicaid and TIERS is the eligibility system of record for all eligibility-related tasks.

- *Data Center Services (DCS) and Seat Management* – A portion of HHSC Seat Management project, Microsoft Office 365 licenses, is expected to be moved to the Data Center Services (DCS) contract managed by the Department of Information Resources (DIR) during fiscal year 2019. These licenses were previously exempt from HHSC's DCS contract with DIR. Recommendations include $39.9 million in All Funds ($19.5 million in General Revenue) for Seat Management and $126.6 million in All Funds ($64.3 million in General Revenue) for DCS to maintain current obligations. Recommendations shift $25.0 million in All Funds ($13.1 million in General Revenue) from Seat Management to DCS to account for the migration of Microsoft Office 365 licenses to the DIR DCS contract. Recommendations reflect a decrease of $24.8 million ($15.4 million in General Revenue) for Seat Management and an increase of $21.3 million in All Funds ($8.9 in General Revenue) for DCS.

- *Enterprise Data Governance (EDG)* – Recommendations include $10.9 million in All Funds ($1.6 million in General Revenue) for the EDG project, which is a decrease of $1.2 million in All Funds ($36,944 in General Revenue) from 2018-19 spending levels. The project includes assessment of the available HHS system data and the development and establishment of common data definitions, standards, policies, and procedures. Recommendations continue the EDG project to further develop standard data practices for the HHS system.

- *Vehicle Replacement* – Recommendations provide $8.1 million in General Revenue to replace 248 vehicles that are projected to meet certain criteria before the end of fiscal year 2020, including $7.9 million in General Revenue to replace 243 vehicles at state-owned facilities. This is an increase of $7.5 million in General Revenue compared to 2018-19 spending levels.

- *Centralized Accounting and Payroll/Personnel System (CAPPS)* – Recommendations include $2.8 million in All Funds ($1.1 million in General Revenue) to align with the estimate provided by the Comptroller of Public Accounts for PeopleSoft licenses. Recommendations reflect an increase of $0.1 million in All Funds ($0.1 million in General Revenue) from 2018-19 spending levels.

- *Master Lease Purchase Program (MLPP)* – Recommendations include $6.6 million in General Revenue for MLPP to align with the estimate provided by the Texas Public Finance Authority for energy and water conservation projects at the State Supported Living Centers and state hospitals. This reflects a reduction of $1.0 million in General Revenue from 2018-19.

*(See also Selected Fiscal and Policy Issue #25 for information about the Public Assistance Cost Allocation Plan)*

28. **Integrated Eligibility and Enrollment.** Recommendations for Strategy I.1.1, Integrated Eligibility and Enrollment, maintain fiscal year 2019 appropriated All Funds levels and total $1,229.6 million in All Funds ($402.7 million in General Revenue) and 8,084.9 FTEs for the 2020-21 biennium, which is a decrease of $99.3 million in All Funds ($99.6 million in General Revenue) from the 2018-19 base spending level.

    In the 2018-19 biennium, HHSC received approval from CMS for a higher Medicaid matching rate (75 percent) for certain eligibility functions than assumed in the 2018-19 GAA (50 percent), which HHSC indicated freed-up $142.7 million in General Revenue. Special Provisions Relating to All Health and Human Services Agencies, Section 4(c) requires HHSC to obtain approval from the LBB and the Governor to expend General Revenue funds made available by a matching rate that becomes more favorable than the rate assumed in the 2018-19 GAA. While HHSC did receive approval to transfer $30.3 million in freed-up General Revenue for various purposes, HHSC has not requested or received approval to expend the remaining General Revenue for any other purpose. In addition, HHSC was directed to transfer up to a total of $90.0 million in surplus General Revenue (including surplus General Revenue in Strategy I.1.1, Integrated Eligibility and Enrollment) to Strategy D.1.1, Women's Health Program. To date, HHSC has not requested approval for expenditure of the freed-up General Revenue in fiscal year 2019, nor has the agency transferred any of the General Revenue to the Women's Health program, as directed. HHSC instead utilized freed-up General Revenue to increase the All Funds obligation in Strategy I.1.1, Integrated Eligibility and Enrollment, beyond the appropriated level in fiscal year 2018.

29. **Earned Federal Funds.** Recommendations decrease the Earned Federal Funds (EFF) target for HHSC to reflect actual and projected collections for the 2018-19 biennium. Recommended EFF is $14.2 million in each fiscal year of the 2020-21 biennium, which is a decrease of $3.6 million for the biennium from 2018-19 appropriated levels. Earned Federal Funds are dollars received in connection with a federal program, but by governing agreement are not required to be spent on that program. The most common examples of EFF are 1) recovery of costs previously paid from a non-federal source; 2) interagency contracts paid from another agency's federal funds; 3) depository interest earned on federal funds, and 4) sale of fixed assets purchased with federal funds. Agencies are provided General Revenue and are required to collect EFF at the level established in Article IX, Sec. 13.11, Definition, Appropriations, Reporting and Audit of Earned Federal Funds, or they must return General Revenue to the treasury in the amount equal to the amount not collected. General Revenue in Strategy I.2.1, Long-Term Care Intake & Access, is decreased by $1.8 million in each fiscal year of the 2020-21 biennium to reflect the recommended EFF levels.

30. **Texas Civil Commitment Office – Administrative Attachment.** Government Code, § 420A.011, establishes the Texas Civil Commitment Office (TCCO) as an independent state agency administratively attached to HHSC. HHSC is required to provide administrative support services including human resources, budgetary, accounting, purchasing, payroll, information technology, and legal support services to the office as necessary to carry out its duties. TCCO contracts with a vendor to operate the Texas Civil Commitment Center (TCCC), which operates as a total confinement facility and as an intake and orientation facility for committed persons on release from a secure correctional facility. TCCO is statutorily required to provide supervision and treatment to all civilly committed sexually violent predators (SVPs).

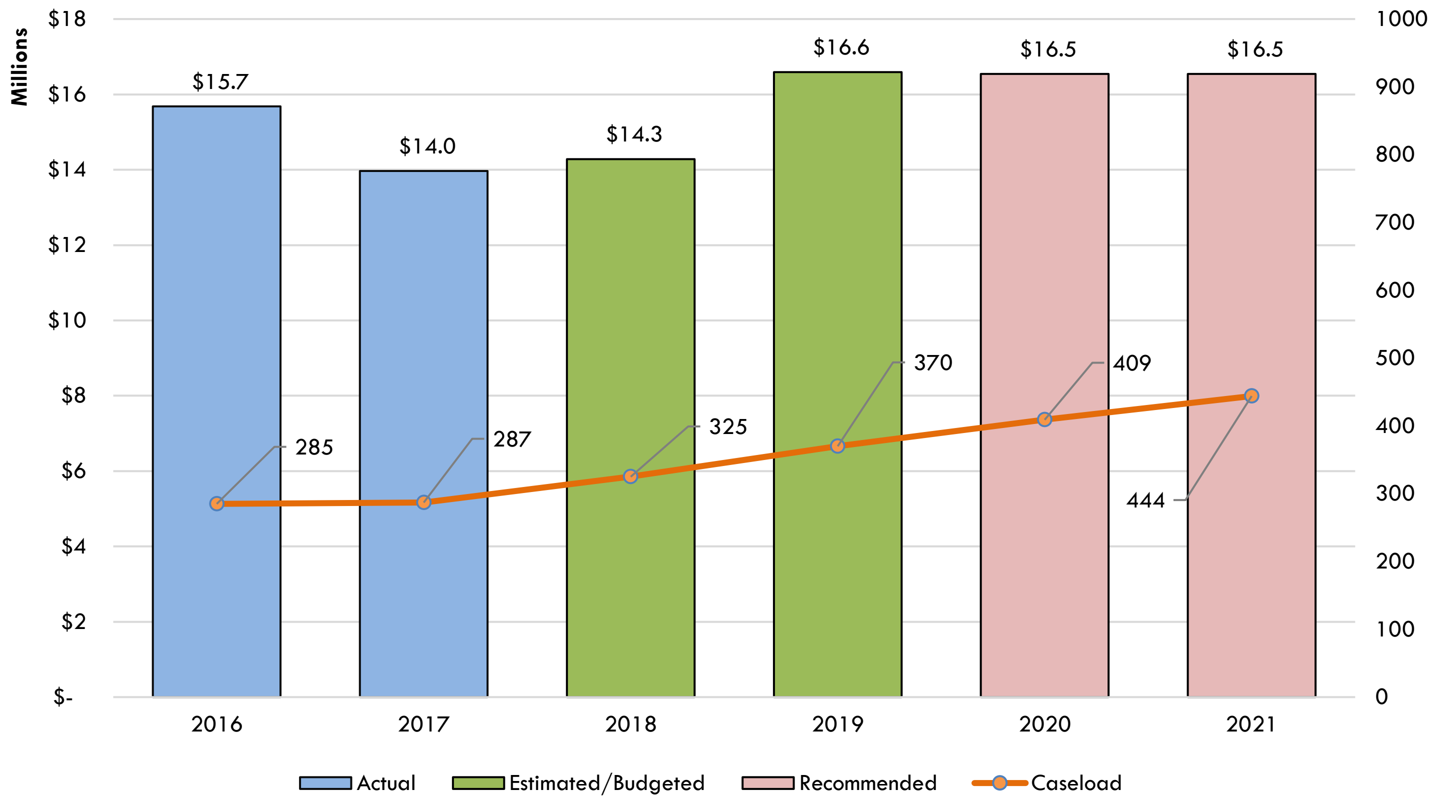
31. **Texas Civil Commitment Office – Texas Civil Commitment Center Facility Capacity.** TCCO anticipates that the TCCC will reach maximum capacity at 346 SVPs in fiscal year 2019. The TCCC is owned by the City of Littlefield and is leased to Correct Care, LLC., which operates the TCCC under contract with TCCO. TCCO initiated a request for proposal (RFP) through HHSC in February 2018 to explore options to secure additional capacity or expand the current facility. HHSC did not publish the RFP until November 9, 2018. TCCO indicates that the cost for procuring the necessary capacity and services is difficult to predict due to the limited number of possible vendors, the limited interest from communities for being the site of such a facility, and the significant delays associated with the current RFP.

32. **Texas Civil Commitment Office Uncompensated Healthcare Costs.** Recommendations include $0.6 million in General Revenue to provide for certain non-contract healthcare costs at the TCCC. TCCO received $0.6 million in General Revenue in fiscal year 2018 in the 2018-19 General Appropriations Act to provide for healthcare for individuals at the TCCC that is not covered under the current contract, as detailed in Rider 155, Texas Civil Commitment Office Healthcare Costs. TCCO estimates $0.3 million will be paid from appropriated funds in fiscal year 2018. The 2018-19 base assumes the transfer of $0.3 million in unexpended balances from fiscal year 2018 to fiscal year 2019 to pay for additional noncontract healthcare costs in fiscal year 2019.

33. **Texas Civil Commitment Office Recommendations.** Recommendations for TCCO total $16.5 million in All Funds and 35.0 FTEs in each fiscal year of the 2020-21 biennium. Recommendations continue funding at the fiscal year 2019 funding level in the 2020-21 biennium with an additional adjustment to remove $0.2 million in Interagency Contracts for one-time grant funding received from the Governor's Criminal Justice Division in fiscal year 2018.

    TCCO projects the number of civilly committed SVPs to be 409 by the end of fiscal year 2020 and 444 by the end of fiscal year 2021 (see chart on the next page). As of October 1, 2018, there are 321 civilly committed SVPs. The average cost to treat one SVP per year is approximately $46,500.

**Texas Civil Commitment Office – Funding and Number of Sex Offenders Provided Treatment and Supervision**




**Source:** Legislative Budget Board; Texas Civil Commitment Office.

**Note:** This schedule does not include selected fiscal and policy issues for the Office of Inspector General (OIG). For OIG items, see Section 3 of the presentation titled *Health and Human Services Commission – Office of Inspector General: Summary of Recommendations – House.*

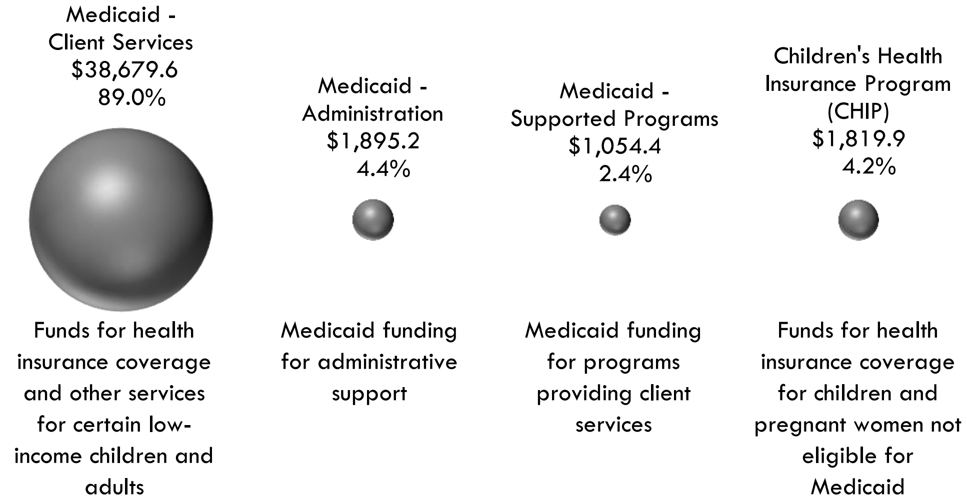
## Health and Human Services Commission
## Supplemental Schedule 3-1: Cross-Article Behavioral Health Biennial Funding Recommendations - House

| Agency | 2018-19 Biennium Estimated / Budgeted General Revenue Related | 2018-19 Biennium Estimated / Budgeted All Funds | 2020-21 Biennium House Bill 1, Introduced General Revenue Related | 2020-21 Biennium House Bill 1, Introduced All Funds | Over/(Under) 2018-19 Biennium General Revenue Related | Over/(Under) 2018-19 Biennium All Funds |
|---|---|---|---|---|---|---|
| Office of the Governor, Trusteed Programs | $ 23,590,585 | $ 152,386,112 | $ 22,910,620 | $ 152,784,703 | $ (679,965) | $ 398,591 |
| Veterans Commission | $ - | $ 12,178,000 | $ - | $ 11,578,000 | $ - | $ (600,000) |
| **Article I Subtotal** | **$ 23,590,585** | **$ 164,564,112** | **$ 22,910,620** | **$ 164,362,703** | **$ (679,965)** | **$ (201,409)** |
| Health and Human Services Commission | $ 2,145,093,014 | $ 3,344,325,792 | $ 2,233,432,902 | $ 2,954,906,878 | $ 88,339,888 | $ (389,418,914) |
| Texas Civil Commitment Office | $ 309,222 | $ 309,222 | $ 309,222 | $ 309,222 | $ - | $ - |
| Department of Family and Protective Services | $ 26,809,128 | $ 52,846,472 | $ 26,809,128 | $ 52,846,472 | $ - | $ - |
| Department of State Health Services | $ 1,528,479 | $ 2,873,837 | $ 3,956,189 | $ 5,323,118 | $ 2,427,710 | $ 2,449,281 |
| **Article II Subtotal** | **$ 2,173,739,843** | **$ 3,400,355,323** | **$ 2,264,507,441** | **$ 3,013,385,690** | **$ 90,767,598** | **$ (386,969,633)** |
| Texas Education Agency | $ - | $ - | $ 11,978,500 | $ 36,978,500 | $ 11,978,500 | $ 36,978,500 |
| School for the Deaf | $ - | $ - | $ 127,727 | $ 127,727 | $ 127,727 | $ 127,727 |
| Texas Tech University Health Sciences Center | $ - | $ - | $ 20,000,000 | $ 20,000,000 | $ 20,000,000 | $ 20,000,000 |
| University of Texas - Health Science Center at Houston | $ 16,000,000 | $ 16,000,000 | $ 16,000,000 | $ 16,000,000 | $ - | $ - |
| University of Texas - Health Science Center at Tyler | $ 8,000,000 | $ 8,000,000 | $ 8,000,000 | $ 8,000,000 | $ - | $ - |
| **Article III Subtotal** | **$ 24,000,000** | **$ 24,000,000** | **$ 56,106,227** | **$ 81,106,227** | **$ 32,106,227** | **$ 57,106,227** |
| Supreme Court of Texas | $ 1,234,000 | $ 1,234,000 | $ 2,000,000 | $ 2,000,000 | $ 766,000 | $ 766,000 |
| Court of Criminal Appeals | $ 637,000 | $ 637,000 | $ 637,000 | $ 637,000 | $ - | $ - |
| **Article IV Subtotal** | **$ 1,871,000** | **$ 1,871,000** | **$ 2,637,000** | **$ 2,637,000** | **$ 766,000** | **$ 766,000** |
| Military Department | $ 1,911,600 | $ 1,911,600 | $ 1,911,600 | $ 1,911,600 | $ - | $ - |
| Commission on Jail Standards | $ 375,021 | $ 375,021 | $ 371,712 | $ 371,712 | $ (3,309) | $ (3,309) |
| Juvenile Justice Department | $ 171,818,790 | $ 175,440,434 | $ 171,782,819 | $ 175,464,819 | $ (35,971) | $ 24,385 |
| Department of Criminal Justice | $ 510,699,663 | $ 515,788,705 | $ 515,699,663 | $ 520,788,705 | $ 5,000,000 | $ 5,000,000 |
| **Article V Subtotal** | **$ 684,805,074** | **$ 693,515,760** | **$ 689,765,794** | **$ 698,536,836** | **$ 4,960,720** | **$ 5,021,076** |
| Medical Board | $ 1,084,984 | $ 1,084,984 | $ 1,084,984 | $ 1,084,984 | $ - | $ - |
| State Board of Dental Examiners | $ 266,611 | $ 266,611 | $ 263,856 | $ 263,856 | $ (2,755) | $ (2,755) |
| Board of Nursing | $ 2,010,916 | $ 2,010,916 | $ 2,010,916 | $ 2,010,916 | $ - | $ - |
| Optometry Board | $ 72,000 | $ 72,000 | $ 72,000 | $ 72,000 | $ - | $ - |
| State Board of Pharmacy | $ 486,009 | $ 486,009 | $ 486,009 | $ 486,009 | $ - | $ - |
| Board of Veterinary Medical Examiners | $ 90,000 | $ 90,000 | $ 90,000 | $ 90,000 | $ - | $ - |
| **Article VIII Subtotal** | **$ 4,010,520** | **$ 4,010,520** | **$ 4,007,765** | **$ 4,007,765** | **$ (2,755)** | **$ (2,755)** |
| **Cross Article Total, Excluding Medicaid and CHIP** | **$ 2,912,017,022** | **$ 4,288,316,715** | **$ 3,039,934,847** | **$ 3,964,036,221** | **$ 127,917,825** | **$ (324,280,494)** |
| Estimated Behavioral Health Related Medicaid Expenditures | | $ 3,191,109,190 | | $ 3,407,972,801 | | $ 216,863,611 |
| Estimated Behavioral Health Related CHIP Expenditures | | $ 92,989,978 | | $ 111,699,426 | | $ 18,709,449 |
| **Medicaid and CHIP Subtotal** | | **$ 3,284,099,167** | | **$ 3,519,672,228** | | **$ 235,573,060** |
| **Cross Article Total with Medicaid and CHIP** | | **$ 7,572,415,882** | | **$ 7,483,708,449** | | **$ (88,707,434)** |

## Health and Human Services Commission

*Summary of Federal Funds - Medicaid and CHIP (2020 - 21) - House*

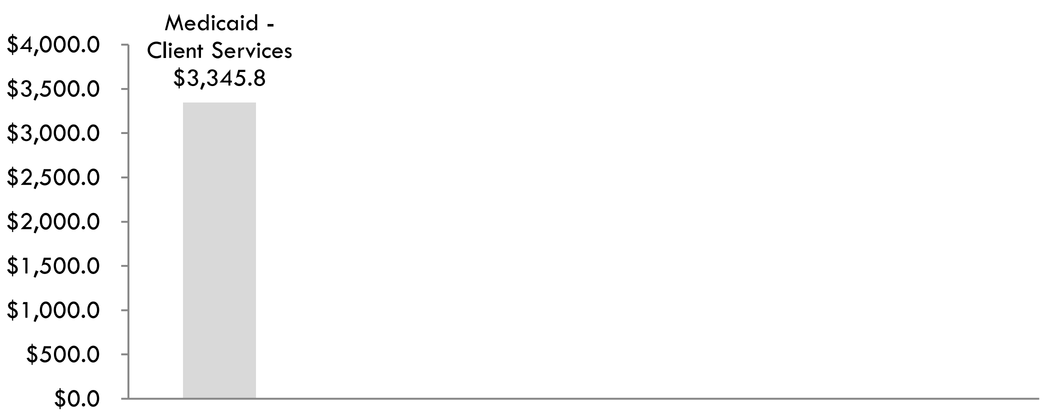
**Total $43,449.1M**



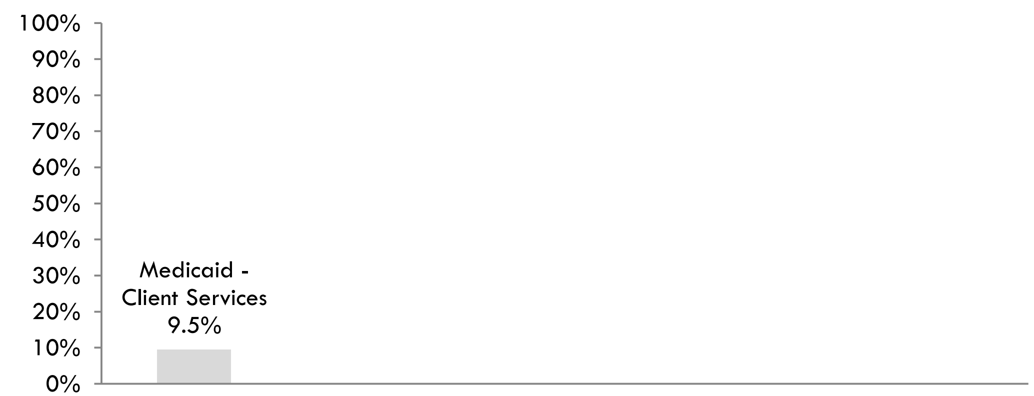

| **Selected Federal Fiscal and Policy Issues** |
|---|
| Recommendations include a $3.3 billion increase to Medicaid - Client Services. Major items contributing to the increase include projected caseload growth and maintaining fiscal year 2019 average costs for most services. In addition, net more favorable federal matching rates result in an increase in federal funds.<br><br>EFMAP will be more favorable in FFY 2020 than in FFY 2018 and is expected to be more favorable in FFY 2021 than in FFY 2019; however, the 23 percentage point increase pursuant to the federal ACA will end on September 30, 2019. |

Programs with Significant Federal Funding Changes from 2018 - 19

**Program Change-by Amount (In Millions)**



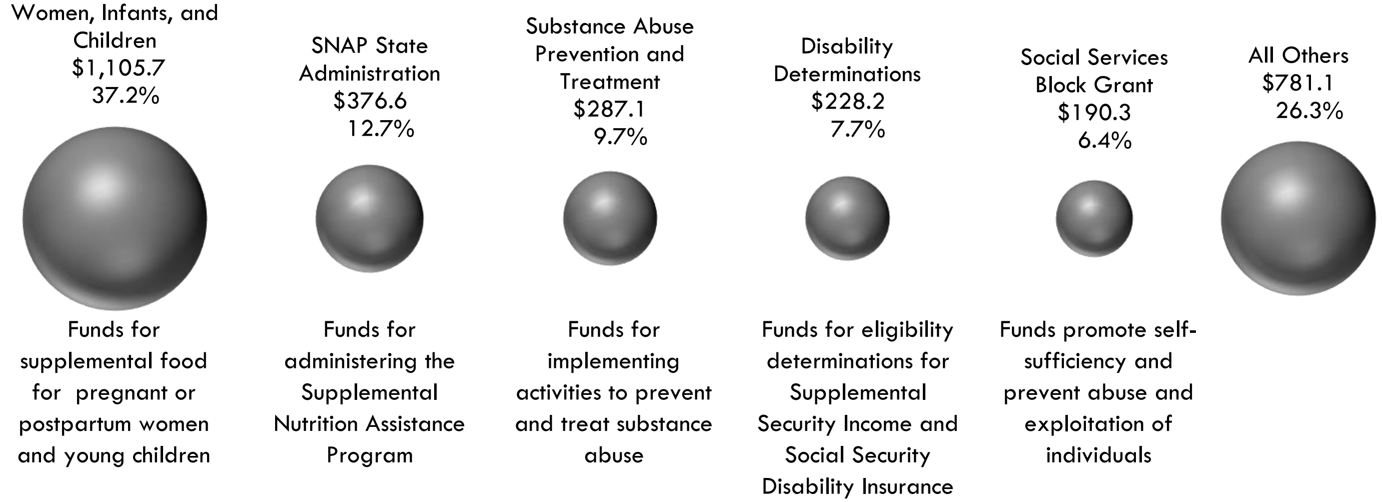

**Program Change-by Percentage**



## Health and Human Services Commission

*Summary of Federal Funds - Excludes Medicaid and CHIP (2020 - 21) - House*

**Total $2,969.1M**



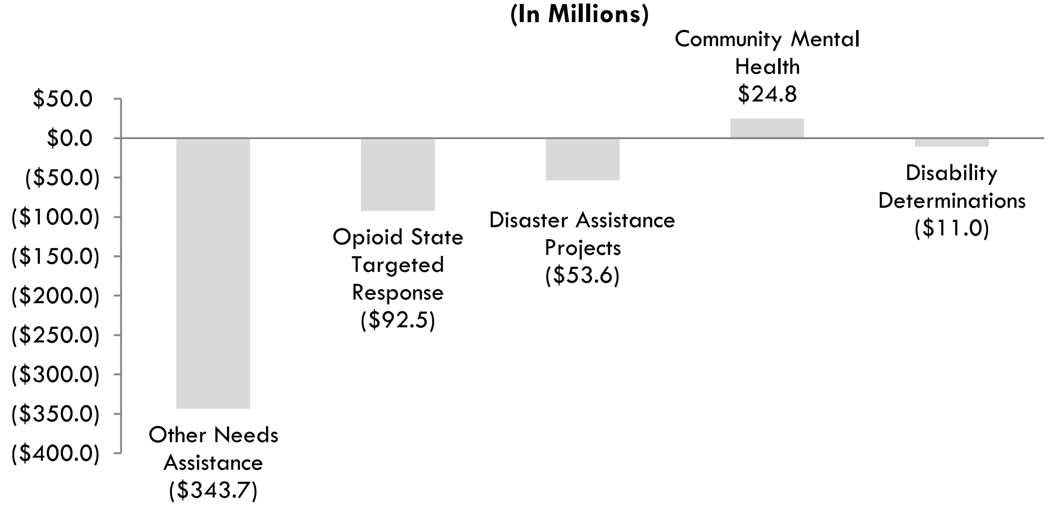

**Selected Federal Fiscal and Policy Issues**

Recommendations assume federal Other Needs Assistance and Disaster Assistance Projects funding will not be available in the 2020-21 biennium. This funding was awarded to the state after Hurricane Harvey for certain disaster-related expenses.

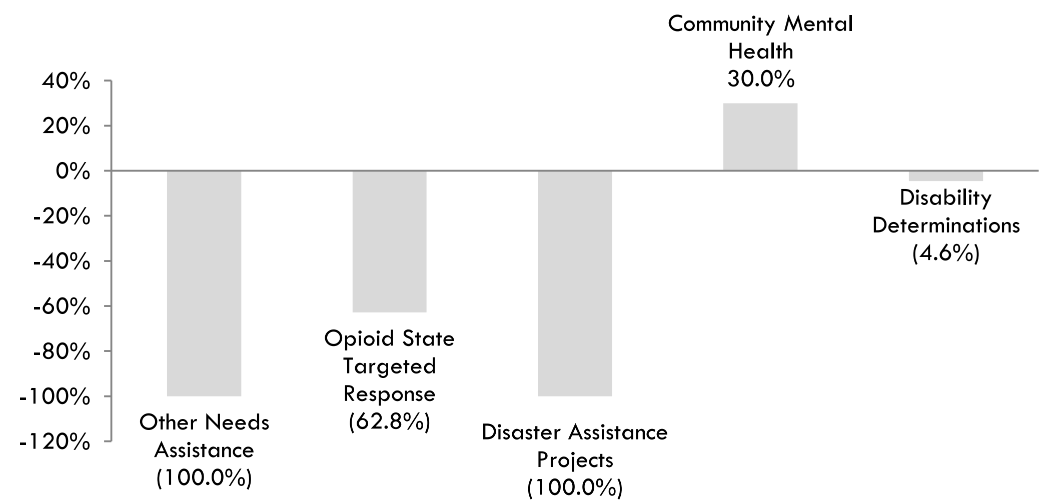
A total of $147.2 million in federal Opioid State Targeted Response funding was awarded to the state by SAMHSA in the 2018-19 biennium. Recommendations assume federal funding for the program will continue at a lower level for the 2020-21 biennium.

Programs with Significant Federal Funding Changes from 2018 - 19

**Program Change-by Amount (In Millions)**




**Program Change-by Percentage**



## Article II Health Agencies

Consolidated Contracting Highlights

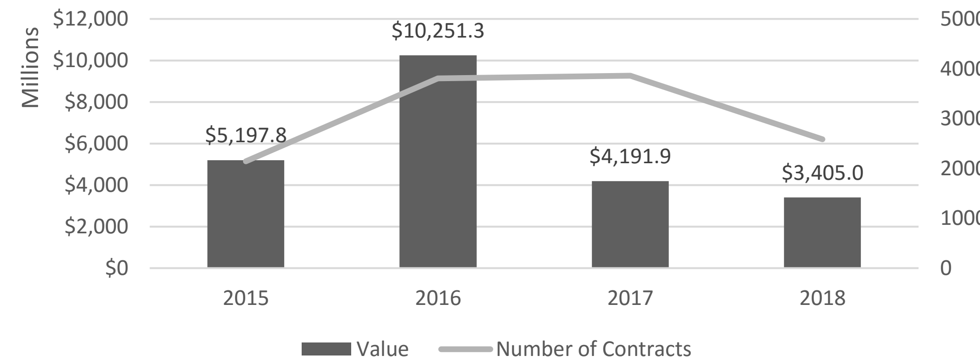
As of August 31, 2018, Article II Health and Human Services Agencies (including the Health and Human Services Commission, Department of State Health Services, Department of Family and Protective Services, and Texas Civil Commitment Office) had 11,189 active procurement contracts valued at $151.3 billion.

**Summary of Contracts Awarded in Fiscal Years 2017-2018 and Reported to LBB Contracts Database**[1]

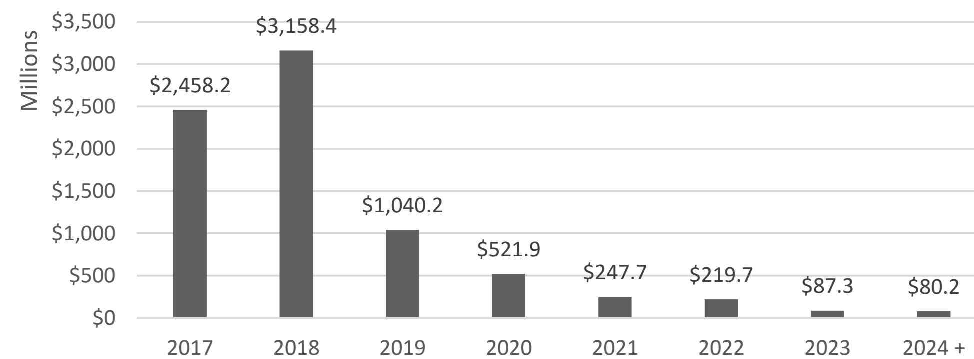
(Dollar values rounded to the nearest tenth of a million)

| | Number | Total Value | Average Value | % of total |
|---|---|---|---|---|
| **Procurement Contracts** | 6,445 | $ 7,596.9 | $ 1.2 | 100% |
| **Award Method** | | | | |
| Total Competitive Contracts | 4,163 | $ 3,499.0 | $ 0.8 | 46.1% |
| Total Non-Competitive | 2,282 | $ 4,097.9 | $ 1.8 | 53.9% |
| *Emergency* | *139* | *$ 75.1* | *$ 0.5* | *1.0%* |
| *Sole Source* | *163* | *$ 49.2* | *$ 0.3* | *0.6%* |
| *Interagency Agreement* | *833* | *$ 3,691.9* | *$ 4.4* | *48.6%* |
| *Provider Enrollment* | *1,147* | *$ 281.8* | *$ 0.2* | *3.7%* |
| **Procurement Category** | | | | |
| Information Technology | 277 | $ 439.9 | $ 1.6 | 5.8% |
| Professional Services | 802 | $ 528.2 | $ 0.7 | 7.0% |
| Construction | 68 | $ 32.0 | $ 0.5 | 0.4% |
| Goods | 311 | $ 55.2 | $ 0.2 | 0.7% |
| Other Services | 4,547 | $ 6,392 | $ 1.4 | 84.1% |
| Lease/Rental | 351 | $ 81.9 | $ 0.2 | 1.1% |
| Consulting | 89 | $ 67.7 | $ 0.8 | 0.9% |
| **Revenue Generating Contracts** | 14 | $ 264.1 | $ 18.9 | 100% |
| *Interagency*[2] | *10* | *$ 264.1* | *$ 26.4* | *99.9%* |
| *Sole Source* | *4* | *$ 0.3* | *$ 0.1* | *0.1%* |

**Contracts Awarded By Fiscal Year**




**Funds Obligated by Contracts Awarded in FY 17-18 By Fiscal Year**




[1] These figures reflect the total value of contracts awarded in between fiscal year 2017 and fiscal year 2018 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and may include funds from sources outside of the General Appropriations Act. Includes contracts that support activities and functions of the Office of the Inspector General.

[2] Includes $217.5 million paid to HHSC from DFPS and DSHS related to agency assessments for centralized administrative services.

**Health and Human Services Commission**

Contracting Highlights

(Dollar values rounded to the nearest tenth of a million)

| Largest Non-Managed Care Active Contracts from Previous Years | Award Method | Total Value | % Change* | Award Date | Length | Renewals | Vendor |
|---|---|---|---|---|---|---|---|
| 1 Eligibility Support Services | Competitive | $ 535.8 | 2.7% | 12/14/15 | 5 years | 1 | Maximus Inc. |
| 2 Information Technology | Interagency | $ 196.5 | 349.5% | 04/12/13 | 7 years | 0 | Dept of Information Resources |
| 3 Texas Civil Commitment Center | Competitive | $ 125.6 | 430.3% | 09/01/15 | 4 years | 0 | Correct Care LLC |
| 4 Child Support Program and Administrative Services | Interagency | $ 109.3 | 314.2% | 02/01/12 | 9 years | 2 | Texas Child Support Disbursement Unit |
| 5 Hardware Leasing | Competitive | $ 68.4 | 0.6% | 09/01/15 | 4 years | 0 | SHI Government Solutions Inc. |
| **Largest Competitive Contracts Awarded in Fiscal Years 2017-2018** | | | | | | | |
| 1 Medicaid Management Information System (TMHP) | Competitive | $ 661.9 | 2.5% | 05/05/17 | 3 years | 0 | Accenture |
| 2 IT Services | Competitive | $ 192.2 | 0.0% | 12/22/17 | 2 years | 0 | Deloitte Consulting |
| 3 Data Broker Services | Competitive | $ 106.6 | 46.0% | 09/01/16 | 5 years | 1 | Public Consulting Group |
| 4 Family Planning Services | Competitive | $ 23.2 | 0.0% | 06/01/18 | 1 year | 0 | Texas Pregnancy Care Network |
| 5 Pharmaceuticals | Competitive | $ 28.0 | 376.4% | 09/01/17 | 1 year | 1 | Morris & Dickson Company |
| **Largest Non-Competitive Contracts Awarded in Fiscal Years 2017-2018** | | | | | | | |
| 1 Lab Screening Services | Interagency | $ 557.9 | 0.0% | 03/01/18 | 5 years | 0 | Dept of State Health Services |
| 2 Local Mental Health Authority | Interagency | $ 216.5 | 100.1% | 09/01/16 | 2 years | 1 | Harris Center for Mental Health |
| 3 Local Mental Health Authority | Interagency | $ 174.0 | 330.9% | 01/01/17 | 3 years | 2 | North Texas Behavioral Health Authority |
| 4 Vaccine Services | Interagency | $ 160.0 | 0.0% | 12/31/17 | 4 years | 0 | Dept of State Health Services |
| 5 Client Services | Interagency | $ 125.0 | 0.0% | 06/13/18 | 4 years | 0 | University of Texas Health Science Center |

*Note: The percent change is the difference in contract value between the initial award amount and the current contract value. This calculation includes contract amendments and renewals.

**Health and Human Services Commission**

Managed Care Contracts

There are a total of 48 active managed care contracts valued at $104.3 billion. All are set to expire before the end of the 2020-21 biennium and are due to be re-procured or renewed.

(Dollar values rounded to the nearest tenth of a million)

| | Vendor | Award | Completion | Value | | Vendor | Award | Completion | Value |
|---|---|---|---|---|---|---|---|---|---|
| 1 | AMERIGROUP TEXAS INC | 09/01/11 | 08/31/18 | $ 12,981.4 | 26 | TEXAS CHILDRENS HEALTH PLAN | 10/01/15 | 08/31/19 | $ 923.7 |
| 2 | UNITED HEALTHCARE COMMUNITY PLAN OF TEXAS LLC | 09/01/11 | 08/31/18 | $ 9,230.0 | 27 | UNITED HEALTHCARE INSURANCE COMPANY | 10/01/15 | 08/31/19 | $ 908.9 |
| 3 | BANKERS RESERVE LIFE INSURANCE CO OF WISCONSIN | 09/01/11 | 08/31/18 | $ 8,979.5 | 28 | SUPERIOR HEALTH PLAN INC | 10/01/15 | 08/31/19 | $ 885.4 |
| 4 | SUPERIOR HEALTHPLAN INC | 09/01/11 | 08/31/18 | $ 8,515.9 | 29 | AETNA HEALTH INC | 09/01/11 | 08/31/18 | $ 833.4 |
| 5 | MOLINA HEALTHCARE OF TEXAS INC | 09/01/11 | 08/31/18 | $ 7,878.4 | 30 | SCOTT AND WHITE | 09/01/11 | 08/31/18 | $ 733.8 |
| 6 | TEXAS CHILDRENS HEALTH PLAN | 09/01/11 | 08/31/18 | $ 5,659.4 | 31 | AMERIGROUP CORPORATION | 12/15/13 | 12/31/18 | $ 720.9 |
| 7 | COMMUNITY HEALTH CHOICE INC | 09/01/11 | 08/31/18 | $ 4,760.3 | 32 | AMERIGROUP INSURANCE COMPANY | 10/01/15 | 08/31/19 | $ 684.7 |
| 8 | DENTAQUEST | 09/01/11 | 02/28/19 | $ 4,518.7 | 33 | SUPERIOR HEALTH PLAN INC | 01/01/10 | 08/31/18 | $ 673.1 |
| 9 | MCNA INSURANCE COMPANY | 09/01/11 | 02/28/19 | $ 3,467.2 | 34 | AETNA HEALTH INC | 09/01/11 | 08/31/18 | $ 613.3 |
| 10 | PARKLAND COMMUNITY HEALTH PLAN INC | 09/01/11 | 08/31/18 | $ 3,297.4 | 35 | MOLINA HEALTHCARE INC | 03/01/15 | 12/31/18 | $ 579.4 |
| 11 | DRISCOLL CHILDRENS HOSPITAL | 09/01/11 | 08/31/18 | $ 2,597.7 | 36 | AMERIGROUP INSURANCE COMPANY | 03/01/15 | 12/31/18 | $ 504.7 |
| 12 | AMERIGROUP INSURANCE COMPANY | 09/01/11 | 08/31/18 | $ 2,010.7 | 37 | BLUE CROSS AND BLUE SHIELD OF TEXAS INC | 09/01/11 | 08/31/18 | $ 451.9 |
| 13 | MOLINA HEALTHCARE INC | 06/30/10 | 08/31/19 | $ 1,884.3 | 38 | AMERIGROUP INSURANCE COMPANY | 03/14/15 | 12/31/18 | $ 428.0 |
| 14 | COMMUNITY FIRST HEALTH PLANS INC | 09/01/11 | 08/31/18 | $ 1,863.5 | 39 | CHILDRENS MEDICAL CENTER HEALTH PLAN | 10/01/15 | 08/31/19 | $ 414.3 |
| 15 | SUPERIOR HEALTH PLAN INC | 12/15/13 | 12/31/18 | $ 1,850.2 | 40 | COOK CHILDRENS MEDICAL CENTER | 10/01/15 | 08/31/19 | $ 340.5 |
| 16 | COOK CHILDREN'S HEALTH CARE SYSTEM | 09/01/11 | 08/31/18 | $ 1,847.0 | 41 | SETON HEALTH PLAN INC | 09/01/11 | 08/31/18 | $ 337.8 |
| 17 | SHA L L C | 09/01/11 | 08/31/18 | $ 1,828.2 | 42 | COMMUNITY FIRST HEALTH PLANS INC | 10/01/15 | 08/31/19 | $ 296.7 |
| 18 | UNITED HEALTHCARE INSURANCE COMPANY | 12/15/13 | 12/31/18 | $ 1,657.2 | 43 | DRISCOLL CHILDREN'S HEALTH PLAN | 10/01/15 | 08/31/19 | $ 277.2 |
| 19 | HEALTHSPRING LIFE & HEALTH INS CO | 06/01/12 | 08/31/18 | $ 1,386.8 | 44 | BLUE CROSS AND BLUE SHIELD OF TEXAS INC | 10/01/15 | 08/31/19 | $ 243.9 |
| 20 | SUPERIOR HEALTH PLAN INC | 06/30/10 | 08/31/18 | $ 1,288.8 | 45 | SENDERO HEALTH PLANS INC | 09/01/11 | 08/31/18 | $ 234.9 |
| 21 | HEALTHSPRING LIFE & HEALTH INSURANCE COMPANY INC | 12/15/13 | 12/31/18 | $ 1,089.8 | 46 | MOLINA HEALTHCARE INC | 01/01/10 | 08/31/19 | $ 141.0 |
| 22 | AMERIGROUP TEXAS INC | 06/30/10 | 08/31/18 | $ 1,061.6 | 47 | AETNA HEALTH INC | 10/01/15 | 08/31/19 | $ 136.6 |
| 23 | EL PASO FIRST HEALTH INC | 09/01/11 | 08/31/18 | $ 1,043.4 | 48 | CHRISTUS HEALTH PLAN | 09/01/11 | 08/31/18 | $ 136.0 |
| 24 | HEALTHSPRING LIFE & HEALTH INS CO | 09/01/11 | 08/31/18 | $ 1,037.1 | | | | **Total:** | **$ 104,294.3** |
| 25 | SUPERIOR HEALTH PLAN INC | 07/01/15 | 08/31/18 | $ 959.9 | | | | | |

## Department of State Health Services

Contracting Highlights

(Dollar values rounded to the nearest tenth of a million)

| Largest Active Contracts from Previous Fiscal Years | Award Method | Total Value | % Change* | Award Date | Length | Renewals | Vendor |
|---|---|---|---|---|---|---|---|
| 1 NBS Reagents / Equipment / Info Sys Goods Services | Sole Source | $ 67.0 | 309.7% | 12/01/15 | 4 years | 3 | Perkinelmer Health Sciences Inc |
| 2 Vital Records hosting, imaging software (TxEVER) | Competitive | $ 17.6 | 126.7% | 06/01/16 | 12 years | 2 | Genesis Systems Inc |
| 3 Lease Schedule Funding | Competitive | $ 7.7 | 156.4% | 09/01/15 | 4 years | 0 | CSI Leasing |
| 4 Microsoft Enterprise Subscription Agreement | Competitive | $ 7.0 | 90.7% | 06/23/15 | 3.5 years | 1 | SHI Government Solutions |
| 5 Rape Prevention and Education | Interagency | $ 6.4 | 62.9% | 02/01/15 | 4 years | 0 | Office of Attorney General |

| Largest Competitive Contracts Awarded in Fiscal Years 2017-2018 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 HIV/STD Medications | Competitive | $ 75.0 | 650.0% | 01/01/18 | 5 years | 1 | Ramsell Corporation |
| 2 Regional and Local Public Health Services | Competitive | $ 8.0 | 163.1% | 07/01/17 | 2 years | 1 | Southeast Texas Regional Advisory Council |
| 3 Immunizations | Competitive | $ 6.5 | 0.0% | 01/05/18 | 2 years | 0 | TMF Health Quality Institute |
| 4 Zika Media Awareness | Competitive | $ 6.0 | 0.0% | 06/11/18 | 1 month | 0 | FleishmanHillard Inc |
| 5 El Paso Hospital Services | Competitive | $ 2.0 | 0.0% | 09/01/16 | 1 year | 0 | University Medical Center El Paso |

| Largest Non-Competitive Contracts Awarded in Fiscal Years 2017-2018 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 Emergency Medical Services | Interagency | $ 203.3 | 0.0% | 06/15/18 | 1 year | 0 | Health and Human Services Commission |
| 2 Children with Special Health Care Needs Systems Development | Interagency | $ 135.8 | 0.0% | 09/01/16 | 4 years | 0 | Health and Human Services Commission |
| 3 HIV/STD Services | Sole Source | $ 14.0 | 108.3% | 04/01/17 | 2 years | 1 | Houston Regional HIV Resource Group |
| 4 Infectious Disease Surveillance | Interagency | $ 9.9 | 106.2% | 09/01/17 | 2 years | 1 | Houston Regional HIV Resource Group |
| 5 Housing Opportunities for Persons with AIDS Grant Program | Emergency | $ 6.7 | 0.0% | 04/01/17 | 1 year | 0 | Houston Regional HIV Resource Group |

*Note: The percent change is the difference in contract value between initial the award amount and the current contract value. This calculation includes contract amendments and renewals.

**Department of Family and Protective Services**

Contracting Highlights

(Dollar values rounded to the nearest tenth of a million)

| Largest Active Contracts from Previous Fiscal Years | Award Method | Total Value | % Change* | Award Date | Length | Renewals | Vendor |
|---|---|---|---|---|---|---|---|
| 1 Child Placing Services | Provider Enrollment | $ 112.1 | 538.3% | 09/01/10 | 9 years | 2 | A World for Children |
| 2 Child Placing Services | Provider Enrollment | $ 101.7 | 566.5% | 09/01/10 | 9 years | 2 | Lutheran Social Services of the South |
| 3 GRO Residential Treatment Center | Provider Enrollment | $ 18.5 | 4.1% | 01/01/08 | 11 years | 1 | Helping Hand Home for Children |
| 4 Preparation for Adult Living Skills - Life Skills Training | Interagency | $ 5.1 | 400.0% | 09/01/15 | 5 years | 1 | Harris County Children's Protective Services |
| 5 Seat Management Services | Competitive | $ 3.0 | 200.0% | 09/01/15 | 4 years | 1 | SHI Government Solutions |

| Largest Competitive Contracts Awarded in Fiscal Years 2017-2018 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 Child Placing Services - SSCC | Competitive | $ 35.0 | 0.0% | 5/28/2018 | 5 years | 0 | Texas Family Initiative |
| 2 IMPACT System Modernization | Competitive | $ 22.3 | 39.3% | 11/16/16 | 3 years | 1 | Infosys Public Services |
| 3 Programming Services | Competitive | $ 6.6 | 6.5% | 09/01/16 | 2 years | 0 | Technology Consortium LLC |
| 4 Health Outcomes through Prevention and Early Support (HOPES) | Competitive | $ 5.2 | 38,513.2% | 02/07/17 | 5 years | 1 | MHMR of Tarrant County |
| 5 Xerox Services | Competitive | $ 3.8 | 0.0% | 09/01/16 | 1 year | 0 | Xerox Corporation |

| Largest Non-Competitive Contracts Awarded in Fiscal Years 2017-201 | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1 Interagency Agreement with HHSC | Interagency | $ 110.5 | 0.0% | 09/01/16 | 1 year | 0 | Health and Human Services Commission |
| 2 Training | Interagency | $ 4.5 | 0.0% | 07/01/17 | 5 years | 0 | University of Texas at Arlington |
| 3 Training | Interagency | $ 4.1 | 0.0% | 07/01/17 | 5 years | 0 | University of Houston |
| 4 Interagency Agreement with HHSC | Interagency | $ 4.1 | 0.0% | 04/01/17 | 1 year | 0 | Health and Human Services Commission |
| 5 Training | Interagency | $ 3.0 | 0.0% | 07/01/17 | 5 years | 0 | Texas State University |

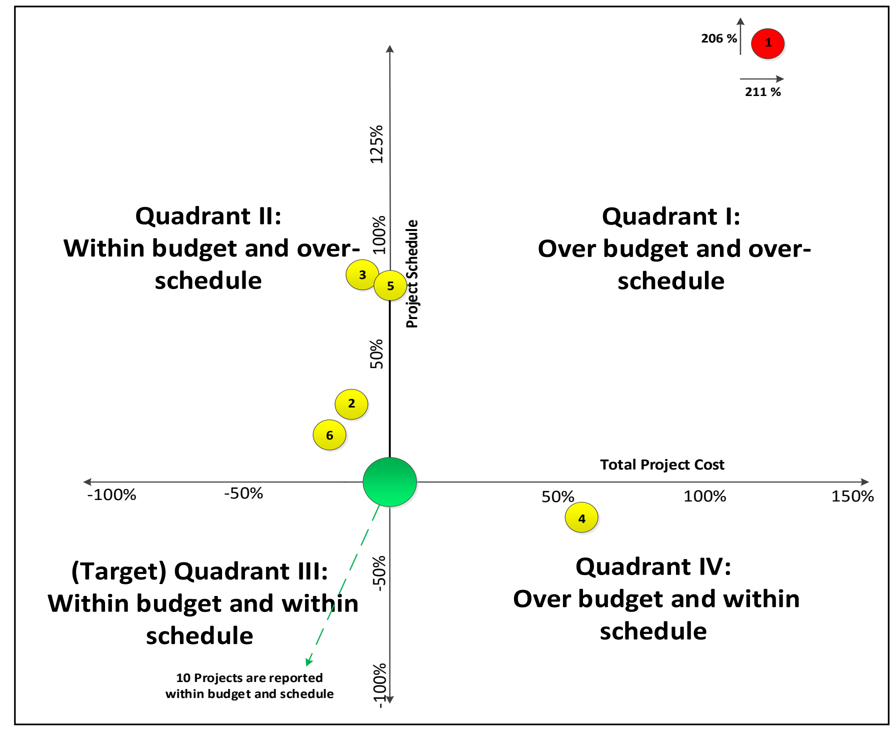
*Note: The percent change is the difference in contract value between initial the award amount and the current contract value. This calculation includes contract amendments and renewals.

**Of HHSC's 16 major information resource projects monitored by the Quality Assurance Team, one is more than 10 percent over budget and behind schedule, and five are behind schedule but within 10 percent of budget. Ten projects are within budget and are on schedule. Details on these 16 projects are listed below.**

**Summary of Total Costs (in millions) and Time Frames reported to the Quality Assurance Team**

| | Project Name | Original Projected Cost | Current Projected Cost | Under / (Over) Initial Project Cost | Expenditures to Date | Original Timeline in Months | Current Timeline in Months | Months Ahead of / (Behind) Schedule | % Complete |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Women Infants and Children (WIC), WIC Information Network (WIN) | $25.0 | $77.4 | ($52.4) | $75.2 | 47 | 145 | (98) | 100% |
| 2 | Cybersecurity Advancement | $7.0 | $5.8 | $1.2 | $5.3 | 22 | 27 | (5) | 100% |
| 3 | Child Care Licensing Automated Support System (CLASS) Child Care Development Project | $5.3 | $5.3 | $0.0 | $4.2 | 14 | 26 | (12) | 83% |
| 4 | Clinical Management for Behavioral Health Services (CMBHS)– Diagnostic and Statistical Manual of Mental Disorders (DSM) 5 project | $2.2 | $2.3 | ($0.1) | $1.7 | 20 | 32 | (12) | 100% |
| 5 | FBI National Rap Back (Background) project | $2.0 | $2.0 | $0.0 | $0.2 | 14 | 25 | (11) | 93% |
| 6 | Child Care Licensing (CCL) Online Fees and Enforcement Team Conference (ETC) | $1.1 | $0.8 | $0.3 | $0.5 | 14 | 16 | (2) | 35% |
| 7 | Enterprise Data Governance (EDG) | $50.7 | $50.7 | $0.0 | $24.5 | 76 | 76 | 0 | 53% |
| 8 | Health and Human Services Administrative System for Financials (HHSAS) to CAPPS | $14.2 | $11.8 | $2.4 | $11.3 | 25 | 25 | 0 | 100% |
| 9 | Mental Health Integration Project | $7.0 | $7.0 | $0.0 | $7.0 | 22 | 22 | 0 | 100% |

## Major Information Resources Projects




**Legend**
- Project is within budget and within schedule
- Project exceeds budget OR schedule
- Project is over budget and behind schedule

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 10 | **System of Contract Operation and Reporting (SCOR) and Centralized Accounting and Payroll/ Personnel System (CAPPS) Financials 9.2 Enhancement project** | $4.5 | $4.5 | $0.0 | $2.1 | 20 | 20 | 0 | 47% |
| 11 | **Protecting People in Regulated Facilities (PPRF) Regulatory Services Systems Modernization (RSSM) Phase III** | $3.5 | $3.5 | $0.0 | $3.7 | 14 | 14 | 0 | 100% |
| 12 | **Social Security Number Removal Initiative (SSNRI) Project** | $3.5 | $3.5 | $0.0 | $3.5 | 14 | 14 | 0 | 100% |
| 13 | **Substance Abuse Contract Management and Claims Processing - Source Replacement** | $2.0 | $2.0 | $0.0 | $1.1 | 15 | 15 | 0 | 70% |
| 14 | **Clinical Management for Behavioral Health Services (CMBHS) Roadmap Phase II** | $1.9 | $1.9 | $0.0 | $0.8 | 23 | 23 | 0 | 78% |
| 15 | **Mental Health Clinic Management for Behavioral Health Services (CMBHS) Youth Empowerment Services (YES) Waiver Batch / Home and Community Based Services-Adult Mental Health (HCBS-AMH)** | $1.9 | $1.9 | $0.0 | $1.4 | 21 | 21 | 0 | 100% |
| 16 | **Child Care Licensing Automation Support System (CLASS) Renewal Project** | $1.4 | $1.0 | $0.4 | $1.0 | 10 | 10 | 0 | 100% |
| | **Project Totals** | **$133.2** | **$181.4** | **($48.2)** | **$143.5** | | | | |

**Note:** These figures reflect all project costs (Capital and Informational) and timelines from self-reported monitoring reports that are sent to the Quality Assurance Team (QAT) for review. QAT includes representatives from the Comptroller of Public Accounts, Department of Information Resources, Legislative Budget Board and the State Auditor's Office (Advisory Only).

**Significant Project Highlights**

1 **Women Infants and Children (WIC), WIC Information Network (WIN) project**
The project direction has changed several times since the project began in fiscal year 2006. Originally, DSHS planned to implement a modified commercial off-the-shelf state agency model (SAM) system. At that time, the SAM system was under development by the USDA. However, due to significant delays, DSHS hired a vendor to design, develop, and implement a WIC management information system in fiscal year 2010. In September 2013 DSHS realized the vendor could not complete the project and canceled the contract through a mutual agreement. DSHS and QAT discussed continuing the project or starting a new project. However, the agency determined that canceling the project would present a significant risk to federal funding. These actions caused changes in the project direction, and a new estimated completion date of March 31, 2016.

On November 8, 2016 DSHS procured a vendor to replace the current Texas WIN System with a new web-based system. The project was transitioned to HHSC in fiscal year 2017 and in April 2018 HHSC executed a contract amendment with the vendor to include Management Information System and Electronic Benefits Transfer deliverables which will collaboratively be used with other states. This change increased the project costs to $77.4 million and extended the end date to August 2018. This project was completed 211 percent over budget and 206 percent behind schedule.

2 **Cybersecurity Advancement**
As of fiscal year 2018, this project is managed by HHSC on behalf of DSHS. DSHS began the Cybersecurity Advancement Project in fiscal year 2016. The initial estimated project cost was $7.0 million. The initial project start and finish dates were November 10, 2015, and August 31, 2017, respectively. The estimated project cost decreased $5.8 million due to a reduction in scope. The project was five months behind schedule due to the corruption of system code in the development and production environments. The project was completed in March 2018.

This project implemented security features for HHSC to monitor its computer networks, ensure client privacy, and protect confidential information.

**QAT Budget Highlights (in millions)**

| | Project Name | 2018-19 Base | 2020-21 Requested | 2020-21 Recommended |
|---|---|---|---|---|
| 2 | Cybersecurity | $3.2 | $1.3 | $1.3 |
| 3 | CLASS Upgrades (DFPS) | $5.0 | $1.9 | $1.9 |
| 4 | CMBHS - (DSM) 5 | $1.1 | $0.0 | $0.0 |
| 7 | Enterprise Data Governance | $12.1 | $10.9 | $10.9 |
| 8 | HHSAS - CAPPS | $12.0 | $4.7 | $4.7 |
| 12 | SSNRI | $0.5 | $0.0 | $0.0 |
| 13 | Source Replacement | $1.0 | $0.0 | $0.0 |
| 14 | CMBHS Roadmap Phase II | $1.4 | $0.0 | $0.0 |
| 15 | CMBHS YES Waiver | $0.6 | $0.0 | $0.0 |
| | **Total** | **$36.9** | **$18.8** | **$18.8** |

**Notes:**
1) In the Capital Budget Rider for the 2018-18 GAA, CLASS Upgrades included funding for projects #3, #5, #6 and #16. These projects are itemized in the 2018-19 Base.
2) Requested amounts for 2020-21 include all baseline and exceptional item funding requested by the agency.

3 **Child Care Licensing Automated Support System (CLASS) Child Care Development Project**
As of fiscal year 2018, this project is managed by HHSC on behalf of DFPS. HHSC began the project in fiscal year 2016 with an estimated project cost of $6.0 million. The initial project start and finish dates were June 27, 2016, and August 31, 2017, respectively. DFPS over-estimated the initial project cost and reduced it to $5.3 million. The completion date was extended for three months due to several procurement delays.

In December 2017, the completion date was extended again due to Child Care Development Block Grant (CCDBG) requirements that could not be implemented with the Federal Bureau of Investigation (FBI) National Rap Back (NRB) system. HHSC is completing system changes related to the CLASS system, the CLASS mobile application (CLASSMate), the interface with the Department of Public Safety's system, and the public website. The project is expected to be completed during calendar year 2018.

4 **Clinical Management for Behavioral Health Services (CMBHS) – Diagnostic and Statistical Manual of Mental Disorders (DSM)-V Project**

This project began in fiscal year 2016 for a duration of 20 months with estimated project costs of $2.2 million. The initial project start and finish dates were December 1, 2015, and August 31, 2017, respectively. The project was delayed one year and came in $0.1 million over budget. The increase allowed the implementation of new level of care formulas for client symptoms related to how diagnoses of substance use disorder are made – including alcohol use disorder as well as other substance use disorders.

This project was completed in August 2018. The system now captures a full range of symptoms for a particular diagnosis, while having the ability to track treatment progress. Additionally, the data collected will be transferable among other state agencies to compare population data.

5 **FBI National Rap Back (Background) Project**

As of fiscal year 2018, this project is managed by HHSC on behalf of DFPS. The Rap Back project allows HHSC and DFPS to receive notifications of activity on individuals who hold positions of trust who are under criminal justice supervision or investigation. This eliminates the need for repeated background checks on a person from the same applicant agency. Prior to the deployment of Rap Back, the national criminal history background check system provided a one-time snapshot view of an individual's criminal history status. With Rap Back, agencies can receive on-going status notifications of any criminal history reported to the FBI after the initial processing and retention of criminal or civil transactions.

DFPS began the project in fiscal year 2016 and the project transitioned to HHSC in fiscal year 2018. The initial estimated project cost is $2.0 million with project start and finish dates of June 27, 2016, and August 31, 2017, respectively. The project is within budget, but is 35 percent behind schedule due to delayed procurement and vendor activities. The project was expected to be completed in October 2018.

6 **Child Care Licensing (CCL) Online Fees and Enforcement Team Conference (ETC)**

As of fiscal year 2018, this project is managed by HHSC on behalf of DFPS. The project began in fiscal year 2017 as a 14-month project with an estimated project cost of $1.1 million. In May 2017, DFPS reported delays with procurement activities that increased the project completion date by two months.

CCL is statutorily required to collect licensing and background check fees and deposit the fees in the state's general revenue fund. The project is intended to automate processes to reduce the number of paper forms that have to be manually entered into the payment collection database. This system will automatically link payments to operations, and record the type, amount, and specifics of the payment.

7 **Enterprise Data Governance (EDG)**

The EDG program is intended to provide HHSC with a policy framework to support data management standards across health and human services agencies to improve data sharing and data quality. The data from various systems will have key identifiers that will be established in each of HHSC's systems.

The EDG project began in fiscal year 2015 with an initial cost of $50.7 million and a completion date of January 1, 2022. The project is within budget and schedule. The EDG project was originally being designed in the previous Enterprise Data Warehouse project, which was canceled in September 2014.

8 **Health and Human Services Administrative System for Financials (HHSAS) to Centralized Accounting Payroll and Personnel System (CAPPS) Financials Upgrade and Enhancement Project**

HHSC has an interagency contract with the Comptroller's Office for CAPPS application maintenance and hosting support services. HHSC initiated a 2-year project to migrate the CAPPS application from the CPA Data Center to the State Data Center, comprised of the San Angelo Data Center (SDC) and the Austin Data Center (ADC). The agency notes that because they operate customized CAPPS hub systems, they are required to stay current with the Comptroller's baseline CAPPS versions and updates.

The project began in fiscal year 2016 with an initial cost of $14.2 million and a completion date of October 31, 2017. The project was within budget and schedule. HHSC submitted the Post Implementation Review of Business Outcomes report in July 2018 and was reported in the QAT annual report.

9 **Mental Health Integration Project**
HHSC migrated mental health records and substance abuse health information from the legacy mainframe systems for the Clinical Management for Behavioral Health Services (CMBHS) system. This integration also included Local Behavioral Health Authorities (LBHA) for behavioral health services and service providers for substance use disorder services.

The project began in fiscal year 2016. The initial project start and finish dates were October 1, 2015, and August 31, 2017, respectively. HHSC submitted the Post Implementation Review of Business Outcomes report in February 2018 and was reported in the QAT annual report.

10 **System of Contract Operation and Reporting (SCOR) and Centralized Accounting and Payroll/ Personnel System (CAPPS) Financials 9.2 Enhancement Project**
HHSC initiated the HHSAS to CAPPS Financials 9.2 Upgrade and Enhancement Project in October 2017. HHSC is enhancing the functionality of the CAPPS Financials 9.2 and their internal SCOR system. According to the agency, these enhancements is necessary for CAPPS Financials and SCOR to continue to automate business processes for procurement and oversight functions.

The project began in fiscal year 2018. The initial project start and finish dates were February 1, 2018, and October 31, 2019, respectively.

11 **Protecting People in Regulated Facilities (PPRF) Regulatory Services Systems Modernization (RSSM) Phase III**
This project transferred to HHSC in fiscal year 2017. The Enterprise Regulatory Systems are being modernized over several phases. In addition to CARES/WAFER and HCSSA systems, an online application processing system is being designed to streamline the provider application process for facilities and home health care agencies. Providers will be able to submit licensure applications and process payments and various documents.

The initial planned project start and finish dates were August 1, 2017, and October 31, 2018, respectively. The project was implemented in October 2018 and a Post Implementation Review of Business Outcomes report is due in April 2019.

12 **Social Security Number Removal Initiative (SSNRI) Project**
The project began in fiscal year 2017 with an initial estimated cost of $7.4 million. After initiating the project, HHSC revised the estimated project cost to $3.5 million in order to better align with the scope of the project.

HHSC modified the current system that creates Medicare cards to remove the SSN as part of the Health Insurance Claim Number (HICN). The system now uses a system-generated Medicare Beneficiary Identifier for the HICN. The Post Implementation Review of Business Outcomes report is due in December 2018.

13 **Substance Abuse Contract Management and Claims Processing - Source Replacement**
Currently, Local Mental Health Authorities (LMHAs) use the Clinical Management for Behavioral Health Services (CMBHS) system to create, edit, and delete invoices and request payments through the claims source system. This project will make changes to CMBHS so it can interface with HHSC's contract system and database.

The initial planned project start and finish dates were September 1, 2017, and August 31, 2019, respectively.

14 **Clinical Management for Behavioral Health Services (CMBHS) Roadmap Phase II**
The CMBHS Roadmap Phase II project is an ongoing business improvement initiative. Phase II will allow Local Mental Health Authorities (LMHAs) and contracted mental health providers to document financial eligibility, provide reports, and identify providers who cannot bill their services to the state. The functionality developed in Phase I allows the contracted Substance Use Disorder provider to bill a third party payer CMBHS system. Phase I of the project was completed on August 31, 2017.

The project began in fiscal year 2018. The initial project start and finish dates were September 1, 2017, and August 31, 2019, respectively.

15 **Mental Health Clinic Management for Behavioral Health Services (CMBHS) Youth Empowerment Services (YES) Waiver Batch / Home and Community Based Services-Adult Mental Health (HCBS-AMH)**
HHSC completed the project to assist the Local Mental Health Authorities (LMHAs) for the Youth Empowerment Services (YES) Waiver program and provide functions for waiver services related to the Clinical Management for Behavioral Health Services (CMBHS) system.

The project began in fiscal year 2017. The initial estimated project cost was $1.8 million. The initial project start and finish dates were July 1, 2016, and March 28, 2018, respectively. The project costs increased slightly due to the addition of a Project Manager (internal FTE). The project was completed in June 2018. The Post Implementation Review of Business Outcomes report is due in December 2018.

16 **Child Care Licensing Automation Support System (CLASS) Renewal Project**
As of fiscal year 2018, this project is managed by HHSC on behalf of DFPS. The project enables DFPS the ability to track expired and needed renewals of child care licenses, certificates, and registration. HHSC completed the project in alignment with the Child Care and Development Fund (CCDF) program to the CLASS system, Public and Provider portal for CCL information.

The initial project start and finish dates were May 30, 2017, and April 29, 2018, respectively. The Post Implementation Review of Business Outcomes report was received in December 2018.

**Health and Human Services Commission**
**Rider Highlights – House**

**MODIFICATION OF EXISTING RIDERS (new rider number)**

2. **Capital Budget.** Recommendations reflect deletion of several projects completed in the current biennium.

9. **Use of PARIS Data.** Recommendations revise rider to require HHSC to use funds appropriated in Strategy B.1.1, Medicaid Contracts and Administration, and to remove the appropriation of 10 percent of General Revenue savings to the Texas Veterans Commission.

11. **Texas Medicaid and Healthcare Partnership (TMHP).** Recommendations maintain the existing Executive Steering Committee for the TMHP contract and Texas Medicaid Management Information System (MMIS) capital project.

15. **Increase Consumer Directed Services.** Recommendations revise rider to change the STAR Plus Quality Work Group to the Council on Consumer Direction. The STAR Plus Quality Work Group is no longer active.

16. **Community Integration Performance Indicators.** Recommendations modify rider language to not require HHSC to develop new measures. HHSC may begin data collection for measures and must report on those measures on an annual basis.

28. **Use of Additional CHIP Experience Rebates.** Recommendations revise rider to move monthly reporting requirements with other existing reporting requirements laid out in Rider 110, Other Reporting Requirements. Recommendations also remove unnecessary language.

30. **CHIP Premium Co-Pays.** Recommendations revise rider to move monthly reporting requirements with other existing reporting requirements laid out in Rider 110, Other Reporting Requirements.

31. **Contingency for Behavioral Health Funds.** Recommendations revise rider to add or delete strategies that include funding for behavioral health-related strategies.

33. **Screening for Offenders with Mental Impairment.** Recommendations rename rider title to align with the definition provided by Health and Safety Code § 614.

34. **Mental Health Outcomes and Accountability.** Recommendations revise rider to add local behavioral health authorities.

35. **Mental Health Appropriations and the 1115 Medicaid Transformation Waiver.** Recommendations revise rider to add local behavioral health authorities.

36. **Healthy Community Collaboratives.** Recommendations remove contingency language associated with House Bill 4142, Eighty-fifth Legislature, Regular Session, 2017.

37. **Mental Health Peer Support Re-entry Program.** Recommendations revise rider to maintain program requirements.

38. **Quarterly Reporting of Waiting Lists for Mental Health Services.** Recommendations revise rider to add local behavioral health authorities to the reporting requirement.

40. **Funding for Mental Health Programs.** Recommendations identify total funding that the agency would spend on 40 relinquishment prevention slots, including administration.

44. **Funding for Abstinence Sexual Education.** Recommendations remove duplicative language, update references to federal statute, and clarify that rider restrictions apply to all funds appropriated in Strategy D.1.12, Abstinence Education.

45. **Prohibition on Abortions.** Recommendations combine rider with requirements of former Rider 99, Prohibition on Abortions: Healthy Texas Women Program and Family Planning Program.

46. **Funding for Family Planning Instruction.** Recommendations move provisions regarding provisions of services to minors to new Rider 50, Primary Care and Specialty Care Provisions, and update rider name accordingly.

47. **Women's Health Programs: Savings and Performance Reporting.** Recommendations add language to clarify that reporting requirements apply to Healthy Texas Women, Family Planning Program, and the Breast and Cervical Cancer Services Program. Recommendations also add a requirement for HHSC to submit total expenditures by method of finance and program.

48. **Funding for Healthy Texas Women Program.** Recommendations clarify that HHSC must seek LBB and Governor's Office approval to transfer funds from other sources prior to making any reductions to program service levels should federal matching funds not become available or are available in a lesser amount than appropriated.

51. **Maintenance of Effort (MOE) Reporting Requirement: ECI Services.** Recommendations delete references to matching requirements because IDEA Part C does not have a matching requirement. Recommendations add a reporting deadline of within 30 calendar days of the end of each fiscal quarter.

52. **Reporting on Early Childhood Intervention.** Recommendations require HHSC to submit ECI contractor reports within 30 calendar days of determination of initial contract amounts; finalization (signing) of contracts; and finalization of mid-year adjustments to the contracts.

53. **Education Funding.** Recommendations change submission of Memorandum of Understanding (MOU) between the Texas Education Agency and HHSC from annually to biennially because the MOU is for two years.

55. **Autism Program Provisions.** Recommendations clarify limitations on appropriations and update name of advisory council. Recommendations remove limitations on transfer authority for Strategy D.1.6, Autism Program, as it is partially duplicative of the limitations provided in new Rider 97, Limitations on Transfer Authority.

57. **Children with Special Health Care Needs (CSHCN).** Recommendations delete sub-section allowing HHSC to exceed performance measure targets because explicit authority is not needed for HHSC to do so. Recommendations also delete reference to maintain provider reimbursement rates for Title V providers that mirror rates for Medicaid providers. Recommendations change submission of caseload and prescription drug data from quarterly to annually.

59. **High Performance Bonus for Administration of the Supplemental Nutritional Assistance Program (SNAP).** Recommendations revise rider to remove conflicting language stating that the authority for the receipt and expenditure of funds for high performance bonuses is Article IX, § 13.11, Definition, Appropriation, and Audit of Earned Federal Funds. Appropriation authority for high-performance bonus payments would instead be provided through Article IX, § 13.01, Federal Funds/Block Grants.

62. **FTE Authority during Federally-Declared Disasters.** Recommendations clarify that authority provided in rider notwithstands Article IX, § 6.10, Limitation on State Employment Levels.

65. **Funding for Child Advocacy Center Programs and Court Appointed Special Advocate Programs.** Recommendations remove limitations on transfer authority for Strategy F.3.2, Child Advocacy Programs, as it is partially duplicative of the limitations provided in new Rider 97, Limitations on Transfer Authority. Recommendations also reduce funding provided to court appointed special advocate programs to align with an agency-projected decline in license plate revenue. Recommendations standardize language allowing the agency to transfer unexpended balances in Strategy F.3.2, Child Advocacy Programs, within the biennium.

67. **Lifespan Respite Care Program.** Recommendations revise rider to align with HHSC's current business practices.

69. **Behavioral Support Specialists at State Supported Living Centers.** Recommendations revise rider to add San Angelo State Supported Living Center to align with current practice. Recommendations also rename rider to clarify the type of facility impacted by the rider.

70. **State Supported Living Center Oversight.** Recommendations provide the following:
    - Remove the annual report on compliance with the Department of Justice Settlement Agreement and instead require notification when a state supported living center reaches substantial compliance with a section of the settlement agreement. The annual report is duplicative of the monitoring reports posted on the agency's website;
    - Require monthly expenditure data to be submitted twice a year instead of quarterly;
    - Combine staffing report with other existing reporting requirements for state hospitals. See also Rider 74, State Hospital and State Supported Living Center Workforce;
    - Revise rider to add language stopping the counting of business days for a request submitted under the authority provided by the rider; and
    - Combine the authority provided through former Rider 163, Fees for Community Services at the State Supported Living Centers (SSLCs), to allow HHSC to spend any fees collected above appropriations without requesting approval.

71. **State Health Care Facility Provisions.** Recommendations revise rider to clarify the Family Medicine Residency Program is now a part of the University of Texas Rio Grande Valley.

74. **State Hospital and State Supported Living Center Workforce.** Recommendations revise rider to add analysis of turnover and vacancy rates at the state supported living centers (SSLCs) to the report. Analysis for the SSLCs was previously required by subsection (c) of former Rider 139, State Supported Living Center Oversight.

78. **Administrative Attachment: Texas Civil Commitment Office.** Recommendations add a quarterly reporting requirement to include the number and placement of civilly committed individuals and the number and outcome of civil commitment trials within the reporting period.

79. **Texas Civil Commitment Center Healthcare Costs.** Recommendations align rider language with recommended funding level for healthcare costs not covered under the current contract for the Texas Civil Commitment Center.

81. **Vendor Drug Rebates and Report.** Recommendations add appropriation authority for vendor drug rebates generated by the Healthy Texas Women (HTW) program. Recommendations also add appropriation authority for vendor drug rebates generated in excess of appropriations in HTW, Children with Special Health Care Needs (CSHCN), and Kidney Health Program (KHP). Recommendation require HHSC to expend vendor drug rebates as a first source before General Revenue Fund 01 and prohibit HHSC from making General Revenue Fund 01 expenditures for the HTW, CSHCN, or KHP in excess of total General Revenue Fund 01 appropriations for each program.

85. **Estimated Pass-through Funds.** Recommendations rename rider and clarify that HHSC may work with the Comptroller of Public Accounts to reflect estimated pass-through funds.

86. **Use of Certain Additional Medicaid Revenues.** Recommendations rename rider and combine appropriation authority for Medicaid Program Income and Medicaid Cost Sharing revenues. Appropriation authority was previously provided by former Rider 166, Cost Sharing – Medicaid Clients. Recommendations also clarify language regarding revenues that are reported under Medicaid Program Income No. 705.

87. **Revolving Fund Services: Canteen Services and Work Centers.** Recommendations align rider language with correct program reference.

89. **Mental Health (MH) and Intellectual Disability (ID) Collections for Patient Support and Maintenance.** Recommendations revise rider to move monthly reporting requirements with other existing reporting requirements laid out in Rider 110, Other Reporting Requirements. Recommendations also remove obsolete language.

90. **Mental Health (MH) and Intellectual Disability (ID) Appropriated Receipts.** Recommendations revise rider to move monthly reporting requirements with other existing reporting requirements laid out in Rider 110, Other Reporting Requirements. Recommendations also remove obsolete language.

91. **Mental Health (MH) and Intellectual Disability (ID) Medicare Receipts.** Recommendations revise rider to move monthly reporting requirements with other existing reporting requirements laid out in Rider 110, Other Reporting Requirements. Recommendations also remove obsolete language.

94. **Appropriation: Contingent Revenue.** Recommendations revise rider to remove unexpended balance authority for certain revenue. HHSC would be required to seek approval for unexpended balance authority pursuant to Article IX, § 14.05, Unexpended Balance Authority Between Fiscal Years within the Same Biennium.

95. **Appropriations Limited to Revenue Collections.** Recommendations remove appropriation authority for fee revenue collected in excess of the Comptroller of Public Accounts Biennial Revenue Estimate in order to align with similar riders in the GAA in other agencies' bill patterns. Recommendations also clarify the strategies that the rider applies to, and align rider language with correct revenue object code names.

102. **Unexpended Construction Balances.** Recommendations provide authority for agency to request to expend unexpended balances from the previous biennium towards construction and deferred maintenance projects at the state owned facilities, including state hospitals and state supported living centers. Recommendations also clarify the type and purpose of the funds the agency is allowed to transfer from the previous biennium.

103. **Mental Health Appropriation Transfer Between Fiscal Years.** Recommendations modify rider to restrict the transfer to Strategy G.2.1, Mental Health State Hospitals. Recommendations also remove language having the state hospitals maintain Medicaid caseloads at fiscal year 2019 levels.

104. **State Owned Multicategorical Teaching Hospital Account.** Recommendations modify rider to allow HHSC to spend revenue collected in General Revenue – Dedicated State Owned Multicategorical Teaching Hospital Account No. 5049 in the event that actual collections are below appropriated levels.

107. **Appropriation of Unexpended Balances: Funds Recouped from Local Authorities.** Recommendations change the due date from June 1 to December 15 to allow the report to capture an entire fiscal year of data.

110. **Other Reporting Requirements.** Recommendations clarify the types of federal reports HHSC should submit to the LBB and Governor's Office.

111. **Reimbursement of Advisory Committee Members.** Recommendations revise rider to update names of advisory committees and add the Texas Medical Disclosure Panel. Recommendations adjust the maximum amount HHSC can expend on advisory committee travel reimbursement to align with estimated 2020-21 need.

114. **Revolving Account for the Consolidated Health and Human Services Print Shop.** Recommendations add unexpended balance authority for the print shop that was previously provided in former Rider 194, Unexpended Balances within the Biennium: Print Shop.

119. **Recruitment and Retention Strategies.** Recommendations change reporting requirement from annually to biennially.

120. **Palliative Care Program.** Recommendations delete references to membership of Palliative Care Interdisciplinary Advisory Council because it is duplicative of Health and Safety Code Chapter 118. Recommendations adjust funding amounts for the Council to remove startup costs for the 2018-19 biennium.

126. **Enterprise Data Governance.** Recommendations change reporting requirement from quarterly to annually.

127. **Texas Integrated Eligibility Redesign System (TIERS**). Recommendations revise rider to notwithstand the transfer authority provided in Article IX, § 14.03, Transfers – Capital Budget.

**NEW RIDERS**

18. **Appropriation Authority for Certain Intergovernmental Transfers.** Recommendations add a rider that consolidates the requirements of former Rider 17, Receipt of Transfers from Participation in the Healthcare Transformation and Quality Improvement Program, and former Rider 31, Appropriation Authority for Intergovernmental Transfers. Recommendations specify that HHSC may expend IGT of funds from institutions of higher education to be used as the non-federal share of uncompensated care or delivery system reform incentive payments or monitoring costs under the Healthcare Transformation and Quality Improvement 1115 Waiver in an amount that exceeds the amounts identified in the rider.

20. **Supplemental Payment Program Reporting.** Recommendations add a rider that consolidates reporting requirements related to supplemental payments from former Rider 15, Supplemental Payments; former Rider 18, Network Access Improvement Program Report; former Rider 22, 1115 Medicaid Transformation Waiver Distribution Public Reporting; and former Rider 27, NAIP, MPAP, and QIPP Payments Reporting. Recommendations modify various submission frequencies and dates to require an annual report no later than June 30 of each fiscal year.

21. **Health Insurance Providers Fee.** Recommendations move rider requirements of former Special Provisions Sec. 20, Health Insurance Providers Fee, to HHSC, as the provision pertains only to funds appropriated to HHSC.

23. **Medically Dependent Children Program.** Recommendations add rider to place restrictions on client enrollment in Medically Dependent Children Program (MDCP) waiver services and Youth Empowerment Services (YES) waiver services to certain targets.

24. **Health and Human Services Cost Containment.** Recommendations add rider requiring HHSC to develop and implement cost containment initiatives to achieve savings throughout the health and human services system and submit a cost containment plan to the Legislative Budget Board by December 1, 2019.

26. **Policies for Certain Hospital Stays.** Recommendations transfer requirements of former Article IX, § 6.26, Policies for Certain Hospital Stays, to HHSC, as the provision only pertains to HHSC.

27. **Evaluation of Children's Hospital Reimbursement.** Recommendations add rider requiring HHSC to evaluation Medicaid and CHIP reimbursement methodologies for free-standing, non-profit children's hospitals.

41. **Synar Results Notification for Local Communities.** Recommendations move rider requirements from the Department of State Health Services to HHSC. HHSC is responsible for conducting the Synar survey.

49. **Breast and Cervical Cancer Services Program Funding.** Recommendation add rider to identify funding in Strategy D.1.1, Women's Health Programs, for the Breast and Cervical Cancer Services Program (BCCS), and require HHSC to seek approval to transfer funding from other sources before reducing services if federal funds are available in a lesser amount that appropriated.

50. **Primary Care and Specialty Care Provisions.** Recommendations add a rider that consolidates limitations from former Rider 93, Primary Health Care Program: Providers; former Rider 94, Breast and Cervical Cancer Services Program: Providers; the portion of former Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, regarding provision of services to minors (the remainder of former Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, is continued as Rider 46, Funding for Family Planning Instruction); former Rider 100, Consent for Family Planning: Women's Health Services; former Rider 101, Family Planning Services: Allocation of Funds; and former Rider 103, Medical Treatments.

64. **Pediatric Health Tele-Connectivity Resource Program for Rural Texas.** Recommendations add rider to identify funding for the pediatric health tele-connectivity resource program for rural Texas established in Government Code Chapter 541.

75. **Expenditure Reporting at the State Hospitals.** Recommendations add rider to require HHSC to provide actual monthly expenditure data by state hospital on biannual basis.

82. **Appropriation: WIC Rebates.** Recommendations add rider to provide HHSC appropriation authority and unexpended balance authority between and within biennia for rebates generated by the WIC program.

97. **Limitations on Transfer Authority.** Recommendations add rider to provide the following:
    - Combine former Rider 181, Transfers: Authority and Limitations, with a new transfer rider with modifications to remove HHSC's authority to request to transfer funding to or from entitlement Strategies in Goal A, Medicaid Client Services, and Goal C, CHIP Client Services, to non-entitlement strategies. Recommendations also remove HHSC's authority to request to transfer funding to and from non-entitlement strategies in Goal A, Medicaid Client Services;
    - Modify former Rider 181, Transfers: Authority and Limitations, to remove language requiring HHSC to report on Full-Time-Equivalent (FTE) transfers or the capital budget impact of a notification made pursuant to the transfer authority provided by the rider in Goal A, Medicaid Client Services, and Goal C, CHIP Client Services. These goals do not include FTEs or capital budget funding;
    - Combine former Rider 181, Transfers: Authority and Limitations, to continue to allow HHSC to temporarily utilize funding in Goal A, Medicaid Client Services, and Goal C, CHIP Client Services, for cash flow purposes;
    - Restrict HHSC's transfer authority related to non-Medicaid and CHIP strategies. Recommendations require HHSC to request approval to make a transfer of more than the lesser of $1.0 million or 10 FTEs or 20 percent of the originating strategy;
    - Consolidate transfer limitations related to Strategies in Goal B, Medicaid and CHIP Contracts and Administration, Strategy D.1.3, ECI Services, Strategy D.1.4, ECI Respite and Quality Assurance, and Strategies in Goal L, Enterprise Oversight and Policy. Restrictions for these strategies were previously provided by former Rider 181, Transfers: Authority and Limitations, Rider 183, Limitation: Transfer Authority for Early Childhood Intervention (ECI) Strategies, and Rider 195, Limitation on Transfer Authority – Medicaid & CHIP Contracts and Administration;
    - Modify transfer limitations related to Strategy D.1.6, Autism Program, and Strategy F.3.2, Child Advocacy Programs, to allow HHSC to request to transfer funding to or from these strategies. Restrictions for these strategies were previously provided by former Rider 117, Autism Program Provisions, and Rider 129, Funding for Child Advocacy Center Programs and Court Appointed Special Advocate Programs;

- Add new restrictions to require HHSC to request approval to make a transfer in any dollar amount to or from Strategy D.1.1, Women's Health Program and Strategy G.1.1, State Supported Living Centers; and
- Remove the time clock for approval from former Rider 181, Transfers: Authority and Limitations, and former Rider 195, Limitation on Transfer Authority – Medicaid & CHIP Contracts and Administration.

108. **Transfer Authority Related to the Texas Home Living Waiver.** Recommendations transfer requirements of former Special Provisions Sec. 15, Transfer Authority Related to the Texas Home Living Waiver, to HHSC, as the provision only pertains to HHSC. Recommendations also restrict the numbers served in the Texas Home Living Waiver to the target identified in Rider 1, Performance Measure Targets.

128. **Sunset Contingency.** Recommendations add a contingency provision for the upcoming Sunset review of the Texas State Board of Examiners of Marriage and Family Therapists, Texas State Board of Examiners of Professional Counselors, and Texas State Board of Social Worker Examiners.

**DELETED RIDERS (original number)**

3. **Pediatric Care in Nursing Facilities.** Recommendations delete rider because it is duplicative of state and federal law and falls under agency rulemaking authority.

4. **Nursing Facility Beds for Medicaid Eligible Veterans.** Recommendations delete rider because the requirements fall under agency rulemaking authority and existing agency rules.

13. **Local Reporting on DSH, Uncompensated Care, Delivery System Reform Incentive Payment, and Indigent Care Expenditures.** Recommendations delete rider because the rider requires non-state agencies to produce a report.

15. **Supplemental Payments.** Recommendations combine the requirements of this rider with former Rider 18, Network Access Improvement Program Report; former Rider 22, 1115 Medicaid Transformation Waiver Distribution Public Reporting; and former Rider 27, NAIP, MPAP, and QIPP Payments Reporting into new Rider 20, Supplemental Payment Program Reporting.

16. **Medicaid In-Office Diagnostic Ancillary Services.** Recommendations delete rider because HHSC is unable to collect or obtain the necessary data to produce the report as required.

17. **Receipt of Transfers from Participation in the Healthcare Transformation and Quality Improvement Program.** Recommendations combine the requirements of rider with former Rider 31, Appropriation Authority for Intergovernmental Transfers into new Rider 18, Appropriation Authority for Certain Intergovernmental Transfers.

18. **Network Access Improvement Program Report.** Recommendations combine the requirements of rider with former Rider 15, Supplemental Payments; former Rider 22, 1115 Medicaid Transformation Waiver Distribution Public Reporting; and former Rider 27, NAIP, MPAP, and QIPP Payments Reporting into new Rider 20, Supplemental Payment Program Reporting.

19. **Federal Funding for Health Related Institutions.** Recommendations delete rider because it is duplicative of existing agency practice and requirements to maximize the use of federal funding.

20. **Report on Pay for Quality Measures.** Recommendations delete rider for one-time reporting requirement.

21. **Cochlear Implants and Other Assistance for the Hearing Impaired.** Recommendations delete rider because HHSC already reviews all fee-for-service rates on a biennial basis, which includes a review of access to care.

22. **1115 Medicaid Transformation Waiver Distribution Public Reporting.** Recommendations combine the requirements of rider with former Rider 15, Supplemental Payments; former Rider 18, Network Access Improvement Program Report; and former Rider 27, NAIP, MPAP, and QIPP Payments Reporting into new Rider 20, Supplemental Payment Program Reporting.

23. **Report on the Vendor Drug Program.** Recommendations delete rider for one-time reporting requirement.

24. **Texas Medicaid and Texas Diabetes Council.** Recommendations delete rider because this is existing agency practice.

25. **Texas Medicaid and Texas Diabetes Council – Coordination and Report.** Recommendations delete rider because the reporting requirement is duplicative of existing Texas Diabetes Council report required pursuant to Health and Safety Code § 103.013.

27. **NAIP, MPAP, and QIPP Payments Reporting.** Recommendations combine the requirements of rider with former Rider 15, Supplemental Payments; former Rider 18, Network Access Improvement Program Report; and former Rider 22, 1115 Medicaid Transformation Waiver Distribution Public Reporting into new Rider 20, Supplemental Payment Program Reporting.

28. **Medicaid Substance Abuse Treatment.** Recommendations delete rider for one-time reporting requirement.

29. **Monitor the Integration of Behavioral Health Services.** Recommendations delete rider because the requirements fall under agency rulemaking authority and it is partially duplicative of Government Code § 533.00255(b).

30. **General Revenue Funds for Medicaid Mental Health and Intellectual Disability Services.** Recommendations delete rider because the requirements are no longer necessary. HHSC will continue to be required to report on these methods of finance in the Monthly Financial Reports.

31. **Appropriation Authority for Intergovernmental Transfers.** Recommendations combine rider with former Rider 17, Receipt of Transfers from Participation in the Healthcare Transformation and Quality Improvement Program into new Rider 18, Appropriation Authority for Certain Intergovernmental Transfers.

33. **Medicaid Funding Reduction and Cost Containment.** Recommendations delete rider because these cost containment initiatives and associated funding reduction were specific to 2018-19 appropriations for the Medicaid program.

35. **Quality-Based Payments and Delivery Reforms in the Medicaid and Children's Health Insurance Programs.** Recommendations delete rider because HHSC has implemented quality-based outcome and process measures for Medicaid and CHIP.

36. **Medicaid Provider Enrollment Portal.** Recommendations delete rider because the plan was submitted on June 1, 2018, and received approval during the 2018-19 biennium.

37. **Managed Care Risk Margin.** Recommendations delete rider because changes to the risk margin were implemented during the 2018-19 biennium and are continued in 2020-21 recommendations.

39. **Graduate Medical Education.** Recommendations delete rider for one-time reporting requirement.

40. **Maternal and Neonatal Health.** Recommendations delete rider for one-time reporting requirement.

41. **Coordination of Medicaid Dental and Medicaid Services.** Recommendations delete rider for one-time reporting requirement.

42. **Coordination of Services.** Recommendations delete rider for one-time reporting requirement.

43. **Therapy Services Accountability.** Recommendations delete rider for one-time requirement to be implemented during the 2018-19 biennium.

44. **Contingency for Senate Bill 1787.** Recommendations delete rider for one-time contingency requirement.

45. **Managed Care Organization Services for Individuals with Serious Mental Illness.** Recommendations delete rider for one-time reporting requirement.

49. **Review of Certain Medicaid Dental Services.** Recommendations delete rider for one-time reporting requirement.

50. **Evaluation of Intermediate Care Facility Conversion.** Recommendations delete rider for one-time reporting requirement.

52. **Evaluation of Rural Hospital Funding Initiatives.** Recommendations delete rider for one-time reporting requirement.

53. **Program of All-Inclusive Care for the Elderly (PACE).** Recommendations delete rider so as not to authorize expansion to three additional PACE sites in the 2020-21 biennium.

54. **Texas Medicaid Pre-Term Births and Low Birthweight Births.** Recommendations delete rider for one-time reporting requirement.

55. **Informational Listing: Expansion of Community-based Services.** Recommendations delete rider because no funding for the expansion of community-based services is included in 2020-21 recommendations.

56. **Exemption from Waiver Rate Reductions.** Recommendations delete rider because the exemption is assumed to be continued in 2020-21 recommendations.

58. **Review of Certain Capitation for Dual Eligible Clients.** Recommendations delete rider for one-time reporting requirement.

59. **Adjustment of Therapy Rate Reductions.** Recommendations delete rider because the fiscal year 2019 policies are assumed to be continued in 2020-21 recommendations.

60. **Prescription Drug Benefit Administration in Medicaid, CHIP, and Other Health-Related Services.** Recommendations delete rider for one-time reporting requirement.

61. **Evaluation of Medicaid Managed Care.** Recommendations delete rider for one-time reporting requirement.

64. **CHIP Enrollment.** Recommendations delete rider because federal maintenance of effort requirements for the CHIP program do not allow the state to utilize eligibility standards, methodologies, or procedures that are more restrictive than those in place on March 23, 2010.

65. **Children's Health Insurance Program Priority.** Recommendations delete rider because federal maintenance of effort requirements for the CHIP program do not allow the state to impose eligibility standards, methodologies, or procedures that are more restrictive than those in place on March 23, 2010.

70. **Local Service Area Planning.** Recommendations delete rider because it is duplicative of Health and Safety Code § 533.0352.

76. **Purchased Psychiatric Hospital Beds.** Recommendations delete rider because the funding is included in 2020-21 recommendations.

77. **Medicaid Services Capacity for High-Needs Children in the Foster-Care System.** Recommendations delete rider due to one-time pilot program.

79. **Sharing of Non-Individually Identifiable Health Information.** Recommendations delete rider for one-time requirement.

80. **Increased Access to Community Mental Health Services.** Recommendations delete rider because the funding is included in 2020-21 recommendations.

81. **Contingency for HB 10.** Recommendations delete rider pursuant to the enactment of House Bill 10, Eighty-fifth Legislature, Regular Session, 2017.

82. **Contingency for HB 12.** Recommendations delete rider pursuant to the enactment of Senate Bill 292, Eighty-fifth Legislature, Regular Session, 2017.

83. **Contingency for HB 13.** Recommendations delete rider pursuant to the enactment of House Bill 13, Eighty-fifth Legislature, Regular Session, 2017.

84. **Contingency for HB 1486.** Recommendations delete rider pursuant to the enactment of House Bill 1486, Eighty-fifth Legislature, Regular Session, 2017.

85. **Reporting of Postpartum Depression Data.** Recommendations delete rider for one-time reporting requirement.

86. **Postpartum Depression Services.** Recommendations delete rider as HHSC submitted an application for this purpose in August 2018. HHSC was notified in October 2018 that no funding would be awarded to the agency.

87. **Substance Abuse Funding for Guardians of Children.** Recommendations delete rider as HHSC did not receive additional federal funding for this purpose.

88. **Prioritization of Behavioral Health Treatment for Pregnant Women.** Recommendations delete rider as it is duplicative of federal guidance. The Substance Abuse and Mental Health Services Administration (SAMHSA) identifies pregnant women and women with dependent children as a targeted population for services funded through the Substance Abuse Prevention and Treatment Block Grant.

90. **Quarterly Reporting of Mental Health Services in the Former NorthSTAR Service Area.** Recommendations delete rider for one-time reporting requirement. In addition, parts of the quarterly reports are duplicative of the quarterly reports required by former Rider 33, Quarterly Reporting of Waiting Lists for Mental Health Services.

91. **Integrated Care Study for Veterans with Post-Traumatic Stress Disorder.** Recommendations delete rider pursuant to the enactment of House Bill 3404, Eighty-fourth Legislative session, 2015, and for one-time reporting requirement.

93. **Primary Health Care Program: Providers.** Recommendations combine the limitations of the rider with former Rider 94, Breast and Cervical Cancer Services Program: Providers; the portion of Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, regarding provision of services to minors (the remainder of former Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, is continued as Rider 46, Funding for Family Planning Instruction); Rider 100, Consent for Family Planning: Women's Health Services; Rider 101, Family Planning Services: Allocation of Funds; and Rider 103, Medical Treatments, into new Rider 50, Primary Care and Specialty Care Providers.

94. **Breast and Cervical Cancer Services Program: Providers.** Recommendations combine the limitations of the rider with former Rider 93, Primary Health Care Program: Providers; the portion of Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, regarding provision of services to minors (the remainder of former Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, is continued as Rider 46, Funding for Family Planning Instruction); Rider 100, Consent for Family Planning: Women's Health Services; Rider 101, Family Planning Services: Allocation of Funds; and Rider 103, Medical Treatments, into new Rider 50, Primary Care and Specialty Care Providers.

99. **Prohibition on Abortions: Healthy Texas Women Program and Family Planning Program.** Recommendations delete rider and combine requirements with Rider 45, Prohibition on Abortions.

100. **Consent for Family Planning: Women's Health Services.** Recommendations combine the limitations of the rider with former Rider 93, Primary Health Care Program: Providers; Rider 94, Breast and Cervical Cancer Services Program: Providers; the portion of Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, regarding provision of services to minors (the remainder of former Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, is continued as Rider 46, Funding for Family Planning Instruction); Rider 101, Family Planning Services: Allocation of Funds; and Rider 103, Medical Treatments, into new Rider 50, Primary Care and Specialty Care Providers.

101. **Family Planning Services: Allocation of Funds.** Recommendations combine the limitations of the rider with former Rider 93, Primary Health Care Program: Providers; Rider 94, Breast and Cervical Cancer Services Program: Providers; the portion of Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, regarding provision of services to minors (the remainder of former Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, is continued as Rider 46, Funding for Family Planning Instruction); Rider 100, Consent for Family Planning: Women's Health Services; and Rider 103, Medical Treatments, into new Rider 50, Primary Care and Specialty Care Providers.

102. **Access to Highly Effective Methods of Contraception.** Recommendations delete rider because the agency created provider education materials and conducted training regarding long-acting reversible contraception (LARC) and reported that client use of LARC increased. HHSC would still be required by Rider 47, Women's Health Programs: Savings and Performance Reporting to report the count of women in the Healthy Texas Women and Family Planning Program who receive LARC.

103. **Medical Treatments.** Recommendations combine the limitations of the rider with former Rider 93, Primary Health Care Program: Providers; Rider 94, Breast and Cervical Cancer Services Program: Providers; the portion of Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, regarding provision of services to minors (the remainder of former Rider 96, Funding for Medicaid Family Planning and Family Planning Instruction, is continued as Rider 46, Funding for Family Planning Instruction); Rider 100, Consent for Family Planning: Women's Health Services; and Rider 101, Family Planning Services: Allocation of Funds, into new Rider 50, Primary Care and Specialty Care Providers.

105. **Access to Long-Acting Reversible Contraception Strategic Plan.** Recommendations delete rider for one-time reporting requirement.

106. **Auto-Enrollment in the Healthy Texas Women Program.** Recommendations delete rider for one-time reporting requirement.

107. **Alternatives to Abortion.** Recommendations delete rider because the funding is included in 2020-21 recommendations and for one-time reporting requirement.

110. **ECI Respite Care for Families.** Recommendations delete rider because HHSC does not count General Revenue appropriated for the purpose of providing respite care for families toward the State's maintenance of effort requirement for IDEA Part C.

112. **Early Childhood Intervention (ECI) Report on Changes to the Family Cost Share System.** Recommendations delete rider for one-time reporting requirement.

114. **Early Childhood Intervention (ECI) Services: Medicaid Billing.** Recommendations delete rider because HHSC provided technical assistance to local ECI service providers regarding Medicaid Targeted Case Management (TCM) billing during the 2018-19 biennium and decided not to seek federal approval for pooled increments of TCM.

115. **Cash Flow Contingency for the Specialized Telecommunications Assistance Program (STAP).** Recommendations delete rider as it is duplicative of cash flow authority provided by Rider 97, Limitations on Transfer Authority.

119. **Medically Fragile Children.** Recommendations delete rider related to a discontinued pilot program.

120. **County Indigent Health Care.** Recommendations delete rider as it conflicts with Health and Safety Code § 61.0395.

122. **Supplemental Nutritional Assistance Program Funds Appropriated.** Recommendations delete rider because it is duplicative of Human Resources Code Chapter 33.

125. **Temporary Assistance for Needy Families (TANF) Maintenance of Effort.** Recommendations delete rider because HHSC has broad discretion to determine which state funds are counted toward maintenance of effort requirements.

132. **Contingency for Senate Bill 267.** Recommendations delete rider related to a bill from the Eighty-fifth Legislature, Regular Session, 2017, that did not pass.

133. **Funding for Blind Children's Vocational Discovery and Development Program.** Recommendations delete rider because funding to serve the identified population (children ages 10 to 13) is included in recommendations.

134. **Family Violence Program.** Recommendations delete rider because the funding is included in 2020-21 recommendations.

135. **Office of Minority Health Statistics and Engagement.** Recommendations delete rider as the Office of Minority Health Statistics and Engagement closed on September 1, 2018.

136. **State Supported Living Centers: Proportionality of Funds.** Recommendations delete rider as it is duplicative of the requirements of Article IX, § 6.08, Benefits Paid Proportional by Method of Finance.

144. **State Hospital Land and Facilities.** Recommendations delete rider as it is duplicative of other statutory and rider authority for the agency to enter into a lease or agreement for the use of land or facilities.

145. **State Hospital Planning.** Recommendations delete rider as the agency completed the action related to the plan in the 2018-19 biennium.

146. **State Hospital Contracting for Physician and Professional Services.** Recommendations delete duplicative authority to contract with other agencies for physician and professional services.

147. **New Construction of State Hospitals.** Recommendations delete rider as limitations apply to one-time appropriations and reporting requirements.

157. **Appropriation: Quality Assurance Fees.** Recommendations delete rider as funding for Corpus Christi Bond Home employees is located in HHSC Strategy G.3.1, Other Facilities. No appropriations from the General Revenue – Dedicated Quality Assurance Account No. 5080 are included in recommendations for this purpose.

158. **Expenditure of Settlement Funds.** Recommendations delete rider that requires notification of any Federal Funds used to reimburse General Revenue for expenditures prior to receipt of Federal Funds.

163. **Fees for Community Services at State Supported Living Centers (SSLCs).** Recommendations delete rider and combine authority to expend fees with Rider 70, State Supported Living Center Oversight.

165. **Authorization to Receive, Administer, and Disburse Disaster-related Federal Funds.** Recommendations delete rider because it is duplicative of Article IX § 13.03, Federal Funds/Block Grants, and Article IX § 14.04, Disaster Related Transfer Authority.

166. **Cost Sharing – Medicaid Clients.** Recommendations combine requirements of rider with Rider 87, Use of Certain Additional Medicaid Revenues.

177. **Appropriation of Local Funds.** Recommendations move the authority to Special Provisions Relating to All Health and Human Services Agencies, as the Department of State Health Services and Department of Family and Protective Services have identical riders.

178. **Fund Transfers for Funds Consolidation.** Recommendations delete rider because HHSC does not utilize Fund No. 117 for federal and other funds as part of their current practice.

181. **Transfers: Authority and Limitations.** Recommendations delete rider and consolidate or modify the transfer limitations with new Rider 97, Limitations on Transfer Authority.

182. **Unexpended Balance Authority within the Biennium for Eligibility Determination Services and Community Mental Health Crisis Services.** Recommendations delete rider as it is duplicative of the authority provided by Article IX, § 14.05, Unexpended Balance Authority Between Fiscal Years within the Same Biennium. Deleting rider would remove the time clock of notification of a decision for a request related to transfer of unexpended balances.

183. **Limitation: Transfer Authority for Early Childhood Intervention (ECI) Strategies.** Recommendations delete rider and consolidate the transfer limitations into new Rider 97, Limitations on Transfer Authority.

185. **Unexpended Balances within the Biennium: ECI Respite Services.** Recommendations delete rider to require HHSC to seek approval to transfer unexpended balances instead of being granted automatic authority. Recommendations also delete rider to align with the current budget structure; Strategy D.1.4, ECI Respite and Quality Assurance, includes funds for additional purposes beyond respite services.

188. **Unexpended Balances: Consumer Protection Services.** Recommendations delete rider as it is duplicative of the authority provided by Article IX, § 14.05, Unexpended Balance Authority Between Fiscal Years within the Same Biennium. Deleting rider would remove the time clock of notification of a decision for a request related to transfer of unexpended balances.

194. **Unexpended Balances within the Biennium: Print Shop.** Recommendations delete rider and consolidate unexpended balance authority with Rider 114, Revolving Account for the Consolidated Health and Human Services Print Shop.

195. **Limitation on Transfer Authority-Medicaid & CHIP Contracts and Administration.** Recommendations delete rider and consolidate the transfer limitations with new Rider 97, Limitations on Transfer Authority.

203. **Staffing and Capital Authorization in Lieu of Contracted Responsibilities.** Recommendations delete rider and require HHSC to request authority under Article IX, § 14.03 Transfers – Capital Budget, and use existing authority under Article IX, § 6.10, Limitation on State Employment Levels, should the agency decide to insource services that would result in the need for additional FTEs or capital budget authority.

208. **Blind Endowment Trust Fund Reporting.** Recommendations delete rider as the majority of the funds collected for this purpose are received by Texas Workforce Commission. Recommendations continue requiring Texas Workforce Commission to report on collections.

215. **Reporting of Child Abuse.** Recommendations delete rider and transfer requirement to Special Provisions Relating to All Health and Human Services Agencies.

219. **Study Relating to Enhanced Criminal Background Check Standards for Certain Health and Human Services Commission Contractors.** Recommendations delete rider for one-time reporting requirement.

220. **Enhanced Eligibility Screening Tools.** Recommendations delete rider for one-time reporting requirement.

221. **Clear Process for Including Prescription Drugs on the Texas Drug Code Index.** Recommendations delete rider for one-time reporting requirement.

222. **Operational and Administrative Efficiencies Related to Technology and Electronic Visit Verification.** Recommendations delete rider for one-time reporting requirement.

223. **Anesthesiology Supervision Reimbursement.** Recommendations delete rider for one-time review and evaluation requirement.

**Note:** This schedule does not include rider recommendations for the Office of Inspector General (OIG). For OIG rider recommendations, see Section 4 of the presentation titled *Health and Human Services Commission – Office of Inspector General: Summary of Recommendations – House.*

## Health and Human Services Commission
## Items Not Included in Recommendations - House

| | | 2020-21 Biennial Total | | | | | |
|---|---|---|---|---|---|---|---|
| | | GR & GR-D | All Funds | FTEs | Information Technology Involved? | Contracting Involved? | Estimated Continued Cost 2022-23 |
| **Agency Exceptional Items Not Included (in agency priority order)** | | | | | | | |
| 1) | Maintain Medicaid Entitlement Program Cost Growth | $1,802,104,539 | $3,731,844,664 | 0.0 | No | No | $3,731,844,664 |
| 2) | Maintain Medicaid Non-Entitlement Cost Growth | $55,006,386 | $114,397,439 | 0.0 | No | No | $114,397,439 |
| 3) | Provide Transition to the Community and Reduce Community Program Interest Lists | $154,472,173 | $403,460,497 | 78.1 | No | No | $567,810,065 |
| 4) | Maintain Service Levels at State-owned Facilities | $126,621,543 | $46,762,600 | 946.0 | No | No | $52,133,132 |
| 5) | Maintain ECI Services for Children with Disabilities | $70,745,428 | $70,745,428 | 0.0 | No | Yes | $88,581,904 |
| 6) | Funding Expanded Capacity at Renovated State Hospitals (Comprehensive Plan Phase I Projects) | $15,514,375 | $15,514,375 | 378.3 | No | No | $46,052,050 |
| 7) | Placeholder - Funding State Hospital Planning and Construction (Comprehensive Plan Phase II) | $4 | $4 | 0.0 | No | Yes | $4 |
| 8) | Maintain Funding for Current Women's Health Program Services | $56,064,152 | $56,064,152 | 0.0 | No | Yes | $60,432,338 |
| 9) | Procurement & Contract Management Functions | $45,564,447 | $65,986,772 | 242.6 | Yes | Yes | $51,222,297 |
| 10) | Maintain Baseline for Access & Eligibility Services | $56,036,172 | $158,123,060 | 563.0 | No | No | $164,812,278 |
| 11) | Mental Health Capacity - Request to Reallocate Funding | $43,909,146 | $47,244,616 | 0.0 | No | Yes | $59,055,770 |
| 12) | HHS Telecom Technology Upgrade | $5,587,504 | $6,331,593 | 0.0 | Yes | Yes | $0 |
| 13) | HHS Information Technology Security | $21,569,931 | $31,758,163 | 26.8 | Yes | Yes | $10,338,091 |
| 14) | System-Wide Business Enablement Platform | $5,430,827 | $7,960,640 | 16.2 | Yes | Yes | $3,788,018 |
| 15) | Maintain Baseline for Claims Administrator Support | $29,991,604 | $59,983,208 | 0.0 | No | No | $63,841,292 |
| 16) | Recruiting and Retaining Workforce | $53,954,408 | $76,576,859 | 0.0 | No | No | $60,969,927 |

| | | 2020-21 Biennial Total | | | | | |
|---|---|---|---|---|---|---|---|
| | | **GR & GR-D** | **All Funds** | **FTEs** | **Information Technology Involved?** | **Contracting Involved?** | **Estimated Continued Cost 2022-23** |
| 17) | Comply with Statutory Requirements for IDD System Redesign | $7,358,281 | $14,757,271 | 8.1 | Yes | Yes | $0 |
| 18) | Fair Hearings Process | $1,403,970 | $3,488,705 | 0.0 | Yes | No | $2,760,090 |
| 19) | Statewide Behavioral Health Coordinating Council (SBHCC): Ensure Services for Individuals Experiencing Early Psychosis | $10,508,256 | $10,508,256 | 5.1 | No | Yes | $10,508,256 |
| 20) | SBHCC: Ensure Access to Residential Treatment Center Beds for Children | $2,739,695 | $2,739,695 | 1.0 | No | Yes | $2,739,695 |
| 21) | Substance Use Disorder Treatment | $45,756,175 | $45,756,175 | 17.8 | Yes | Yes | $82,440,382 |
| 22) | SBHCC: Maintain and Expand IDD Crisis Continuum of Care | $46,447,966 | $46,447,966 | 0.0 | No | Yes | $46,447,966 |
| 23) | Electronic Visit Verification System Improvements | $17,396,657 | $63,967,030 | 5.1 | No | Yes | $53,556,132 |
| 24) | Improve System Efficiency to Comply with PASRR Requirements | $4,317,636 | $17,058,825 | 3.1 | Yes | Yes | $436,490 |
| 25) | Maintain Guardianship Services | $2,131,564 | $2,131,564 | 5.1 | No | No | $2,131,564 |
| 26) | Various Information Technology Projects for State Hospital and SSLC Services | $31,115,880 | $31,115,880 | 1.0 | Yes | Yes | $7,600,000 |
| 27) | Improve Capacity for Community Inpatient Psychiatric Services | $39,410,480 | $39,410,480 | 4.1 | No | Yes | $39,382,244 |
| 28) | Comply with Federal Requirements for Community Integration for Individuals with Disabilities | $112,240,875 | $285,464,874 | 32.6 | No | No | $422,845,794 |
| 29) | Building, Fleet, and Equipment Replacement or Repairs at State Hospitals and SSLCs | $42,305,659 | $279,391,188 | 8.1 | No | Yes | $1,998,760 |
| 30) | Data Center Services Projects | $22,188,849 | $33,500,059 | 36.6 | Yes | Yes | $13,330,532 |
| 31) | Performance Management and Analytics System | $3,914,080 | $7,828,160 | 5.0 | Yes | Yes | $2,164,000 |
| 32) | Child Care Licensing New License Types | $3,720,552 | $3,720,552 | 5.6 | Yes | Yes | $1,113,857 |
| 33) | Increase Availability Child Advocacy Services Throughout the State for CASA and CACs | $12,500,000 | $12,500,000 | 0.0 | No | Yes | $12,500,000 |

| | | 2020-21 Biennial Total | | | | | |
|---|---|---|---|---|---|---|---|
| | | GR & GR-D | All Funds | FTEs | Information Technology Involved? | Contracting Involved? | Estimated Continued Cost 2022-23 |
| 34) | Home Delivered Meals Program to Support Older Texans | $7,789,946 | $7,789,946 | 0.0 | No | Yes | $7,789,946 |
| 35) | Services for the Family Violence Program | $6,000,000 | $6,000,000 | 0.0 | No | Yes | $6,000,000 |
| 36) | Attendant Wage Increases | $150,027,792 | $389,392,689 | 0.0 | No | No | $408,066,292 |
| 37) | Improving Access to Specialty Services for Individuals with Intellectual Disabilities | $9,343,070 | $9,343,070 | 69.7 | No | No | $6,147,726 |
| 38) | Placeholder - Response to Foster Child Litigation | $0 | $0 | 0.0 | TBD | TBD | $0 |
| 39) | Support Medically Complex Individuals with IDD Living in Community Settings | $8,558,348 | $22,384,331 | 1.0 | No | Yes | $20,512,600 |
| 40) | Additional FTEs in Regulatory Programs | $12,575,717 | $12,800,148 | 87.6 | No | No | $15,449,740 |
| 41) | Automate Background Checks and Implement Fingerprint-Based Background Checks | $2,630,911 | $2,630,911 | 13.1 | Yes | Yes | $1,540,270 |
| 42) | Meet State Requirements to Ensure Quality for Long-Term Care Services | $1,317,886 | $3,286,665 | 15.2 | No | No | $2,725,596 |
| 43) | Ensure State Oversight of Community Programs for Individuals with IDD | $1,711,406 | $6,000,522 | 5.1 | Yes | Yes | $1,809,840 |
| 44) | SBHCC: Expand Real-Time Behavioral Health Data Sharing | $435,265 | $435,265 | 0.0 | Yes | Yes | $0 |
| 45) | Add Intensive Behavioral Intervention for Children with Autism Spectrum Disorder as a Medicaid Benefit | $75,411,434 | $192,635,697 | 0.0 | No | No | $367,073,262 |
| 46) | Expand Mortality Reviews for Individuals with Intellectual and Developmental Disabilities (IDD) Living in Community Settings to Comply with State Law | $2,116,818 | $4,233,636 | 0.0 | Yes | Yes | $2,463,634 |
| 47) | CAPPS HCM & Financial Upgrades (including Inventory Module) | $7,576,086 | $8,535,451 | 20.3 | Yes | Yes | $2,916,271 |
| 48) | State Funding for Client Services to Replace Money Follows the Person Federal Funds | $3,531,787 | $3,531,787 | 1.0 | No | Yes | $3,554,762 |
| 49) | HHSC Seat Management | $6,344,386 | $9,756,392 | 0.0 | Yes | Yes | $9,299,170 |
| 50) | Health, Developmental & Independence Services Electronic Case Management System | $1,903,720 | $1,903,720 | 0.0 | Yes | Yes | $668,000 |

## Health and Human Services Commission
## Items Not Included in Recommendations - House

| | | 2020-21 Biennial Total | | | | | |
|---|---|---|---|---|---|---|---|
| | | **GR & GR-D** | **All Funds** | **FTEs** | **Information Technology Involved?** | **Contracting Involved?** | **Estimated Continued Cost 2022-23** |
| 51) | Cost Growth and Expansion for the PACE Program | $8,554,510 | $21,720,653 | 1.0 | No | No | $21,720,653 |
| 52) | Ombudsman for Assisted Living Facility Residents | $728,128 | $728,128 | 0.0 | No | Yes | $878,602 |
| **Office of Inspector General Exceptional Items** | | | | | | | |
| 53) | Medicaid Fraud and Abuse Detection System (MFADS) | $6,822,100 | $10,000,000 | 20.2 | Yes | Yes | $2,513,536 |
| 54) | Application Remediation of the Automated System for the Office of the Inspector General Replacement (ASOIG) | $1,819,300 | $3,080,119 | 6.6 | Yes | Yes | $736,184 |
| 55) | Improper Payment Recoveries | $751,597 | $1,523,488 | 0.0 | No | No | $1,293,435 |
| **Texas Civil Commitment Office (TCCO) Exceptional Items** | | | | | | | |
| 56) | TCCO Caseload Growth | $2,400,193 | $2,400,193 | 0.0 | No | Yes | $3,591,654 |
| 57) | TCCO Increased Facility Capacity | $1,951,611 | $1,951,611 | 0.0 | No | Yes | $2,533,946 |
| 58) | TCCO Offsite Healthcare | $535,474 | $535,474 | 0.0 | No | No | $535,474 |
| 59) | TCCO Case Manager Career Ladder Increases - Implementation | $60,960 | $60,960 | 0.0 | No | No | $82,296 |
| **TOTAL Items Not Included in Recommendations** | | **$3,268,927,658** | **$6,515,201,607** | **2,630.1** | | | **$6,667,137,920** |

**Note:** This schedule includes items not included for the Office of Inspector (OIG). For additional details regarding OIG, including selected fiscal and policy issues, rider recommendations, and SFR findings, see the presentation titled *Health and Human Services Commission - Office of Inspector General: Summary of Recommendations - House.*

## Health and Human Services Commission
## Appendices - House

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**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **Total, Goal A, MEDICAID CLIENT SERVICES** | **$60,951,880,509** | **$62,904,299,432** | **$1,952,418,923** | **3.2%** | Recommendations reflect a decrease of $1.4 billion in General Revenue and an increase of $2.0 billion in All Funds in Goal A, Medicaid Client Services. Major items contributing to the net increase include projected caseload growth and maintaining fiscal year 2019 average costs for most services and are offset by net more favorable federal matching rates which decreases General Revenue demand by $2.2 billion. (See Selected Fiscal and Policy Issue #2) |
| **MEDICAID CONTRACTS & ADMINISTRATION B.1.1** | **$1,117,578,395** | **$1,171,526,024** | **$53,947,629** | **4.8%** | |
| GENERAL REVENUE FUNDS | $390,742,754 | $393,943,452 | $3,200,698 | 0.8% | Recommendations include an increase of $3.6 million in General Revenue to biennialize funding for certain contract oversight and utilization review FTEs related to the LBB approval letter dated June 1, 2018, offset by reductions of $0.4 million to reflect the transfer of certain Subrogation and Recovery FTEs and funding to the Office of the Inspector General pursuant to the LBB approval letter dated August 24, 2018. (See Selected Fiscal and Policy Issue #5)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $1.3 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. (See Selected Fiscal and Policy Issue #5) |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| FEDERAL FUNDS | $725,515,503 | $776,146,938 | $50,631,435 | 7.0% | Recommendations include an increase of $50.6 million in Federal Funds due to the following:<br>• **Increase of $39.6 million** to reflect increased federal financial participation for the Medicaid Management and Information System (MMIS) Modernization capital project;<br>• **Increase of $7.9 million** to align with the agency's projected impact of the revised Public Assistance Cost Allocation Plan (PACAP) (See Selected Fiscal and Policy Issue #25);<br>• **Increase of $3.6 million** to biennialize federal matching funds for certain contract oversight and utilization review FTEs related to the LBB approval dated June 1, 2018; and<br>• **Decrease of $0.4 million** to reflect the transfer of certain Subrogation and Recovery FTEs to the Office of the Inspector General.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $1.3 million in fiscal year 2018 to account for federal matching funds that were not drawn down as a result of lower than reported General Revenue expenditures. |
| OTHER FUNDS | $1,320,138 | $1,435,634 | $115,496 | 8.7% | Recommendations include an increase of $0.1 million in Appropriated Receipts Match for Medicaid No. 8062 for the agency's higher projection of reimbursements from bridge organizations that receive Accountable Health Communities Model federal grant program funding. |

## Health and Human Services Commission
## Funding Changes and Recommendations by Strategy - House

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **CHIP CONTRACTS & ADMINISTRATION B.1.2** | **$31,553,399** | **$33,629,550** | **$2,076,151** | **6.6%** | |
| GENERAL REVENUE FUNDS | $2,052,141 | $6,862,110 | $4,809,969 | 234.4% | Recommendations include an increase of $4.8 million in General Revenue matching funds to reflect LBB EFMAP projection for fiscal years 2020 and 2021 and to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $0.1 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $29,501,258 | $26,767,440 | ($2,733,818) | (9.3%) | Recommendations include a decrease of $2.7 million in Federal Funds including:<br>• **Decrease of $2.5 million** to align with the agency's projected impact of the revised PACAP (See Selected Fiscal and Policy Issue #25);<br>• **Decrease of $0.6 million** for agency projection of cost for certain Professional Fees and Services; and<br>• **Increase of $0.4 million** to align with LBB EFMAP projection for fiscal years 2020 and 2021.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $2.6 million in Federal Funds to align agency reported federal matching funds with agency reported General Revenue expenditures and to account for federal matching funds that will not be drawn down. |
| **Total, Goal B, MEDICAID & CHIP SUPPORT** | **$1,149,131,794** | **$1,205,155,574** | **$56,023,780** | **4.9%** | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **Total, Goal C, CHIP CLIENT SERVICES** | **$1,992,409,619** | **$2,179,252,967** | **$186,843,348** | **9.4%** | Recommendations reflect an increase of $314.3 million in General Revenue and a decrease of $127.5 million in Federal Funds related to projected caseload growth, an increase in the Health Insurance Providers Fee, and to maintain fiscal year 2019 premiums. The 23 percentage point increase in EFMAP pursuant to the federal Affordable Care Act will end on September 30, 2019, which increases the General Revenue demand to maintain services; however, more favorable EFMAP without the increase partially offsets the General Revenue increase. (See Selected Fiscal and Policy Issue #3) |
| GENERAL REVENUE FUNDS | $145,042,817 | $459,355,060 | $314,312,243 | 216.7% | |
| FEDERAL FUNDS | $1,847,366,802 | $1,719,897,907 | ($127,468,895) | (6.9%) | |
| **WOMEN'S HEALTH PROGRAMS D.1.1** | **$279,049,250** | **$278,804,016** | **($245,234)** | **(0.1%)** | |
| GENERAL REVENUE FUNDS | $199,852,004 | $141,098,153 | ($58,753,851) | (29.4%) | Recommendations include a decrease of $58.8 million in General Revenue due to the following:<br>• **Decrease of $58.5 million** to reflect federal approval of the agency's Healthy Texas Women 1115 waiver application;<br>• **Decrease of $0.6 million** to reflect additional Federal Funds for the Breast and Cervical Cancer Screening (BCCS) program; and<br>• **Increase of $0.4 million** to maintain agency projection of fiscal year 2019 spending levels in each year of the 2020-21 biennium.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $3.2 million in General Revenue and 4.5 FTEs to reflect consolidation of Title V women's dental and health services with Title V children's dental and health services in Strategy D.1.8, Title V Dental and Health Services. (See Selected Fiscal and Policy Issue #17) |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| FEDERAL FUNDS | $78,565,012 | $137,705,863 | $59,140,851 | 75.3% | Recommendations include an increase of $59.1 million in Federal Funds due to the following:<br>• **Increase of $58.5 million** to reflect federal approval of the agency's Healthy Texas Women 1115 waiver application; and<br>• **Increase of $0.6 million** to reflect additional Federal Funds for the Breast and Cervical Cancer Screening (BCCS) program.<br><br>(See Selected Fiscal and Policy Issue #17) |
| OTHER FUNDS | $632,234 | $0 | ($632,234) | (100.0%) | Recommendations include a decrease of $0.6 million in Appropriated Receipts related to one-time settlement funds received in fiscal year 2019.<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $0.6 million in Appropriated Receipts to account for recent settlement funds. |
| **ALTERNATIVES TO ABORTION D.1.2** | **$38,366,477** | **$38,432,956** | **$66,479** | **0.2%** | |
| GENERAL REVENUE FUNDS | $32,366,477 | $32,432,956 | $66,479 | 0.2% | Recommendations include an increase of $0.1 million in General Revenue to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018. (See Selected Fiscal and Policy Issue #18)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $16,620 to in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $6,000,000 | $6,000,000 | $0 | 0.0% | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **ECI SERVICES D.1.3** | **$289,453,912** | **$293,648,317** | **$4,194,405** | **1.4%** | Recommendations include an increase of $4.2 million in Federal Funds for LBB staff-forecasted caseload growth. (See Selected Fiscal and Policy Issue #19) |
| GENERAL REVENUE FUNDS | $60,228,599 | $60,228,599 | $0 | 0.0% | |
| FEDERAL FUNDS | $196,229,109 | $200,423,514 | $4,194,405 | 2.1% | |
| OTHER FUNDS | $32,996,204 | $32,996,204 | $0 | 0.0% | |
| **ECI RESPITE & QUALITY ASSURANCE D.1.4** | **$6,853,326** | **$7,061,932** | **$208,606** | **3.0%** | |
| GENERAL REVENUE FUNDS | $1,900,000 | $1,900,000 | $0 | 0.0% | |
| FEDERAL FUNDS | $4,953,326 | $5,161,932 | $208,606 | 4.2% | Recommendations include an increase of $0.2 million in Federal Funds to maintain 2018-19 appropriated levels for program administration. |
| **CHILDREN'S BLINDNESS SERVICES D.1.5** | **$11,359,244** | **$11,497,796** | **$138,552** | **1.2%** | |
| GENERAL REVENUE FUNDS | $10,152,239 | $9,483,195 | ($669,044) | (6.6%) | Recommendations include a decrease of $0.7 million in General Revenue due to the following:<br>• **Decrease of $0.8 million** due to approval of a Medicaid state plan amendment, which resulted in newly-available federal matching funds for program administration; and<br>• **Increase of $0.1 million** to biennialize funding for certain oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018.<br><br>The 2018-19 base spending level as reported is the agency's LAR was reduced by $49,105 in General Revenue to reflect certain LBB approved transfers and actual expenditures. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| FEDERAL FUNDS | $1,191,395 | $2,013,077 | $821,682 | 69.0% | Recommendations include an increase of $0.8 million in Federal Funds due to approval of a Medicaid state plan amendment, which resulted in newly-available federal matching funds for program administration.<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $10,945 in Federal Funds to account for funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019. |
| OTHER FUNDS | $15,610 | $1,524 | ($14,086) | (90.2%) | Recommendations include a decrease of $14,086 in Appropriated Receipts due to agency projection of collection of third-party reimbursements received from clients. |
| **AUTISM PROGRAM D.1.6** | **$14,305,787** | **$14,376,870** | **$71,083** | **0.5%** | |
| GENERAL REVENUE FUNDS | $14,221,787 | $14,292,870 | $71,083 | 0.5% | Recommendations include an increase of $0.1 million in General Revenue to biennialize funding for certain oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $16,620 in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| OTHER FUNDS | $84,000 | $84,000 | $0 | 0.0% | |
| **CHILDREN WITH SPECIAL NEEDS D.1.7** | **$61,001,633** | **$61,001,633** | **$0** | **0.0%** | |
| GENERAL REVENUE FUNDS | $49,001,633 | $49,001,633 | $0 | 0.0% | |
| FEDERAL FUNDS | $12,000,000 | $12,000,000 | $0 | 0.0% | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **TITLE V DNTL & HLTH SVCS D.1.8** | **$16,884,988** | **$17,467,856** | **$582,868** | **3.5%** | |
| GENERAL REVENUE FUNDS | $3,162,940 | $3,162,940 | $0 | 0.0% | The 2018-19 base spending level as reported in the agency's LAR was increased by $3.2 million in General Revenue and 4.5 FTEs to reflect consolidation of Title V women's dental and health services with Title V children's dental and health services in Strategy D.1.8, Title V Dental and Health Services. (See Selected Fiscal and Policy Issue #17) |
| FEDERAL FUNDS | $13,722,048 | $14,304,916 | $582,868 | 4.2% | Recommendations include an increase of $0.6 million in Maternal and Child Health Block Grant funds allocated to HHSC by DSHS. |
| **KIDNEY HEALTH CARE D.1.9** | **$38,346,407** | **$37,394,547** | **($951,860)** | **(2.5%)** | |
| GENERAL REVENUE FUNDS | $37,903,529 | $36,951,669 | ($951,860) | (2.5%) | Recommendations include a decrease of $1.0 million in General Revenue reallocated by the agency for a new capital budget project (HDIS Shared Platform Rehab Works). |
| OTHER FUNDS | $442,878 | $442,878 | $0 | 0.0% | |
| **ADDITIONAL SPECIALTY CARE D.1.10** | **$7,167,422** | **$12,924,677** | **$5,757,255** | **80.3%** | Recommendations include an increase of $2.7 million in General Revenue and $3.1 million in Federal Funds for the agency to award grants under the Pediatric Tele-connectivity Resource Program for Rural Texas established by House Bill 1697, Eighty-fifth Legislature, Regular Session, 2017. (See Selected Fiscal and Policy Issue #20) |
| GENERAL REVENUE FUNDS | $6,811,561 | $9,476,871 | $2,665,310 | 39.1% | |
| FEDERAL FUNDS | $333,175 | $3,425,120 | $3,091,945 | 928.0% | |
| **COMMUNITY PRIMARY CARE SERVICES D.1.11** | **$24,347,680** | **$24,347,680** | **$0** | **0.0%** | |
| GENERAL REVENUE FUNDS | $24,347,680 | $24,347,680 | $0 | 0.0% | |
| **ABSTINENCE EDUCATION D.1.12** | **$16,803,832** | **$16,803,832** | **$0** | **0.0%** | |
| GENERAL REVENUE FUNDS | $1,014,680 | $1,014,680 | $0 | 0.0% | |
| FEDERAL FUNDS | $15,789,152 | $15,789,152 | $0 | 0.0% | |

## Health and Human Services Commission
## Funding Changes and Recommendations by Strategy - House

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **COMMUNITY MENTAL HEALTH SVCS-ADULTS D.2.1** | **$714,901,392** | **$712,738,314** | **($2,163,078)** | **(0.3%)** | |
| GENERAL REVENUE FUNDS | $609,023,780 | $608,452,311 | ($571,469) | (0.1%) | Recommendations include a decrease of $0.6 million in General Revenue associated with a canceled capital budget project, Improve Client Care Systems. The project was canceled by the agency as federal matching funds were not available for the project. |
| FEDERAL FUNDS | $103,275,630 | $104,011,279 | $735,649 | 0.7% | Recommendations include an increase of $0.7 million in Federal Funds due to the following:<br>• **Increase of $12.7 million** to reflect an anticipated increase in Mental Health Block Grant (MHBG) funds;<br>• **Decrease of $9.5 million** to reflect LBB projection of Opioid State Targeted Response Grant awards in the 2020-21 biennium. (See Selected Fiscal and Policy Issue #8); and<br>• **Decrease of $2.6 million** to reflect the discontinuation of Money Follows the Person (MFP) Rebalancing Demonstration Project grant funds. Texas is approved to spend MFP funds until August 2019. HHSC is seeking approval from the Centers for Medicare and Medicaid Services (CMS) for an extension through September 2020.<br><br>The 2018-19 base spending level was reduced by $0.5 million in Federal Funds to correct an error in the agency's LAR submission. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| OTHER FUNDS | $2,601,982 | $274,724 | ($2,327,258) | (89.4%) | Recommendations reflect an overall decrease of $2.3 million in MH Appropriated Receipts due to cost savings from the discontinuation of an agreement with the National Association of State Mental Health Program Directors (NASMHPD), partially offset by the start of a new agreement with Eagle Technologies, to provide statistical data as part of the Behavioral Health Services Information System (BHSIS). BHSIS is overseen by the Center for Behavioral Health Statistics and Quality and provides information on facilities and services available for substance abuse and mental health treatment in the United States.<br><br>The 2018-19 base spending level was reduced by $1.5 million in Other Funds to reflect the transfer of an Interagency Contract (IAC) with the Texas Department of Criminal Justice (TDCJ) to Goal A, Medicaid Client Services for mental health case management and rehabilitative services to certain eligible individuals in the Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI) continuity of care or case management programs. This transfer was maintained for the 2020-21 biennium. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **COMMUNITY MENTAL HLTH SVCS-CHILDREN D.2.2** | **$166,081,934** | **$185,023,676** | **$18,941,742** | **11.4%** | |
| GENERAL REVENUE FUNDS | $124,115,560 | $133,059,926 | $8,944,366 | 7.2% | Recommendations include an increase of $8.9 million in General Revenue due to the following:<br>• **Increase of $11.0 million** to increase outpatient mental health treatment capacity for children; and<br>• **Decrease of $2.0 million** to reflect the discontinuation of one-time grant funding for a pilot program for children in the foster care system. (See Selected Fiscal and Policy Issue #9) |
| FEDERAL FUNDS | $39,352,528 | $51,963,750 | $12,611,222 | 32.0% | Recommendations include an increase of $12.6 million in Federal Funds due to the following:<br>• **Increase of $11.8 million** to reflect the projected receipt of additional Mental Health Block Grant (MHBG) funds; and<br>• **Increase of $0.8 million** to increase outpatient mental health treatment capacity for children. (See Selected Fiscal and Policy Issue #9)<br><br>The 2018-19 base spending level was reduced by $0.3 million to correct an agency error in LAR submission. |
| OTHER FUNDS | $2,613,846 | $0 | ($2,613,846) | (100.0%) | Recommendations reflect a decrease of $2.6 million in MH Appropriated Receipts due to cost savings from the discontinuation of an agreement with the National Association of State Mental Health Program Directors (NASMHPD) to provide statistical data as part of the Behavioral Health Services Information System (BHSIS). BHSIS is overseen by the Center for Behavioral Health Statistics and Quality who provides information on facilities and services available for substance abuse and mental health treatment in the United States. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **COMMUNITY MENTAL HEALTH CRISIS SVCS D.2.3** | **$321,413,746** | **$343,488,746** | **$22,075,000** | **6.9%** | |
| GENERAL REVENUE FUNDS | $316,838,474 | $339,563,474 | $22,725,000 | 7.2% | Recommendations include an increase of $22.7 million in General Revenue to maintain fiscal year 2019 service levels for certain community mental health grant programs. (See Selected Fiscal and Policy Issue #10) |
| FEDERAL FUNDS | $4,575,272 | $3,925,272 | ($650,000) | (14.2%) | Recommendations include a decrease of $0.7 million in Federal Funds to reflect LBB projection of Opioid State Targeted Response Grant awards in the 2020-21 biennium. (See Selected Fiscal and Policy Issue #8)<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $0.7 million in Federal Funds to reflect LBB projection of Opioid State Targeted Response Grant awards in fiscal year 2019. (See Selected Fiscal and Policy Issue #8) |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **SUBSTANCE ABUSE SERVICES D.2.4** | **$517,618,303** | **$435,728,450** | **($81,889,853)** | **(15.8%)** | |
| GENERAL REVENUE FUNDS | $93,438,787 | $93,438,176 | ($611) | (0.0%) | |
| FEDERAL FUNDS | $424,179,516 | $341,874,960 | ($82,304,556) | (19.4%) | Recommendations include a decrease of $82.3 million in Federal Funds due to the following:<br>• **Decrease of $82.2 million** to reflect LBB projection of Opioid State Targeted Response Grant awards from the 2018-19 biennium. (See Selected Fiscal and Policy Issue #8);<br>• **Decrease of $0.1 million** to reflect the discontinuation of Money Follows the Person (MFP) Rebalancing Demonstration Project grant funds. Texas is approved to spend MFP funds until August 2019. HHSC is seeking approval from the Centers for Medicare and Medicaid Services (CMS) to spend the funds through September 2020; and<br>• **Decrease of $45,118** related to the end of the State Youth Treatment-Planning grant, offset by new First Responders-Comprehensive Addiction and Recovery Act grant funds.<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $82.0 million in Federal Funds to reflect LBB projection of Opioid State Targeted Response Grant award in fiscal year 2019. (See Selected Fiscal and Policy Issue #8) |
| OTHER FUNDS | $0 | $415,314 | $415,314 | 100.0% | Recommendations include an increase of $0.4 million in MH Appropriated Receipts due to an agreement with Eagle Technologies to provide statistical data as part of the Behavioral Health Services Information System (BHSIS). BHSIS is overseen by the Center for Behavioral Health Statistics and Quality who provides information on facilities and services available for substance abuse and mental health treatment in the United States. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **BEHAVIORAL HLTH WAIVER & AMENDMENT D.2.5** | **$103,351,235** | **$104,599,388** | **$1,248,153** | **1.2%** | |
| GENERAL REVENUE FUNDS | $46,789,953 | $47,171,758 | $381,805 | 0.8% | Recommendations maintain 2018-19 General Revenue appropriations of $47.2 million for the 2020-21 biennium.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $0.4 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $56,561,282 | $57,427,630 | $866,348 | 1.5% | Recommendations include an increase of $0.9 million due to the following:<br>• **Increase of $1.0 million** to reflect more favorable matching rates in the 2020-21 biennium over the 2018-19 biennium;<br>• **Decrease of $0.1 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25)<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $0.4 million in Federal Funds to account for funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019. |
| **INDIGENT HEALTH CARE REIMBURSEMENT D.3.1** | **$878,886** | **$878,886** | **$0** | **0.0%** | |
| GR DEDICATED | $878,886 | $878,886 | $0 | 0.0% | |
| **COUNTY INDIGENT HEALTH CARE SVCS D.3.2** | **$1,758,251** | **$1,758,251** | **$0** | **0.0%** | |
| GENERAL REVENUE FUNDS | $1,062,787 | $1,062,787 | $0 | 0.0% | |
| FEDERAL FUNDS | $95,464 | $95,464 | $0 | 0.0% | |
| OTHER FUNDS | $600,000 | $600,000 | $0 | 0.0% | |
| **Total, Goal D, ADDITIONAL HEALTH-RELATED SERVICES** | **$2,629,943,705** | **$2,597,977,823** | **($31,965,882)** | **(1.2%)** | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **TANF (CASH ASSISTANCE) GRANTS E.1.1** | **$106,475,229** | **$110,491,062** | **$4,015,833** | **3.8%** | Recommendations include an increase of $0.1 million in General Revenue and $3.9 million in Federal Funds to align with LBB forecast for caseload and grant per recipient. (See Selected Fiscal and Policy Issue #21) |
| GENERAL REVENUE FUNDS | $100,525,211 | $100,648,679 | $123,468 | 0.1% | |
| FEDERAL FUNDS | $5,950,018 | $9,842,383 | $3,892,365 | 65.4% | |
| **PROVIDE WIC SERVICES E.1.2** | **$1,625,552,511** | **$1,624,059,980** | **($1,492,531)** | **(0.1%)** | |
| FEDERAL FUNDS | $1,127,634,489 | $1,126,141,958 | ($1,492,531) | (0.1%) | Recommendations include a decrease of $1.5 million in Federal Funds to align with agency-projected caseload decline. |
| OTHER FUNDS | $497,918,022 | $497,918,022 | $0 | 0.0% | |
| **DISASTER ASSISTANCE E.1.4** | **$519,770,874** | **$0** | **($519,770,874)** | **(100.0%)** | Recommendations include a decrease of $110.0 million in General Revenue and $409.8 million in Federal Funds for one-time expenditures related to Hurricane Harvey response. (See Select Fiscal and Policy Issue #22). |
| GENERAL REVENUE FUNDS | $110,000,000 | $0 | ($110,000,000) | (100.0%) | |
| FEDERAL FUNDS | $409,770,874 | $0 | ($409,770,874) | (100.0%) | |
| **Total, Goal E, ENCOURAGE SELF-SUFFICIENCY** | **$2,251,798,614** | **$1,734,551,042** | **($517,247,572)** | **(23.0%)** | |
| **GUARDIANSHIP F.1.1** | **$17,644,550** | **$17,644,550** | **$0** | **0.0%** | |
| GENERAL REVENUE FUNDS | $3,196,646 | $3,196,646 | $0 | 0.0% | |
| FEDERAL FUNDS | $14,447,904 | $14,447,904 | $0 | 0.0% | |
| **NON-MEDICAID SERVICES F.1.2** | **$314,326,756** | **$314,326,756** | **$0** | **0.0%** | |
| GENERAL REVENUE FUNDS | $51,441,664 | $51,441,666 | $2 | 0.0% | |
| FEDERAL FUNDS | $262,885,092 | $262,885,090 | ($2) | (0.0%) | |
| **NON-MEDICAID IDD COMMUNITY SVCS F.1.3** | **$92,803,841** | **$92,803,841** | **$0** | **0.0%** | |
| GENERAL REVENUE FUNDS | $92,797,841 | $92,797,841 | $0 | 0.0% | |
| OTHER FUNDS | $6,000 | $6,000 | $0 | 0.0% | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **INDEPENDENT LIVING SERVICES F.2.1** | **$28,113,404** | **$28,108,572** | **($4,832)** | **(0.0%)** | |
| GENERAL REVENUE FUNDS | $8,894,322 | $8,894,322 | $0 | 0.0% | |
| FEDERAL FUNDS | $2,035,358 | $2,035,358 | $0 | 0.0% | |
| OTHER FUNDS | $17,183,724 | $17,178,892 | ($4,832) | (0.0%) | |
| **BEST PROGRAM F.2.2** | **$847,526** | **$860,000** | **$12,474** | **1.5%** | |
| GENERAL REVENUE FUNDS | $847,526 | $860,000 | $12,474 | 1.5% | |
| **COMPREHENSIVE REHABILITATION (CRS) F.2.3** | **$47,963,630** | **$47,164,408** | **($799,222)** | **(1.7%)** | |
| GENERAL REVENUE FUNDS | $47,726,670 | $46,557,544 | ($1,169,126) | (2.4%) | Recommendations include a decrease of $1.2 million in General Revenue due to the following:<br>• **Decrease of $1.0 million** reallocated by the agency for a new capital budget project (HDIS Shared Platform Rehab Works capital budget project);<br>• **Decrease of $0.4 million** to reflect a method of financing swap between General Revenue and Subrogation Receipts (Other Funds); and<br>• **Increase of $0.2 million** to biennialize funding for certain contract oversight and utilization review FTEs related to the LBB approval letter dated June 1, 2018.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $38,160 in General Revenue to reflect certain LBB approved transfers and actual expenditures. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| OTHER FUNDS | $236,960 | $606,864 | $369,904 | 156.1% | Recommendations include an increase of $0.4 million in Subrogation Receipts to align with actual collections from fiscal years 2016 to 2018. HHSC uses Subrogation Receipts to pay for services provided to individuals in the Comprehensive Rehabilitative Services (CRS) program. The right of subrogation is limited to the cost of the service provided. According to HHSC, actual recoveries from fiscal years 2016 to 2018 averaged $0.5 million per fiscal year. This is not reflected in the agency's base. |
| **DEAF AND HARD OF HEARING SERVICES F.2.4** | **$8,296,991** | **$8,445,316** | **$148,325** | **1.8%** | |
| GENERAL REVENUE FUNDS | $5,611,731 | $5,717,340 | $105,609 | 1.9% | Recommendations include an increase of $0.1 million in General Revenue to biennialize funding for certain contract oversight and utilization review FTEs related to the LBB approval letter dated June 1, 2018.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $26,402 in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| OTHER FUNDS | $2,685,260 | $2,727,976 | $42,716 | 1.6% | Recommendations include an increase of $42,716 in Universal Service Funds due to an anticipated increase in individuals served in the Specialized Telecommunications Assistance Program (STAP) and to cover rising equipment costs associated with STAP.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $1.1 million in Interagency Contracts to reflect decreased agency projection related to interpreter services provided to other state agencies. |

## Health and Human Services Commission
## Funding Changes and Recommendations by Strategy - House

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **FAMILY VIOLENCE SERVICES F.3.1** | **$59,497,229** | **$59,808,584** | **$311,355** | **0.5%** | |
| GENERAL REVENUE FUNDS | $22,279,812 | $22,279,812 | $0 | 0.0% | |
| FEDERAL FUNDS | $37,217,417 | $37,528,772 | $311,355 | 0.8% | Recommendations include an increase of $0.3 million in Federal Funds due to allocating the fiscal year 2019 Family Violence Prevention & Services grant award into each fiscal year of the 2020-21 biennium.<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $1.8 million in Federal Funds to reflect actual fiscal year 2018 and fiscal year 2019 Family Violence Prevention and Services grant awards. The fiscal year 2019 level is maintained in the 2020-21 biennium. |
| **CHILD ADVOCACY PROGRAMS F.3.2** | **$53,637,506** | **$53,626,008** | **($11,498)** | **(0.0%)** | |
| GENERAL REVENUE FUNDS | $33,139,320 | $33,139,320 | $0 | 0.0% | |
| GR DEDICATED | $20,459,686 | $20,459,688 | $2 | 0.0% | |
| OTHER FUNDS | $38,500 | $27,000 | ($11,500) | (29.9%) | Recommendations include a decrease of $11,500 in License Plate Trust Fund Account No. 0802 due to an agency-projected decline in revenue collections. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **ADDITIONAL ADVOCACY PROGRAMS F.3.3** | **$4,126,950** | **$2,062,390** | **($2,064,560)** | **(50.0%)** | |
| GENERAL REVENUE FUNDS | $1,663,646 | $1,250,864 | ($412,782) | (24.8%) | Recommendations include a decrease of $0.4 million in General Revenue due to the following:<br>• **Decrease of $0.7 million** due to the discontinuation of the Office of Minority Health Statistics and Engagement. (See Selected Fiscal and Policy Issue #16); and<br>• **Increase of $0.3 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25)<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $26,140 in General Revenue to correct errors. |
| FEDERAL FUNDS | $1,532,347 | $811,526 | ($720,821) | (47.0%) | Recommendations include a decrease of $0.7 million in Federal Funds due to the discontinuation of the Office of Minority Health Statistics and Engagement. (See Selected Fiscal and Policy Issue #16)<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $0.4 million in Federal Funds to correct errors. |
| OTHER FUNDS | $930,957 | $0 | ($930,957) | (100.0%) | Recommendations include a decrease of $0.9 million in Interagency Contracts due to the discontinuation of the Office of Minority Health Statistics and Engagement. (See Selected Fiscal and Policy Issue #16) |
| **Total, Goal F, COMMUNITY & IL SVCS & COORDINATION** | **$627,258,383** | **$624,850,425** | **($2,407,958)** | **(0.4%)** | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **STATE SUPPORTED LIVING CENTERS G.1.1** | **$1,374,549,036** | **$1,369,093,713** | **($5,455,323)** | **(0.4%)** | Recommendations biennializes fiscal year 2018 All Funds levels ($694.0 million), as reported in the agency's LAR, with decreases for the following:<br>• Decrease of $10.0 million due to the cancellation of certain non-essential contracts on September 1, 2018;<br>• Decrease of $2.7 million in All Funds due to LBB-projected census decline in fiscal years 2020;<br>• Decrease of $4.1 million in All Funds due to LBB-projected census decline in fiscal year 2021; and<br>• Decrease of $2.2 million to reflect the discontinuation of Money Follows the Person (MFP) Rebalancing Demonstration Project grant funds at the start of fiscal year 2020.<br><br>(See Selected Fiscal and Policy Issue #15)<br><br>The fiscal year 2019 base spending level as reported in the agency's LAR was adjusted to assume continuation of fiscal year 2018 expenditures ($694.0 million in All Funds), with a $6.3 million reduction due to the cancellation of certain non-essential contracts and LBB-projected census decline (continued into the 2020-21 biennium). General Revenue was reduced by $7.2 million to hold fiscal year 2019 to the appropriated level of General Revenue. Fiscal year 2019 spending levels total $680.5 million in All Funds; the 2018-19 biennium totals $1,374.5 million in All Funds. |
| GENERAL REVENUE FUNDS | $568,649,598 | $518,924,270 | ($49,725,328) | (8.7%) | |
| FEDERAL FUNDS | $755,801,308 | $800,071,081 | $44,269,773 | 5.9% | |
| OTHER FUNDS | $50,098,130 | $50,098,362 | $232 | 0.0% | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **MENTAL HEALTH STATE HOSPITALS G.2.1** | **$804,133,888** | **$852,444,540** | **$48,310,652** | **6.0%** | |
| GENERAL REVENUE FUNDS | $666,478,182 | $720,857,823 | $54,379,641 | 8.2% | Recommendations include an increase of $54.4 million in General Revenue due to the following:<br>• **Increase of $27.6 million** for staffing and operation of increased capacity at San Antonio, Kerrville, and Rusk State Hospitals (See Selected Fiscal and Policy Issue #14);<br>• **Increase of $27.4 million** to maintain fiscal year 2018 service levels into each fiscal year of the 2020-21 biennium. (See Selected Fiscal and Policy Issue #13);<br>• **Increase of $5.9 million** to offset a projected decline in Public Health Medicaid Reimbursements Account No. 709 (Other Funds). (See Selected Fiscal and Policy Issue #13); and<br>• **Decrease of $6.5 million** for new Clinical Management Behavioral Health Services (CMBHS) Roadmap Enhancements Phase 3 capital budget project.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $0.2 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $10,263,128 | $10,073,920 | ($189,208) | (1.8%) | The 2018-19 base spending level as reported in the agency's LAR was increased by $0.2 million in Federal Funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019. |
| OTHER FUNDS | $127,392,578 | $121,512,797 | ($5,879,781) | (4.6%) | Recommendations include a decrease of $5.9 million in Public Health Medicaid Reimbursements Account No. 709 to align with recommendations for Public Health Medicaid Reimbursements Account No. 709 at the Department of State Health Services Strategy A.4.1, Laboratory Services, slightly offset by projecting fiscal year 2018 MH Collections for Patient Support and Maintenance into each fiscal year of the 2020-21 biennium. (See Selected Fiscal and Policy Issue #13) |

## Health and Human Services Commission
## Funding Changes and Recommendations by Strategy - House

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **MENTAL HEALTH COMMUNITY HOSPITALS G.2.2** | **$243,830,476** | **$243,830,476** | **$0** | **0.0%** | |
| GENERAL REVENUE FUNDS | $223,589,076 | $223,589,076 | $0 | 0.0% | |
| OTHER FUNDS | $20,241,400 | $20,241,400 | $0 | 0.0% | |
| **OTHER FACILITIES G.3.1** | **$12,141,113** | **$11,937,302** | **($203,811)** | **(1.7%)** | |
| GENERAL REVENUE FUNDS | $8,939,801 | $9,010,263 | $70,462 | 0.8% | Recommendations include an increase of $0.1 million in General Revenue due to the following:<br>• **Increase of $0.1 million** to partially offset decreases for the Rio Grande State Center associated with a loss of Texas 1115 Transformation Waiver funding associated with the Delivery System Reform Incentive Payments (DSRIP) program pool; and<br>• **Decrease of $38,070** to reflect agency projection of expenses associated with operation of the Corpus Christi Bond Homes.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $15,616 in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $2,400,386 | $2,129,331 | ($271,055) | (11.3%) | Recommendations include a decrease of $0.3 million in Federal Funds due to the following:<br>• **Decrease of $0.2 million** associated with a loss of Texas 1115 Transformation Waiver funding associated with the Delivery System Reform Incentive Payments (DSRIP) program pool; and<br>• **Decrease of $0.1 million** to reflect agency projection of expenses associated with operation of the Corpus Christi Bond Homes.<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $15,616 in Federal Funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| OTHER FUNDS | $800,926 | $797,708 | ($3,218) | (0.4%) | Recommendations include a decrease of $3,218 in ID Collections for Patient Support and Maintenance to reflect agency projection of expenses associated with operation of the Corpus Christi Bond Homes. |
| **FACILITY PROGRAM SUPPORT G.4.1** | **$16,866,306** | **$28,305,698** | **$11,439,392** | **67.8%** | |
| GENERAL REVENUE FUNDS | $12,251,429 | $23,294,372 | $11,042,943 | 90.1% | Recommendations include an increase of $11.0 million in General Revenue due to the following:<br>• **Increase of $7.9 million** associated with replacement of 80 vehicles at the state hospitals and 163 vehicles at the state supported living centers meeting certain replacement criteria. (See Selected Fiscal and Policy Issue #27);<br>• **Increase of $1.7 million** to transfer funding and FTEs associated with oversight of state hospital construction projects from Strategy G.4.2, Facility Capital Repairs and Renovations, in the 2020-21 biennium. These projects were approved in the 2018-19 biennium. (See Selected Fiscal and Policy Issue #14);<br>• **Increase of $1.1 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25); and<br>• **Increase of $0.3 million** to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $0.1 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| FEDERAL FUNDS | $3,852,316 | $4,404,620 | $552,304 | 14.3% | Recommendations include an increase of $0.6 million in Federal Funds due to the following:<br>• **Increase of $0.4 million** in Federal Funds to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25);<br>• **Increase of $0.1 million** in Federal Funds to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $33,250 in Federal Funds to reflect certain LBB approved transfers and actual expenditures; offset by an increase in funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019. |
| OTHER FUNDS | $762,561 | $606,706 | ($155,855) | (20.4%) | Recommendations include a decrease of $0.3 million in Interagency Contracts, partially offset by an increase of $0.1 million in ID Collections for Patient Support and Maintenance, to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25) |

## Health and Human Services Commission
## Funding Changes and Recommendations by Strategy - House

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **FACILITY CAPITAL REPAIRS & RENOV G.4.2** | **$474,832,690** | **$7,283,919** | **($467,548,771)** | **(98.5%)** | |
| GENERAL REVENUE FUNDS | $9,492,088 | $6,704,315 | ($2,787,773) | (29.4%) | Recommendations include a decrease of $2.8 million in General Revenue due to the following:<br>• **Decrease of $1.7 million** to transfer funding and FTEs associated with oversight of state hospital construction projects to Strategy G.4.1, Facility Program Support, in the 2020-21 biennium. These projects were approved in the 2018-19 biennium. (See Selected Fiscal and Policy Issue #14); and<br>• **Decrease of $1.0 million** to reflect an anticipated decrease associated with the Master Lease Purchase Program (MLPP) for the 2020-21 biennium. |
| GR DEDICATED | $579,604 | $579,604 | $0 | 0.0% | |
| OTHER FUNDS | $464,760,998 | $0 | ($464,760,998) | (100.0%) | Recommendations include a decrease of $464.8 million in Other Funds due to the following:<br>• **Decrease of $300.0 million** in one-time funding from the Economic Stabilization Fund for new construction and significant repair projects at the state hospitals and other inpatient mental health facilities (See Selected Fiscal and Policy Issue #14);<br>• **Decrease of $158.6 million** in one-time funding from the Economic Stabilization Fund for repairs and renovations at the state hospitals and state supported living centers; and<br>• **Decrease of $6.2 million** in General Obligation Bond Proceeds that HHSC anticipates expending in fiscal year 2018. |
| **Total, Goal G, FACILITIES** | **$2,926,353,509** | **$2,512,895,648** | **($413,457,861)** | **(14.1%)** | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **FACILITY/COMMUNITY-BASED REGULATION H.1.1** | **$199,057,039** | **$208,611,605** | **$9,554,566** | **4.8%** | |
| GENERAL REVENUE FUNDS | $52,538,039 | $68,459,852 | $15,921,813 | 30.3% | Recommendations include an increase of $15.9 million in General Revenue due to the following:<br>• **Increase of $13.8 million** to offset agency-projected revenue decreases in General Revenue-Dedicated Home Health Services Account No. 5018;<br>• **Increase of $9.6 million** to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018. (See Selected Fiscal and Policy Issue #23);<br>• **Decrease of $1.5 million** to offset agency-projected revenue increases in General Revenue-Dedicated Hospital Licensing Account No. 129; and<br>• **Decrease of $5.9 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $2.6 million in General Revenue to reflect certain LBB approved transfers and actual approvals and to transfer funding for the agency's Texas.Gov subscription to Strategy H.4.1, Texas.Gov. (See Selected Fiscal and Policy Issue #23) |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| GR DEDICATED | $28,242,321 | $16,688,024 | ($11,554,297) | (40.9%) | Recommendations include a decrease of $11.6 million in General Revenue-Dedicated due to the following:<br>• **Decrease of $13.8 million** in General Revenue-Dedicated Account No. 5018 based on agency-projected revenue collections, offset by an increase in General Revenue;<br>• **Increase of $1.5 million** in General Revenue-Dedicated Account No. 129 based on agency-projected revenue collections, offset by a decrease in General Revenue; and<br>• **Increase of $0.7 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $10,500 due to transfer of funding for the agency's Texas.Gov subscription to Strategy H.4.1, Texas.Gov. (See Selected Fiscal and Policy Issue #23) |
| FEDERAL FUNDS | $118,276,679 | $123,463,729 | $5,187,050 | 4.4% | Recommendations include an increase of $5.2 million in Federal Funds to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25) |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **LTC QUALITY OUTREACH H.1.2** | **$18,296,114** | **$10,541,002** | **($7,755,112)** | **(42.4%)** | |
| GENERAL REVENUE FUNDS | $3,700,004 | $3,891,553 | $191,549 | 5.2% | Recommendations include an increase of $0.2 million in General Revenue to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018. (See Selected Fiscal and Policy Issue #23)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $44,666 in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $6,117,891 | $6,309,440 | $191,549 | 3.1% | Recommendations include an increase of $0.2 million in Federal Funds to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018. (See Selected Fiscal and Policy Issue #23)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $44,665 in Federal Funds to reflect certain LBB approved transfers and actual expenditures. |
| OTHER FUNDS | $8,478,219 | $340,009 | ($8,138,210) | (96.0%) | Recommendations include a decrease of $8.1 million in Appropriated Receipts to reflect the end of certain Civil Money Penalty (CMP) projects. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **CHILD CARE REGULATION H.2.1** | **$75,844,635** | **$82,473,470** | **$6,628,835** | **8.7%** | |
| GENERAL REVENUE FUNDS | $39,181,219 | $40,500,878 | $1,319,659 | 3.4% | Recommendations include an increase of $1.3 million in General Revenue to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018. (See Selected Fiscal and Policy Issue #23)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $0.3 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $36,302,642 | $34,256,916 | ($2,045,726) | (5.6%) | Recommendations include a decrease of $2.0 million in Federal Funds to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25) |
| OTHER FUNDS | $360,774 | $7,715,676 | $7,354,902 | 2,038.6% | Recommendations include an increase of $7.4 million in Interagency Contracts associated with former-DPFS background check staff. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **HEALTH CARE PROFESSIONALS & OTHER H.3.1** | **$7,468,891** | **$8,714,734** | **$1,245,843** | **16.7%** | |
| GENERAL REVENUE FUNDS | $5,502,199 | $6,748,044 | $1,245,845 | 22.6% | Recommendations include an increase of $1.2 million in General Revenue due to the following:<br>• **Increase of $0.8 million** to biennialize funding for certain oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018 (See Selected Fiscal and Policy Issue #23); and<br>• **Increase of $0.4 million** to maintain 2018-19 appropriated levels for staff salaries and related expenditures.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $0.7 million in General Revenue to reflect certain LBB approved transfers and actual expenditures, and to reflect the transfer of funding for the agency's Texas.Gov subscription to Strategy H.4.1, Texas.Gov. (See Selected Fiscal and Policy Issue #23) |
| FEDERAL FUNDS | $902,302 | $669,536 | ($232,766) | (25.8%) | Recommendations include a decrease of $0.2 million in Federal Funds to align with the agency's projected impact of the revised PACAP.<br>(See Selected Fiscal and Policy Issue #25) |
| OTHER FUNDS | $1,064,390 | $1,297,154 | $232,764 | 21.9% | Recommendations include an increase of $0.2 million in Appropriated Receipts to align with the agency's projected impact of the revised PACAP.<br>(See Selected Fiscal and Policy Issue #25) |
| **TEXAS.GOV H.4.1** | **$246,280** | **$246,280** | **$0** | **0.0%** | The agency's 2018-19 expenditures for Texas.Gov subscription fees were reported in the agency's LAR in Strategies H.1.1, Facility/Community-Based Regulation and H.3.1, Health Care Professionals and Other. The 2018-19 base spending levels were adjusted to show these expenditures in Strategy H.4.1, Texas.Gov. (See Selected Fiscal and Policy Issue #23) |
| GENERAL REVENUE FUNDS | $235,780 | $235,780 | $0 | 0.0% | |
| GR DEDICATED | $10,500 | $10,500 | $0 | 0.0% | |
| **Total, Goal H, REGULATORY SERVICES** | **$300,912,959** | **$310,587,091** | **$9,674,132** | **3.2%** | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **INTEGRATED ELIGIBILITY & ENROLLMENT I.1.1** | **$1,328,942,197** | **$1,229,642,299** | **($99,299,898)** | **(7.5%)** | |
| GENERAL REVENUE FUNDS | $502,379,186 | $402,748,097 | ($99,631,089) | (19.8%) | Recommendations reflect a decrease of $99.6 million in General Revenue. Recommendations return to 2018-19 appropriated All Funds levels and reduce General Revenue to align with the enhanced 75 percent federal matching rate for certain eligibility activities. (See Selected Fiscal and Policy Issue #28)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $0.2 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $813,140,745 | $813,472,419 | $331,674 | 0.0% | Recommendations reflect an increase of $0.3 million in Federal Funds due primarily to agency projection of increased federal financial participation for certain agency administrative activities related to the revised PACAP, offset by changes to several federal funding sources to align with recommended General Revenue funding levels. (See Selected Fiscal and Policy Issue #25) |
| OTHER FUNDS | $13,422,266 | $13,421,783 | ($483) | (0.0%) | Recommendations reflect an adjustment to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25) |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **LONG-TERM CARE INTAKE & ACCESS I.2.1** | **$552,864,388** | **$511,114,168** | **($41,750,220)** | **(7.6%)** | |
| GENERAL REVENUE FUNDS | $255,937,487 | $246,203,329 | ($9,734,158) | (3.8%) | Recommendations reflect a decrease of $9.7 million in General Revenue due to the following:<br>• **Decrease of $7.0 million** to align with LBB FMAP estimates for the 2020-21 biennium;<br>• **Decrease of $3.6 million** to align with revised target for Earned Federal Funds. (See Selected Fiscal and Policy Issue #29);<br>• **Increase of $2.5 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25);<br>• **Decrease of $0.4 million** to reflect the transfer of certain Subrogation and Recovery FTEs and funding to the Office of the Inspector General; and<br>• **Decrease of $1.3 million** related to agency forecast for Targeted Case Management.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $1.1 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. (See Selected Fiscal and Policy Issue #5) |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| FEDERAL FUNDS | $295,726,901 | $263,710,839 | ($32,016,062) | (10.8%) | Recommendations reflect a decrease of $32.0 million in Federal Funds due to the following:<br>•**Decrease of $17.7 million** to reflect the expiration of funding for the Money Follows the Person program;<br>•**Increase of $10.8 million** to align with LBB FMAP estimates and associated General Revenue funding;<br>•**Decrease of $23.1 million** to align with agency's projected impact of the revised PACAP (See Selected Fiscal and Policy Issue #25);<br>•**Decrease of $0.4 million** to reflect the transfer of certain Subrogation and Recovery FTEs and funding to the Office of the Inspector General; and<br>•**Decrease of $1.6 million** related to agency forecast for Targeted Case Management.<br><br>The 2018-19 base spending level was increased by $0.7 million to reflect Federal Funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019; offset by the transfer of certain Subrogation and Recovery FTEs and funding to the Office of Inspector General in fiscal year 2019. |
| OTHER FUNDS | $1,200,000 | $1,200,000 | $0 | 0.0% | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **TIERS & ELIGIBILITY SUPPORT TECH I.3.1** | **$280,440,167** | **$226,136,201** | **($54,303,966)** | **(19.4%)** | |
| GENERAL REVENUE FUNDS | $91,367,084 | $82,006,519 | ($9,360,565) | (10.2%) | Recommendations include a decrease of $9.4 million in General Revenue due to the following:<br>•**Decrease of $4.9 million** related to the reallocation of General Revenue to Strategy I.3.2, TIERS Capital Projects to provide for an agency requested increase in capital budget authority for TIERS; and<br>•**Decrease of $4.5 million** related to the anticipated expiration of the federally-approved waiver from the requirements of the Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribal Governments. The waiver allows HHSC to leverage higher Medicaid matching rates for TIERS updates and enhancements even when updates or enhancements also benefit other public assistance programs. Without the waiver, these costs would be allocated across programs, some of which have lower levels of federal financial participation. The net result would reduce the All Funds obligations for this strategy to maintain the total General Revenue obligation for TIERS capital projects and support costs overall.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $35,234 in General Revenue to reflect certain LBB approved transfers and actual expenditures. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| FEDERAL FUNDS | $188,149,328 | $143,181,546 | ($44,967,782) | (23.9%) | Recommendations include a decrease of $45.0 million in Federal Funds due to the anticipated expiration of the federally approved waiver from the requirements of the Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribal Governments. The waiver allows HHSC to leverage higher Medicaid matching rates for TIERS updates and enhancements even when updates or enhancements also benefit other public assistance programs. Without the waiver, these costs would be allocated across programs, some of which have lower levels of federal financial participation. The net result would be to reduce the All Funds obligations for this strategy to maintain the total General Revenue obligation for TIERS capital projects and support costs overall.<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $35,524 in Federal Funds to account for funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019 and to align with Federal Funds received for Opioid State Targeted Response. (See Selected Fiscal and Policy Issue #8) |
| OTHER FUNDS | $923,755 | $948,136 | $24,381 | 2.6% | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **TIERS CAPITAL PROJECTS I.3.2** | **$95,883,444** | **$108,122,959** | **$12,239,515** | **12.8%** | |
| GENERAL REVENUE FUNDS | $30,950,422 | $40,368,266 | $9,417,844 | 30.4% | Recommendations include an increase of $9.4 million in General Revenue due to the following:<br>• **Increase of $4.9 million** related to the reallocation of General Revenue from Strategy I.3.1, TIERS & Eligibility Support Tech, to provide for an agency requested increase in capital budget authority for TIERS;<br>• **Increase of $4.8 million** to align with the agency's projected impact of the revised PACAP (See Selected Fiscal and Policy Issue #25); and<br>• **Decrease of $0.3 million** related to the anticipated expiration of the federally approved waiver from the requirements of the Office of Management and Budget (OMB) Circular A-87, Cost Principles for State, Local and Indian Tribal Governments.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $22,045 in General Revenue to reflect certain LBB approved transfers and actual expenditures. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| FEDERAL FUNDS | $64,933,022 | $67,754,693 | $2,821,671 | 4.3% | Recommendations include an increase of $2.8 million in Federal Funds due to the following:<br>• **Increase of $8.2 million** related to the reallocation of General Revenue from Strategy I.3.1, TIERS & Eligibility Support Tech, to provide for an agency requested increase in capital budget authority for TIERS. This adjustment accounts for the additional federal funds drawn down in this strategy as a result of the increased General Revenue;<br>• **Decrease of $4.8 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25); and<br>• **Decrease of $0.5 million** related to the anticipated expiration of the federally approved waiver from the requirements of the Office of Management and Budget Circular A-87, Cost Principles for State, Local and Indian Tribal Governments. This adjustment accounts for the decrease in federal funds drawn down as a result of decreased General Revenue due to the anticipated expiration of the OMB A-87 waiver.<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $22,045 in Federal Funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019. |
| **Total, Goal I, PGM ELG DETERMINATION & ENROLLMENT** | **$2,258,130,196** | **$2,075,015,627** | **($183,114,569)** | **(8.1%)** | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **DISABILITY DETERMINATION SVCS (DDS) J.1.1** | **$230,435,192** | **$211,379,464** | **($19,055,728)** | **(8.3%)** | |
| FEDERAL FUNDS | $230,435,192 | $211,379,464 | ($19,055,728) | (8.3%) | Recommendations include a decrease of $19.1 million in Federal Funds to align with the agency's projection of the number of disability determinations HHSC will process on behalf of the Social Security Administration. |
| **Total, Goal J, DISABILITY DETERMINATION** | **$230,435,192** | **$211,379,464** | **($19,055,728)** | **(8.3%)** | |
| **Total, Goal K, OFFICE OF INSPECTOR GENERAL** | **$108,591,123** | **$110,273,096** | **$1,681,973** | **1.5%** | See presentation titled *Health and Human Services Commission - Office of Inspector General: Summary of Recommendations - House* for details. |
| **HHS SYSTEM SUPPORTS L.1.1** | **$202,227,792** | **$219,605,590** | **$17,377,798** | **8.6%** | |
| GENERAL REVENUE FUNDS | $85,480,027 | $95,951,961 | $10,471,934 | 12.3% | Recommendations include an increase of $10.5 million in General Revenue due to the following:<br>• **Increase of $10.1 million** to align with the agency's projected impact of the revised PACAP (See Selected Fiscal and Policy Issue #25); and<br>• **Increase of $0.4 million** to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018.<br><br>The 2018-19 spending level as reported in the agency's LAR was reduced by $0.2 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| FEDERAL FUNDS | $58,444,366 | $62,968,945 | $4,524,579 | 7.7% | Recommendations include an increase of $4.5 million in Federal Funds due to the following:<br>• **Increase of $4.1 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25);<br>• **Increase of $0.5 million** to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018; and<br>• **Decrease of $25,176** to align with estimated funding available for Opioid State Targeted Response. (See Selected Fiscal and Policy Issue #8)<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $0.1 million in Federal Funds to account for funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019 and to align with Federal Funds received for Opioid State Targeted Response. (See Selected Fiscal and Policy Issue #8) |
| OTHER FUNDS | $58,303,399 | $60,684,684 | $2,381,285 | 4.1% | Recommendations include an increase of $2.4 million in Other Funds due to the following:<br>• **Increase of $2.3 million** to align with the agency's projected impact of the revised PACAP (See Selected Fiscal and Policy Issue #25); and<br>• **Increase of $39,298** in Interagency Contracts to biennialize funding for certain contract oversight and regulatory FTEs related to the LBB approval letter dated June 1, 2018.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $9,825 in Interagency Contracts to reflect certain LBB approved transfers and actual expenditures. |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **IT OVERSIGHT & PROGRAM SUPPORT L.1.2** | **$426,159,312** | **$425,896,259** | **($263,053)** | **(0.1%)** | |
| GENERAL REVENUE FUNDS | $179,859,351 | $189,719,237 | $9,859,886 | 5.5% | Recommendations include an increase of $9.9 million in General Revenue due to the following:<br>• **Increase of $13.0 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25); and<br>• **Decrease of $3.1 million** reallocated by the agency for a new capital budget project (Performance Management and Analytics).<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $0.3 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $171,859,170 | $161,836,988 | ($10,022,182) | (5.8%) | Recommendations include a decrease of $10.0 million in Federal Funds due to the following:<br>• **Decrease of $6.8 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25);<br>• **Decrease of $3.1 million** reallocated by the agency for a new capital budget project (Performance Management and Analytics);<br>• **Decrease of $0.1 million** to align with estimated funding available for Opioid State Targeted Response (See Selected Fiscal and Policy Issue #8); and<br>• **Decrease of $1,814** to align with estimated funding available for Money Follows the Person.<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $0.4 million in Federal Funds to account for funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019 and to align with Federal Funds received for Opioid State Targeted Response. (See Selected Fiscal and Policy Issue #8) |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| OTHER FUNDS | $74,440,791 | $74,340,034 | ($100,757) | (0.1%) | Recommendations include a decrease of $0.1 million in Other Funds to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25) |
| **CENTRAL PROGRAM SUPPORT L.2.1** | **$93,615,022** | **$94,565,686** | **$950,664** | **1.0%** | |
| GENERAL REVENUE FUNDS | $43,829,157 | $45,082,493 | $1,253,336 | 2.9% | Recommendations include an increase of $1.3 million in General Revenue to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $0.2 million in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $36,802,361 | $35,977,365 | ($824,996) | (2.2%) | Recommendations include a decrease of $0.8 million in Federal Funds due to the following:<br>• **Decrease of $0.8 million** to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25); and<br>• **Decrease of $22,260** to align with Federal Funds received for Opioid State Targeted Response. (See Selected Fiscal and Policy Issue #8)<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $0.2 million in Federal Funds to account for funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019 and to align with Federal Funds received for Opioid State Targeted Response. (See Selected and Fiscal Policy Issue #8) |
| OTHER FUNDS | $12,983,504 | $13,505,828 | $522,324 | 4.0% | Recommendations include an increase of $0.5 million in Other Funds to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25) |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **REGIONAL PROGRAM SUPPORT L.2.2** | **$201,736,743** | **$202,412,693** | **$675,950** | **0.3%** | |
| GENERAL REVENUE FUNDS | $8,622,922 | $9,538,983 | $916,061 | 10.6% | Recommendations include an increase of $0.9 million in General Revenue to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25)<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $39,110 in General Revenue to reflect certain LBB approved transfers and actual expenditures. |
| FEDERAL FUNDS | $11,976,605 | $10,927,701 | ($1,048,904) | (8.8%) | Recommendations include a decrease of $1.0 million in Federal Funds to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25)<br><br>The 2018-19 base spending level as reported in the agency's LAR was increased by $39,110 in Federal Funds made available by more favorable matching rates for Medicaid and CHIP in fiscal year 2019. |
| OTHER FUNDS | $181,137,216 | $181,946,009 | $808,793 | 0.4% | Recommendations include an increase of $0.8 million in Interagency Contracts to align with the agency's projected impact of the revised PACAP. (See Selected Fiscal and Policy Issue #25) |
| **Total, Goal L, SYSTEM OVERSIGHT & PROGRAM SUPPORT** | **$923,738,869** | **$942,480,228** | **$18,741,359** | **2.0%** | |

**Health and Human Services Commission**
**Funding Changes and Recommendations by Strategy - House**

| Strategy/Fund Type/Goal | 2018-19 Base | 2020-21 Recommended | Biennial Change | % Change | Comments |
|---|---|---|---|---|---|
| **TEXAS CIVIL COMMITMENT OFFICE M.1.1** | **$30,871,827** | **$33,086,545** | **$2,214,718** | **7.2%** | |
| GENERAL REVENUE FUNDS | $30,578,265 | $32,962,545 | $2,384,280 | 7.8% | Recommendations reflect an increase of $2.4 million for projected caseload growth in the 2020-21 biennium.<br><br>The 2018-19 base spending level as reported in the agency's LAR was reduced by $2.4 million to reflect the transfer of certain unexpended funds in fiscal year 2018 into the Medicaid program in fiscal year 2019. Unexpended balances are due to lower than anticipated caseloads in fiscal year 2018. |
| OTHER FUNDS | $293,562 | $124,000 | ($169,562) | (57.8%) | Recommendations reflect a decrease of $0.2 million for one-time grant funding received from the Governor's Criminal Justice Division in fiscal year 2018. |
| **Total, Goal M, TEXAS CIVIL COMMITMENT OFFICE** | **$30,871,827** | **$33,086,545** | **$2,214,718** | **7.2%** | |
| **Grand Total, All Agency** | **$76,381,456,299** | **$77,441,804,962** | **$1,060,348,663** | **1.4%** | |
| GENERAL REVENUE FUNDS | $30,417,132,093 | $29,178,413,096 | ($1,238,718,997) | (4.1%) | |
| GR DEDICATED | $197,068,511 | $163,216,702 | ($33,851,809) | (17.2%) | |
| FEDERAL FUNDS | $43,610,435,443 | $46,418,186,136 | $2,807,750,693 | 6.4% | |
| OTHER FUNDS | $2,156,820,252 | $1,681,989,028 | ($474,831,224) | (22.0%) | |

**Appendix B**

**Health and Human Services Commission**
**Summary of Federal Funds - House**
**(Dollar amounts in Millions)**

| Program[1] | Est 2018 | Bud 2019 | Rec 2020 | Rec 2021 | 2018-19 Base | 2020-21 Rec | 2020-21 Rec % Total | Recommended Over/(Under) Base | % Change from Base |
|---|---|---|---|---|---|---|---|---|---|
| Medicaid | $18,471.4 | $19,718.6 | $20,369.5 | $21,259.6 | $38,190.0 | $41,629.2 | 89.7% | $3,439.2 | 9.0% |
| Children's Health Insurance Program (CHIP) | $954.6 | $1,003.8 | $941.7 | $878.3 | $1,958.5 | $1,819.9 | 3.9% | ($138.6) | (7.1%) |
| Nutrition Program for Women, Infants, and Children | $553.6 | $553.6 | $552.9 | $552.9 | $1,107.2 | $1,105.7 | 2.4% | ($1.5) | (0.1%) |
| SNAP State Administration | $185.2 | $191.7 | $186.8 | $189.8 | $376.9 | $376.6 | 0.8% | ($0.3) | (0.1%) |
| Substance Abuse Prevention and Treatment | $143.5 | $143.5 | $143.5 | $143.5 | $287.0 | $287.1 | 0.6% | $0.0 | 0.0% |
| Disability Determinations | $119.5 | $119.8 | $114.1 | $114.1 | $239.3 | $228.2 | 0.5% | ($11.0) | (4.6%) |
| Social Services Block Grant | $95.2 | $95.2 | $95.2 | $95.2 | $190.4 | $190.3 | 0.4% | ($0.0) | (0.0%) |
| Community Mental Health | $41.4 | $41.4 | $53.9 | $53.9 | $82.9 | $107.7 | 0.2% | $24.8 | 30.0% |
| Special Education Grants for Infants and Families | $44.7 | $49.4 | $45.2 | $48.5 | $94.2 | $93.6 | 0.2% | ($0.5) | (0.5%) |
| Special Programs for the Aging - Nutrition Services | $38.9 | $38.9 | $35.6 | $35.6 | $77.9 | $71.2 | 0.2% | ($6.6) | (8.5%) |
| Temporary Assistance for Needy Families | $30.6 | $28.5 | $30.7 | $32.7 | $59.1 | $63.3 | 0.1% | $4.2 | 7.1% |
| Temporary Assistance for Needy Families to Title XX Social Services Block Grant | $31.3 | $31.3 | $31.5 | $31.5 | $62.5 | $62.9 | 0.1% | $0.4 | 0.6% |
| State Survey and Certification of Health Care Providers and Suppliers (Medicare) | $31.9 | $32.1 | $30.3 | $30.3 | $64.0 | $60.6 | 0.1% | ($3.5) | (5.4%) |
| Opioid State Targeted Response | $27.4 | $119.8 | $27.4 | $27.4 | $147.2 | $54.7 | 0.1% | ($92.5) | (62.8%) |
| Special Programs for the Aging - Supportive Services | $25.3 | $24.3 | $26.6 | $26.6 | $49.5 | $53.2 | 0.1% | $3.6 | 7.3% |
| Child Care and Development Block Grant | $17.1 | $17.0 | $16.2 | $16.2 | $34.1 | $32.3 | 0.1% | ($1.7) | (5.1%) |
| Maternal and Child Health Services Block Grant | $12.9 | $12.9 | $13.2 | $13.2 | $25.7 | $26.3 | 0.1% | $0.6 | 2.3% |
| Nutrition Services Incentive Program | $11.2 | $11.2 | $11.6 | $11.6 | $22.4 | $23.1 | 0.0% | $0.8 | 3.4% |
| WIC Breastfeeding Peer Counseling | $10.2 | $10.2 | $10.2 | $10.2 | $20.4 | $20.4 | 0.0% | $0.0 | 0.0% |
| National Family Caregiver Support Program | $8.9 | $8.9 | $9.6 | $9.6 | $17.8 | $19.2 | 0.0% | $1.5 | 8.2% |
| Abstinence Education Program | $7.9 | $7.9 | $7.9 | $7.9 | $15.8 | $15.8 | 0.0% | ($0.0) | (0.0%) |
| Family Violence Prevention & Services | $6.4 | $6.7 | $6.7 | $6.7 | $13.1 | $13.4 | 0.0% | $0.3 | 2.4% |
| Texas Cancer Prevention and Control | $5.7 | $5.7 | $6.0 | $6.0 | $11.4 | $12.0 | 0.0% | $0.6 | 5.3% |
| Special Education Basic State Grants | $5.1 | $5.1 | $5.1 | $5.1 | $10.3 | $10.3 | 0.0% | $0.0 | 0.0% |
| Projects for Assistance in Transition from Homelessness | $5.0 | $5.0 | $5.0 | $5.0 | $10.0 | $10.0 | 0.0% | ($0.0) | (0.0%) |
| WIC Administration | $2.4 | $2.4 | $2.3 | $2.2 | $4.8 | $4.5 | 0.0% | ($0.3) | (6.2%) |
| State Health Insurance Assistance Program | $2.3 | $2.2 | $2.2 | $2.2 | $4.4 | $4.3 | 0.0% | ($0.1) | (1.9%) |
| Substance Abuse and Mental Health Services - Projects of Regional and National Significance | $2.1 | $2.1 | $2.1 | $2.1 | $4.2 | $4.3 | 0.0% | $0.1 | 2.1% |
| Foster Grandparent Program | $1.8 | $1.9 | $1.9 | $1.9 | $3.7 | $3.8 | 0.0% | $0.1 | 3.2% |
| Title IV-E Foster Care Administration | $2.2 | $2.2 | $1.9 | $1.9 | $4.5 | $3.7 | 0.0% | ($0.8) | (16.8%) |
| Special Programs for the Aging - Disease Prevention and Health Promotion Services | $1.4 | $1.4 | $1.3 | $1.3 | $2.7 | $2.6 | 0.0% | ($0.1) | (5.0%) |

**Health and Human Services Commission**
**Summary of Federal Funds - House**
**(Dollar amounts in Millions)**

| Program[1] | Est 2018 | Bud 2019 | Rec 2020 | Rec 2021 | 2018-19 Base | 2020-21 Rec | 2020-21 Rec % Total | Recommended Over/(Under) Base | % Change from Base |
|---|---|---|---|---|---|---|---|---|---|
| Medicare Enrollment Assistance Program | $1.7 | $1.1 | $1.1 | $1.1 | $2.8 | $2.3 | 0.0% | ($0.5) | (19.1%) |
| Administration for Community Living - Independent Living State Grants | $1.0 | $1.0 | $1.0 | $1.0 | $2.0 | $2.0 | 0.0% | $0.0 | 0.0% |
| Special Programs for the Aging - Long Term Care Ombudsman Services for Older Individuals | $1.1 | $1.0 | $1.0 | $1.0 | $2.1 | $2.0 | 0.0% | ($0.0) | (1.9%) |
| Special Programs for the Aging - Prevention of Elder Abuse, Neglect, and Exploitation | $0.3 | $0.3 | $0.3 | $0.3 | $0.6 | $0.6 | 0.0% | ($0.0) | (2.2%) |
| State Partnership Grant Program to Improve Minority Health | $0.2 | $0.2 | $0.2 | $0.2 | $0.3 | $0.3 | 0.0% | ($0.0) | (1.4%) |
| Alzheimer's Disease Demonstration Grants Program | $0.4 | $0.1 | $0.1 | $0.1 | $0.5 | $0.3 | 0.0% | ($0.2) | (48.5%) |
| Special Programs for the Aging - Discretionary Projects | $0.4 | $0.1 | $0.1 | $0.1 | $0.5 | $0.2 | 0.0% | ($0.3) | (60.2%) |
| Lifespan Respite Care Program | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | 0.0% | ($0.0) | (100.0%) |
| Mental Health Disaster Assistance and Emergency Mental Health | $8.7 | $2.2 | $0.0 | $0.0 | $10.8 | $0.0 | 0.0% | ($10.8) | (100.0%) |
| Crisis Counseling | $1.7 | $0.0 | $0.0 | $0.0 | $1.7 | $0.0 | 0.0% | ($1.7) | (100.0%) |
| Other Needs Assistance | $343.7 | $0.0 | $0.0 | $0.0 | $343.7 | $0.0 | 0.0% | ($343.7) | (100.0%) |
| Disaster Assistance Projects | $53.6 | $0.0 | $0.0 | $0.0 | $53.6 | $0.0 | 0.0% | ($53.6) | (100.0%) |
| **TOTAL:** | **$21,309.7** | **$22,300.8** | **$22,791.7** | **$23,626.5** | **$43,610.4** | **$46,418.2** | **100.0%** | **$2,807.8** | **6.4%** |

[1] Amounts include federal funds at Health and Human Services Commission - Office of the Inspector General.

# Health and Human Services Commission
## FTE Highlights - House

| Full-Time-Equivalent Positions | Expended 2017 | Estimated 2018 | Budgeted 2019 | Recommended 2020 | Recommended 2021 |
|---|---|---|---|---|---|
| Cap | 12,831.2 | 39,709.3 | 39,683.4 | 37,795.6 | 38,057.4 |
| *Senate Bill 200 Transfers* | *18,531.2* | *NA* | *NA* | *NA* | *NA* |
| **Total Cap** | **31,362.4** | **39,709.3** | **39,683.4** | **37,795.6** | **38,057.4** |
| Actual/Budgeted | 28,656.5 | 35,411.3 | 39,809.4 | NA | NA |
| **Schedule of Exempt Positions (Cap)** | | | | | |
| Executive Commissioner, Group 8 | $266,500 | $266,500 | $266,500 | $266,500 | $266,500 |

**Notes:**

a) This schedule includes the following FTEs for the Office of Inspector General (OIG): FY 2017 - 651.0; FY 2018 - 577.8; FY 2019 - 751.2; FY 2020 - 602.2; FY 2021 - 602.2. For additional details about OIG, including selected fiscal and policy issues, rider recommendations, and SFR findings, see the presentation titled *Health and Human Services Commission - Office of Inspector General: Summary of Recommendations - House* .

b) The majority of the FTE increase between FY 2017 and FY 2018 is attributable to the transfer of mental health state hospital and state supported living center FTEs from DSHS and DADS, respectively, to HHSC on September 1, 2017 pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.

c) The fiscal year 2018 actual FTE amount has been updated from the amount in the agency's LAR submission to reflect finalized actuals.

d) The FTE cap for fiscal year 2019 was adjusted as follows:

1) An increase of 223.0 temporary FTEs to address disaster-related needs related to Hurricane Harvey;
2) A decrease of 119.0 FTEs related to transfer of child care abuse, neglect, and exploitation investigations from HHSC to DFPS; and
3) An increase of 22.0 FTEs related to the establishment of DFPS help desk services at the HHSC IT customer help desk.

e) The recommended FTE Cap for the 2020-21 biennium includes an adjustment from 2019 budgeted FTEs to reflect a 4.4 percent reduction (1,752.0 FTEs) to remove a portion of FTEs in certain strategies that were consistently vacant in fiscal year 2018 according to HHSC's Monthly Financial Reports (MFR). Strategies were reduced to between 100 percent and 107.5 percent of the actual fiscal year 2018 fill level as reported in the MFR.

f) The State Auditor's Office, *Executive Compensation at State Agencies* (Report No. 18-705, August 2018), indicated a market average salary of $305,535 for the Executive Commissioner position at the Health and Human Services Commission and recommends changing the Group classification to Group 9. The commission is not requesting any changes to its Exempt position.

| | Expended 2017 | Estimated 2018 | Budgeted 2019 | Recommended 2020 | Recommended 2021 |
|---|---|---|---|---|---|
| • *Average Monthly Number of Women Receiving HTW Services* | 25,150 | 34,515 | 34,532 | 34,532 | 34,532 |
| *Measure Explanation: Recommendations include a new key performance measure for the average monthly number of women receiving services through the Healthy Texas Women (HTW) program.* | | | | | |
| • *Average Monthly Number of Eligibility Determinations Completed* | 3,923 | 4,138 | 4,188 | 4,333 | 4,477 |
| *Measure Explanation: Recommendations include a new key performance measure for the average monthly number of Early Childhood Intervention (ECI) eligibility determinations completed.* | | | | | |
| • *Average Monthly Number of Children Newly Enrolled in ECI* | 2,578 | 2,719 | 2,752 | 2,847 | 2,942 |
| *Measure Explanation: Recommendations include a new key performance measure for the average monthly number of children newly enrolled in Early Childhood Intervention (ECI) services.* | | | | | |
| • *Number of Persons Served in Abstinence Education Programs* | 5,612 | 10,226 | 9,000 | 48,000 | 48,000 |
| *Measure Explanation: The 2018-19 target for this measure is 48,000 persons served each year. HHSC reported serving 10,226 people in fiscal year 2018, or 21.3 percent of the target. Prior to fiscal year 2017, the program was at the Department of State Health Services (DSHS); the program transferred to HHSC on September 1, 2016 pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015. In fiscal year 2016, DSHS reported serving 64,853 people. Funding for the program has increased since fiscal year 2016. Recommendations maintain the 2018-19 target in 2020-21.* | | | | | |
| • *Average Monthly Number of SSLC Campus Residents* | 3,026 | 2,962 | 2,906 | 2,848 | 2,790 |
| *Measure Explanation: Recommendations align with LBB staff-projected census declines in the 2020-21 biennium.* | | | | | |

**Note:** This section does not include performance measures for the Office of Inspector General (OIG). For additional details about OIG, including selected fiscal and policy issues, rider recommendations, and SFR findings, see the presentation titled *Health and Human Services Commission - Office of Inspector General: Summary of Recommendations - House* .

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 1) | Salary Savings - Hold FTEs Vacant | **According to the agency:** The $2.2 million General Revenue reduction is expected to have a low to moderate impact on the agency's mission. The associated revenue loss in federal funding is $3.1 million for the biennium. These reductions could impact the level and timeliness of services and support in addition to potentially increasing response times. Areas most affected by these reductions are: Office of Inspector General, Rate Analysis, and IT support.<br><br>***Note:*** *The Option includes a reduction of $0.8 million in General Revenue and revenue loss of $1.2 million in Federal Funds and 14.0 FTEs related to the Office of Inspector General (OIG).*<br><br>*See also Options 13, 25, and 37.* | $2,186,728 | $2,186,728 | 42.1 | $3,060,245 | * | * | No |
| 2) | Program Salary Savings - Hold FTEs Vacant | **According to the agency:** The reduction is expected to have a low to moderate impact on the agency's mission. These reductions could impact the program administrative and policy support in addition to potentially increasing response times.<br><br>*See also Options 14, 26, and 38.* | $1,032,821 | $1,032,821 | 28.0 | $2,128,740 | * | * | No |
| 3) | Delayed or Deferred Capital Projects | **According to the agency:** The $2.5 million General Revenue reduction and associated federal funding revenue loss of $5.9 million may somewhat limit hardware maintenance and support for the TIERS datacenter server and storage, software monitoring of TIERS Applications availability and performance, and the capability to increase resources such as memory, CPUs and storage.<br><br>*See also Options 15, 27, and 39.* | $2,492,362 | $2,492,362 | 0.0 | $5,869,608 | 1.3% | $189,719,237 | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts GR & GR-D | All Funds | FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 4) | Administrative Contract Reductions | **According to the agency:** The $1.6 million General Revenue reduction and associated federal funding revenue loss of $3.3 million would have the greatest affect on IT contracts and would reduce the agency's ability to perform security risk assessments for Medicaid CHIP which are required by current audit findings and CISO security policies.<br><br>***Note:*** *The Option includes a reduction of $51,228 in General Revenue and revenue loss of $0.2 million in Federal Funds related to the OIG.*<br><br>*See also Options 16, 28, and 40.* | $1,602,190 | $1,602,190 | 0.0 | $3,297,343 | * | * | No |
| 5) | Program Contract Reductions | **According to the agency:** The $12.8 million General Revenue reduction and associated federal funding revenue loss of $22.1 million would result in reductions to contracted program services. The reductions would reduce the ability to develop, design and implement managed care oversight enhancements and newly mandated State and Federal Medicaid initiatives by reducing the scope of work. In addition, the reductions could affect Access and Intake document processing services and require the services to be performed by HHSC vs. contracted.<br><br>*See also Options 17, 29, and 41.* | $12,763,590 | $12,763,590 | 0.0 | $22,076,156 | * | * | No |

**Health and Human Services Commission**
**Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 6) | TCCO Reductions | **According to the agency:** The reduction would reduce 3.0 FTEs in FY 2020 with the reduction continued into FY 2021. Eliminate TCCO's Behavioral Health funding of $309,222 for the biennium. This funds Behavioral Health Services for civilly committed sex offenders. These services include substance abuse treatment programs that provide alcohol and drug counseling and testing for individuals who reside in the community or in an agency operated facility. Without these services, civilly committed sex offenders would have to obtain these services from HHSC.<br><br>*See also Options 18, 30, and 42.* | $815,540 | $815,540 | 3.0 | $0 | 2.5% | $32,962,545 | No |
| 7) | Program Services Reductions | **According to the agency:** The $7.8 million General Revenue reduction and associated federal funding revenue loss of $3.8 million would result in reductions to other program services. The Women's Health Program was not exempt from reductions, therefore a potential 10% reduction is included in this schedule. The other items most affected would be reduced training and travel (both for staff development as well as for conducting statewide CCL training, processing complaints and conducting surveys) for Regulatory staff, reduced direct operational support for Preadmission Screening and Resident Reviews (PASRR), and delayed implementation or significantly reduced scope of the project to make comprehensive updates to online training modules and technical assistance documents for child care providers.<br><br>*See also Options 19, 31, and 43.* | $7,845,175 | $7,845,175 | 0.0 | $3,823,299 | * | * | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 8) | Administrative Operating Reductions | **According to the agency:** The $6.4 million General Revenue reduction and associated federal funding revenue loss of $13.2 million would affect HHSC's other operating expenses. These reductions would have the greatest impact on building maintenance and repairs, building services and utilities, regional administrative services expenses, and IT travel, training and supplies.<br><br>***Note:*** *The Option includes a reduction of $0.1 million in General Revenue and revenue loss of $0.1 million in Federal Funds related to the OIG.*<br><br>*See also Options 20, 32, and 44.* | $6,410,569 | $6,410,569 | 0.0 | $13,222,064 | * | * | No |
| 9) | 1915(c) Waiver Slot Reductions | **According to the agency:** The reduction would reduce monthly slots by 970 in FY 2020 and 974 in FY 2021.<br><br>*See also Options 21, 33, and 45.* | $31,879,676 | $31,879,676 | 0.0 | $49,982,605 | * | * | No |
| 10) | Grant, Loan or Pass-through Reductions | **According to the agency:** The $3.5 million General Revenue reduction would reduce the amount of funding available to Independent Living Services (ILS) contractors to provide IL services and would require reductions to each of the 28 councils of government (COGs)/area agencies on aging (AAAs) to provide long-term care ombudsman services.<br><br>*See also Options 22, 34, and 46.* | $3,466,390 | $3,466,390 | 0.0 | $0 | * | * | No |

| | | | Biennial Reduction Amounts | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Priority** | **Item** | **Description/Impact** | **GR & GR-D** | **All Funds** | **FTEs** | **Potential Revenue Loss** | **Reduction as % of Program GR/GR-D Total** | **Program GR/GR-D Total** | **Included in Introduced Bill?** |
| 11) | Close Mental Health Facilities | **According to the agency:** The $22.0 million General Revenue reduction would affect mental health facilities by closing Casa Amistad (16 beds and another 10 beds from the main campus) and reducing Outpatient Clinic Services by 40%. These reductions would also require beginning the process to close the mental health component of Rio Grande State Center (55 beds), close Waco Center for Youth (77 beds), and close El Paso Psychiatric Center (74 beds).<br><br>*See also Options 23, 35, and 47.* | $21,982,245 | $21,982,245 | 50.0 | $0 | * | * | No |
| 12) | Program Reductions in Force | **According to the agency:** The reduction would require reductions in force in the Independent Living Services and the Autism Program due to program reductions.<br><br>*See also Options 24, 36, and 48.* | $2,429,194 | $2,429,194 | 18.0 | $0 | * | * | No |
| 13) | Salary Savings - Hold FTEs Vacant | **According to the agency:** The $1.9 million General Revenue reduction is expected to have a moderate impact on the agency's mission. The associated revenue loss in federal funding is $2.4 million for the biennium. These reductions would impact the level and timeliness of services and support in addition to potentially increasing response times. Areas most affected by these reductions are: Office of Inspector General, Rate Analysis, and IT support.<br><br>***Note:*** *The Option includes a reduction of $0.8 million in General Revenue and revenue loss of $1.2 million in Federal Funds and 14.0 FTEs related to the OIG.*<br><br>*See also Options 1, 25, and 37. The reduction would be in addition to the reduction in Option 1.* | $1,930,149 | $1,930,149 | 33.1 | $2,401,009 | * | * | No |

**Health and Human Services Commission**
**Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 14) | Program Salary Savings - Hold FTEs Vacant | **According to the agency:** The $6.7 million General Revenue reduction and associated federal funding revenue loss of $12.9 million is expected to have a greater impact on the Integrated Financial Eligibility and Enrollment program by reducing timeliness for benefits decisions, reducing ability to train new hires and field staff, and impacting the ability to provide program and policy oversight and monitoring. In addition, these reductions impact the ability to develop the IT build prioritization processes and determine a system development strategy across all Access and Eligibility Services areas and programs.<br><br>*See also Options 2, 26, and 38. The reduction would be in addition to the reduction in Option 2.* | $6,677,521 | $6,677,521 | 184.1 | $12,894,358 | * | * | No |
| 15) | Delayed or Deferred Capital Projects | **According to the agency:** The $2.8 million General Revenue reduction and associated federal funding revenue loss of $7.9 million would moderately limit hardware maintenance and support for the TIERS datacenter server and storage, moderately limit software monitoring of TIERS Applications availability and performance, and limit capability to increase resources such as memory, CPUs and storage. The reduction would also affect the ability to implement Care Connect, the software used by Health and Specialty Care System to send a patient's electronic health record within state facilities and local mental health authorities.<br><br>*See also Options 3, 27, and 39. The reduction would be in addition to the reduction in Option 3.* | $2,840,154 | $2,840,154 | 0.0 | $7,914,906 | 1.5% | $189,719,237 | No |

| | | | Biennial Reduction Amounts | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Priority | Item | Description/Impact | GR & GR-D | All Funds | FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
| 16) | Administrative Contract Reductions | **According to the agency:** The $1.2 million General Revenue reduction and associated federal funding revenue loss of $2.2 million would have the greatest affect on IT contracts and would reduce staff augmentation contractors who support IT projects and advance important process improvement projects across HHS, reduce managed services for Consolidated Help Desk and Office Support, and eliminate managed services for SSLCs and technology research contract.<br><br>***Note:*** *The Option includes a reduction of $51,228 in General Revenue and revenue loss of $0.2 million in Federal Funds related to the OIG.*<br><br>*See also Options 4, 28, and 40. The reduction would be in addition to the reduction in Option 4.* | $1,244,190 | $1,244,190 | 1.0 | $2,159,819 | * | * | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 17) | Program Contract Reductions | **According to the agency:** The $13.9 million General Revenue reduction and associated federal funding revenue loss of $25.3 million would result in reductions to contracted program services. The reduction would reduce the ability to develop, design and implement managed care oversight enhancements and newly mandated State and Federal Medicaid initiatives through multiple types of contractual services such as Medicaid consultant services, MCO performance and financial audit services, drug use reviews, Medicaid expert witness services and health information studies. In addition, the reduction affect the amount paid to the Claims Administrator to process and adjudicate all claims for Medicaid acute care services that are outside of the scope of capitated arrangements between the MCOs as well as to collect and validate encounter data. These reductions would have to be agreed to by the Claims Administrator. Also, these reductions would have an impact on SNAP Outreach contracts and the Data Broker Services scope of work.<br><br>*See also Options 5, 29, and 41. The reduction would be in addition to the reduction in Option 5.* | $13,865,872 | $13,865,872 | 0.0 | $25,338,832 | * | * | No |

| | | | Biennial Reduction Amounts | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Priority | Item | Description/Impact | GR & GR-D | All Funds | FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
| 18) | TCCO Reductions | **According to the agency:** These reductions would reduce 2.5 FTEs in FY 2020 with the reduction continued into FY 2021. This baseline reduction would eliminate the funding for 10 civilly committed sexually violent predators that are currently in the Civil Commitment Program. These 10 violent predators would have to be released to their respective communities without completing the required sex offender treatment. This baseline funding reduction would also cap the number of civilly committed sexually violent predators that can be provided treatment by TCCO at 364, thus requiring the early release of additional civilly committed predators (one-for-one), to make room for new commitments by local courts. During the 2020-21 biennium, caseload growth is projected to be 69. This means that 10 current, plus 69 additional (79 total) sexually violent predators would have to be released to their respective communities during the upcoming biennium. As sexually violent predators are released from the confined facility in Littlefield, Texas to their respective communities, additional Case Managers would be needed to supervise and monitor them as required by state law. In addition, the risk to public safety would be significantly increased due to the early release of 79 sexually violent predators.<br><br>*See also Option 6, 30, and 42. The reduction would be in addition to the reduction in Option 6.* | $815,540 | $815,540 | 2.5 | $0 | 2.5% | $32,962,545 | No |

| | | | Biennial Reduction Amounts | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Priority | Item | Description/Impact | GR & GR-D | All Funds | FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
| 19) | Program Services Reductions | **According to the agency:** The $6.9 million General Revenue reduction and associated federal funding revenue loss of $2.3 million would result in reductions to other program services. The Women's Health Program was not exempt from reductions, therefore a potential 10% reduction is included in this schedule. These reductions would also continue the decrease in Regulatory staff training and travel (for staff development, conducting statewide CCL training, processing complaints and conducting surveys, and RCCL inspectors). They may also reduce the timeliness of benefits decisions for clients, may impact Integrated Financial Eligibility and Enrollment contract management and monitoring, and may impact the ability to prevent fraudulent attempts by clients seeking unauthorized benefits.<br><br>*See also Options 7, 31, and 43. The reduction would be in addition to the reduction in Option 7.* | $6,905,752 | $6,905,752 | 0.0 | $2,316,118 | * | * | No |
| 20) | Administrative Operating Reductions | **According to the agency:** The $5.6 million General Revenue reduction and associated federal funding revenue loss of $18.6 million would affect HHSC's other operating expenses. These continued reductions would have the greatest impact on building maintenance and repairs, building services and utilities, regional administrative services expenses, and IT services.<br><br>***Note:*** *The Option includes a reduction of $0.1 million in General Revenue and revenue loss of $0.2 million in Federal Funds related to the OIG.*<br><br>*See also Options 8, 32, and 44. The reduction would be in addition to the reduction in Option 8.* | $5,605,362 | $5,605,362 | 0.0 | $18,630,789 | * | * | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 21) | 1915(c) Waiver Slot Reductions | **According to the agency:** The reduction would reduce monthly slots by 970 in FY 2020 and 974 in FY 2021.<br><br>*See also Options 9, 33, and 45. The reduction would be in addition to the reduction in Option 9.* | $31,879,676 | $31,879,676 | 0.0 | $49,982,605 | * | * | No |
| 22) | Grant, Loan or Pass-through Reductions | **According to the agency:** The $5.3 million General Revenue reduction and associated federal funding revenue loss of $0.5 million would reduce the amount of funding available to Comprehensive Rehabilitation Services, Kidney Health Care, Community Primary Care Services, Child Advocacy Program, Family Violence Services, and would further reduce funding to the Autism Program and to each of the 28 councils of government (COGs)/area agencies on aging (AAAs).<br><br>*See also Options 10, 34, and 46. The reduction would be in addition to the reduction in Option 10.* | $5,308,886 | $5,308,886 | 0.0 | $500,000 | * | * | No |
| 23) | Close Mental Health Facilities | **According to the agency:** The $22.0 million General Revenue reduction would affect mental health facilities by finalizing the close of the mental health component of Rio Grande State Center (55 beds) and continuing the process to close Waco Center for Youth (77 beds).<br><br>*See also Option 11, 35, and 47. The reduction would be in addition to the reduction in Option 11.* | $21,982,246 | $21,982,246 | 252.0 | $0 | 3.0% | $720,857,823 | No |
| 24) | Program Reductions in Force | **According to the agency:** These reductions would require continued reductions in force in the Guardianship program due to program reductions.<br><br>*See also Options 12, 36, and 48. The reduction would be in addition to the reduction in Option 12.* | $350,000 | $350,000 | 3.0 | $0 | 10.9% | $3,196,646 | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 25) | Salary Savings - Hold FTEs Vacant | **According to the agency:** The $2.9 million General Revenue reduction is expected to have a significant impact on the agency's mission. The associated revenue loss in federal funding is $3.4 million for the biennium. These reductions would impact the level and timeliness of services and support, increase response times, and reduce the number of internal audits and the number of IG investigations. Areas most affected by these reductions are: Office of Inspector General, Rate Analysis, Internal Audit and IT support.<br><br>***Note:*** *The Option includes a reduction of $0.8 million in General Revenue and revenue loss of $1.2 million in Federal Funds and 14.0 FTEs related to the OIG.*<br><br>*See also Options 1, 13, and 37. The reduction would be in addition to the reductions in Options 1 and 13.* | $2,900,216 | $2,900,216 | 62.8 | $3,435,061 | * | * | No |
| 26) | Program Salary Savings - Hold FTEs Vacant | **According to the agency:** The $4.4 million General Revenue reduction and associated federal funding revenue loss of $6.5 million is expected to have a significant impact on programs by reducing the capacity to oversee and monitor contractors and claims processing, reducing the ability to provide program and policy oversight and monitoring, and affecting the timeliness of reports and services.<br><br>*See also Options 2, 14, and 38. The reduction would be in addition to the reductions in Options 2 and 14.* | $4,414,449 | $4,414,449 | 110.5 | $6,511,639 | * | * | No |

| | | | Biennial Reduction Amounts | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Priority | Item | Description/Impact | GR & GR-D | All Funds | FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
| 27) | Delayed or Deferred Capital Projects | **According to the agency:** The $1.4 million General Revenue reduction and associated federal funding revenue loss of $2.4 million would severely limit capability to increase resources such as memory, CPUs and storage.<br><br>*See also Options 3, 15, and 39. The reduction would be in addition to the reductions in Options 3 and 15.* | $1,384,660 | $1,384,660 | 0.0 | $2,444,176 | 0.7% | $189,719,237 | No |
| 28) | Administrative Contract Reductions | **According to the agency:** The $0.9 million General Revenue reduction and associated federal funding revenue loss of $2.6 million would have the greatest affect on IT contracts by reducing staff augmentation contractors who support IT projects and reducing resources to support Procurement projects. These reductions would also decrease services for Human Resources and Payroll Services, and decrease systems support levels.<br><br>***Note:*** *The Option includes a reduction of $51,228 in General Revenue and revenue loss of $0.2 million in Federal Funds related to the OIG.*<br><br>*See also Options 4, 16, and 40. The reduction would be in addition to the reductions in Options 4 and 16.* | $885,974 | $885,974 | 1.0 | $2,571,553 | * | * | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 29) | Program Contract Reductions | **According to the agency:** The $13.8 million General Revenue reduction and associated federal funding revenue loss of $6.6 million would result in reductions to contracted program services. These reductions would significantly reduce the ability to develop, design and implement newly mandated State and Federal Medicaid initiatives, reduce the ability to oversee and conduct mortality reviews, and reduce the ability to implement enhancements to the Enrollment Broker Contract to support Medicaid and CHIP products. In addition, these reductions would decrease Intellectual Disability Community supports and services to individuals who are on the 1915(c) waiver interest list as well as decrease assistive services while individuals are being enrolled into waiver services or are seeking other Medicaid supports. If these resources are not available to provide necessary local services for maintenance in the community, more individuals may seek emergency services, including institutional placement, because of crises.<br><br>*See also Options 5, 17, and 41. The reduction would be in addition to the reductions in Options 5 and 17.* | $13,760,674 | $13,760,674 | 0.0 | $6,564,562 | * | * | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 30) | TCCO Reductions | **According to the agency:** The reduction would eliminate the funding for an additional 13 civilly committed sexually violent predators that are currently in the Civil Commitment Program. These 13 violent predators would have to be released to their respective communities without completing the required sex offender treatment. This baseline funding reduction would also cap the number of civilly committed sexually violent predators that can be provided treatment by TCCO at 351, thus requiring the early release of additional civilly committed predators (one-for-one), to make room for new commitments by local courts. During the 2020-21 biennium, caseload growth is projected to be 69. This means that 23 (10+13) current, plus 69 additional (92 total) sexually violent predators would have to be released to their respective communities during the upcoming biennium. As sexually violent predators are released from the confined facility in Littlefield, Texas to their respective communities, additional Case Managers would be needed to supervise and monitor them as required by state law. In addition, the risk to public safety would be significantly increased due to the early release of 92 sexually violent predators.<br><br>*See also Options 6, 18, and 42. The reduction would be in addition to the reductions in Options 6 and 18.* | $815,540 | $815,540 | 0.0 | $0 | 2.5% | $32,962,545 | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 31) | Program Services Reductions | **According to the agency:** The $5.8 million General Revenue reduction and associated federal funding revenue loss of $1.0 million would result in reductions to other program services. The Women's Health Program was not exempt from reductions, therefore a potential 10% reduction is included in this schedule. The other items significantly affected would be reduced Regulatory travel for required inspector training, decreased funding for required visits to residential child care operations, decreased funding for training workshops for regional staff involved in eligibility determination for institutional and/or community services, and reduced funding for on-site audits. These reductions would also reduce funding for Medicaid and CHIP policy, legislation and regulation interpretation, as well as reducing funding for providing guidance and education to providers, managed care organization, advisory committees, advocates, and contractors.<br><br>*See also Options 7, 19, and 43. The reduction would be in addition to the reductions in Options 7 and 19.* | $5,778,364 | $5,778,364 | 0.0 | $1,038,859 | * | * | No |
| 32) | Administrative Operating Reductions | **According to the agency:** The $4.5 million General Revenue reduction and associated federal funding revenue loss of $11.8 million would affect HHSC's other operating expenses. These continuing reductions would severely impact building maintenance and repairs, building services and utilities payments, regional administrative services expenses, IT services, and Office of Inspector General activities.<br><br>***Note:*** *The Option includes a reduction of $0.1 million in General Revenue and revenue loss of $0.1 million in Federal Funds related to the OIG.*<br><br>*See also Options 8, 20, and 44. The reduction would be in addition to the reductions in Options 8 and 20.* | $4,495,297 | $4,495,297 | 0.0 | $11,755,251 | * | * | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 33) | 1915(c) Waiver Slot Reductions | **According to the agency:** The reduction would reduce monthly slots by 970 in FY 2020 and 974 in FY 2021.<br><br>*See also Options 9, 21, and 45. The reduction would be in addition to the reductions in Options 9 and 21.* | $31,879,676 | $31,879,676 | 0.0 | $49,982,605 | * | * | No |
| 34) | Grant, Loan or Pass-through Reductions | **According to the agency:** This $4.6 million General Revenue reduction and associated federal funding revenue loss of $0.5 million would further reduce the amount of funding available to Comprehensive Rehabilitation Services, Kidney Health Care, Community Primary Care Services, Child Advocacy Program, Family Violence Services, and Autism Program and to each of the 28 councils of government (COGs)/area agencies on aging (AAAs).<br><br>*See also Options 10, 22, and 46. The reduction would be in addition to the reductions in Options 10 and 22.* | $4,642,218 | $4,642,218 | 0.0 | $500,000 | * | * | No |
| 35) | Close Mental Health Facilities | **According to the agency:** The $22.0 million General Revenue reduction would affect mental health facilities by continuing the process to close the El Paso Psychiatric Center (74 beds) and finalizing the closing of Waco Center for Youth (77 beds).<br><br>*See also Options 11, 23, and 47. The reduction would be in addition to the reductions in Options 11 and 23.* | $21,982,244 | $21,982,244 | 244.0 | $0 | 3.0% | $720,857,823 | No |
| 36) | Program Reductions in Force | **According to the agency:** These reductions would require continued reductions in force in the Guardianship program due to program reductions.<br><br>*See also Options 12, 24, and 48. The reduction would be in addition to the reductions in Options 12 and 24.* | $350,000 | $350,000 | 3.0 | $0 | 10.9% | $3,196,646 | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 37) | Salary Savings - Hold FTEs Vacant | **According to the agency:** The $1.7 million General Revenue reduction is expected to have a significant impact on the agency's mission. The associated revenue loss in federal funding is $2.4 million for the biennium. These reductions would severely reduce the number of internal audits, the number of IG investigations and the number of litigation cases pursued. These reductions would also severely reduce positions that are critical to timely and quality review of cost reports for the Long-Term Services and Support programs to ensure HHSC sets reimbursement rates that include only federally allowable costs, which is critical to contain costs for nursing facilities, community services, and other long-term services programs. Areas most affected by these reductions are: Office of Inspector General, Rate Analysis, Internal Audit and IT support.<br><br>***Note:*** *The Option includes a reduction of $0.8 million in General Revenue and revenue loss of $1.2 million in Federal Funds and 14.0 FTEs related to the OIG.*<br><br>*See also Options 1, 13, and 25. The reduction would be in addition to the reductions in Options 1, 13, and 25.* | $1,747,865 | $1,747,865 | 37.1 | $2,416,932 | * | * | No |
| 38) | Program Salary Savings - Hold FTEs Vacant | **According to the agency:** The $3.5 million General Revenue reduction and associated federal funding revenue loss of $7.0 million is expected to have a severe impact on programs by significantly reducing the capacity to oversee and monitor contractors and claims processing, significantly reducing the ability to provide program and policy oversight and monitoring, and significantly reducing the ability to process complaints and conduct surveys for Health Care Facilities and Community-Based Regulation.<br><br>*See also Options 2, 14, and 26. The reductions would be in addition to the reductions in Options 2, 14, and 26.* | $3,544,251 | $3,544,251 | 145.0 | $7,047,184 | * | * | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 39) | Delayed or Deferred Capital Projects | **According to the agency:** The $2.5 million General Revenue reduction and associated federal funding revenue loss of $3.7 million would eliminate the capability to increase resources such as memory, CPUs and storage, reduce the scope of the Regulatory Service System Modernization project for Long-Term Care, significantly limit hardware and software maintenance and support for TIERS datacenter server and storage, and significantly limit software monitoring of TIERS Applications availability and performance.<br><br>*See also Options 3, 15, and 27. The reductions would be in addition to the reductions in Options 3, 15, and 27.* | $2,500,228 | $2,500,228 | 0.0 | $3,652,756 | 1.3% | $189,719,237 | No |
| 40) | Administrative Contract Reductions | **According to the agency:** The $1.2 million General Revenue reduction and associated federal funding revenue loss of $2.2 million would significantly affect IT contracts by reducing staff augmentation contractors who support IT projects and reducing resources to support Procurement projects. These continued reductions would also severely decrease services for Human Resources and Payroll Services, and severely decrease systems support levels.<br><br>***Note:*** *The option includes a reduction of $51,228 in General Revenue and revenue loss of $0.2 million in Federal Funds related to the OIG.*<br><br>*See also Options 4, 16, and 28. The reduction would be in addition to reductions in Options 4, 16, and 28.* | $1,249,405 | $1,249,405 | 0.0 | $2,210,367 | * | * | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 41) | Program Contract Reductions | **According to the agency:** The $27.1 million General Revenue reduction and associated federal funding revenue loss of $8.9 million would result in reductions to contracted program services. These continued reductions would severely reduce the ability to oversee and conduct mortality reviews, and severely reduce the ability to implement enhancements to the Enrollment Broker Contract to support Medicaid and CHIP products. These reductions would decrease the Eligibility Support Services contract with MAXIMUS, which would impact delivery of contracted services including data collection for Children's Medicaid applications, call center customer service and support, application support, and other services in support of eligibility data collection and determination. In addition, these reductions would decrease Intellectual Disability Community supports and services to individuals who are on the 1915(c) waiver interest list as well as decrease assistive services while individuals are being enrolled into waiver services or are seeking other Medicaid supports. If these resources are not available to provide necessary local services for maintenance in the community, more individuals may seek emergency services, including institutional placement, because of crises. Also, reducing TANF could result in the State not meeting the federally required Maintenance of Effort.<br><br>*See also Options 5, 17, and 29. The reduction would be in addition to the reductions in Options 5, 17, and 29.* | $27,116,990 | $27,116,990 | 0.0 | $8,860,470 | * | * | No |

| | | | Biennial Reduction Amounts | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Priority | Item | Description/Impact | GR & GR-D | All Funds | FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
| 42) | TCCO Reductions | **According to the agency:** The reduction would eliminate the funding for an additional 13 civilly committed sexually violent predators that are currently in the Civil Commitment Program. These 13 violent predators would have to be released to their respective communities without completing the required sex offender treatment. This baseline funding reduction would also cap the number of civilly committed sexually violent predators that can be provided treatment by TCCO at 338, thus requiring the early release of additional civilly committed predators (one-for-one), to make room for new commitments by local courts. During the 2020-21 biennium, caseload growth is projected to be 69. This means that 36 (10+13+13) current, plus 69 additional (105 total) sexually violent predators would have to be released to their respective communities during the upcoming biennium. As sexually violent predators are released from the confined facility in Littlefield Texas to their respective communities, additional Case Managers would be needed to supervise and monitor them as required by state law. In addition, the risk to public safety would be significantly increased due to the early release of 105 sexually violent predators.<br><br>*See also Options 6, 18, and 30. The reduction would be in addition to the reductions in Options 6, 18, and 30.* | $815,540 | $815,540 | 0.0 | $0 | 2.5% | $32,962,545 | No |

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 43) | Program Services Reductions | **According to the agency:** The $5.6 million General Revenue reduction and associated federal funding revenue loss of $0.6 million would result in reductions to other program services. The Women's Health Program was not exempt from reductions, therefore a potential 10% reduction is included in this schedule. The other items severely affected would be reduced funding for on-site audits, and reduced funding for Medicaid and CHIP policy, legislation and regulation interpretation, and guidance and education to providers, managed care organization, advisory committees, advocates, and contractors.<br><br>*See also Options 7, 19, and 31. The reduction would be in addition to reductions in Options 7, 19, and 31.* | $5,617,452 | $5,617,452 | 0.4 | $629,515 | * | * | No |
| 44) | Administrative Operating Reductions | **According to the agency:** The $5.9 million General Revenue reduction and associated federal funding revenue loss of $17.2 million would severely affect HHSC's other operating expenses. These continued reductions would severely impact the ability to perform building maintenance and repairs, make building services and utilities payments, pay regional administrative services expenses, and reduce IT services such as Telecommunication Services for 5,555 staff members per year.<br><br>***Note:*** *The Option includes a reduction of $0.1 million in General Revenue and revenue loss of $0.1 million in Federal Funds related to the OIG.*<br><br>*See also Options 8, 20, and 32. The reduction would be in addition to the reductions in Options 8, 20, and 32.* | $5,947,269 | $5,947,269 | 0.0 | $17,151,238 | * | * | No |
| 45) | 1915(c) Waiver Slot Reductions | **According to the agency:** The reduction would reduce monthly slots by 970 in FY 2020 and 974 in FY 2021.<br><br>*See also Options 9, 21, and 33. The reduction would be in addition to the reductions in Options 9, 21, and 33.* | $31,879,676 | $31,879,676 | 0.0 | $49,982,605 | * | * | No |

**Health and Human Services Commission**
**Summary of Ten Percent Biennial Base Reduction Options Recommendations - House**

| Priority | Item | Description/Impact | Biennial Reduction Amounts: GR & GR-D | Biennial Reduction Amounts: All Funds | Biennial Reduction Amounts: FTEs | Potential Revenue Loss | Reduction as % of Program GR/GR-D Total | Program GR/GR-D Total | Included in Introduced Bill? |
|---|---|---|---|---|---|---|---|---|---|
| 46) | Grant, Loan or Pass-through Reductions | **According to the agency:** The $4.0 million General Revenue reduction and associated federal funding revenue loss of $0.5 million would significantly further reduce the amount of funding available to Comprehensive Rehabilitation Services, Kidney Health Care, Child Advocacy Program, Family Violence Services, and Autism Program and to each of the 28 councils of government (COGs)/area agencies on aging (AAAs).<br><br>*See also Options 10, 22, and 34. The reduction would be in addition to the reductions in Options 10, 22, and 34.* | $3,975,552 | $3,975,552 | 0.0 | $500,000 | * | * | No |
| 47) | Close Mental Health Facilities | **According to the agency:** The $22.0 million General Revenue reduction would affect mental health facilities by finalizing the closing of the El Paso Psychiatric Center (74 beds).<br><br>*See also Options 11, 23, and 35. The reduction would be in addition to the reductions in Options 11, 23, and 35.* | $21,982,244 | $21,982,244 | 262.0 | $0 | 3.0% | $720,857,823 | No |
| 48) | Program Reductions in Force | **According to the agency:** The reduction would require continued reductions in force in the Guardianship program due to program reductions.<br><br>*See also Options 12, 24, and 36. The reduction would be in addition to the reductions in Options 12, 24, and 36.* | $350,000 | $350,000 | 3.0 | $0 | 10.9% | $3,196,646 | No |
| **TOTAL, 10% Reduction Options** | | | **$394,327,612** | **$394,327,612** | **1,485.6** | **$402,853,269** | | | |

**Note:** This section includes 10 percent reduction options that would impact the Office of Inspector General (OIG). For additional details about OIG, including selected fiscal and policy issues, rider recommendations, and SFR findings, see the presentation titled *Health and Human Services Commission - Office of Inspector General: Summary of Recommendations - House.*