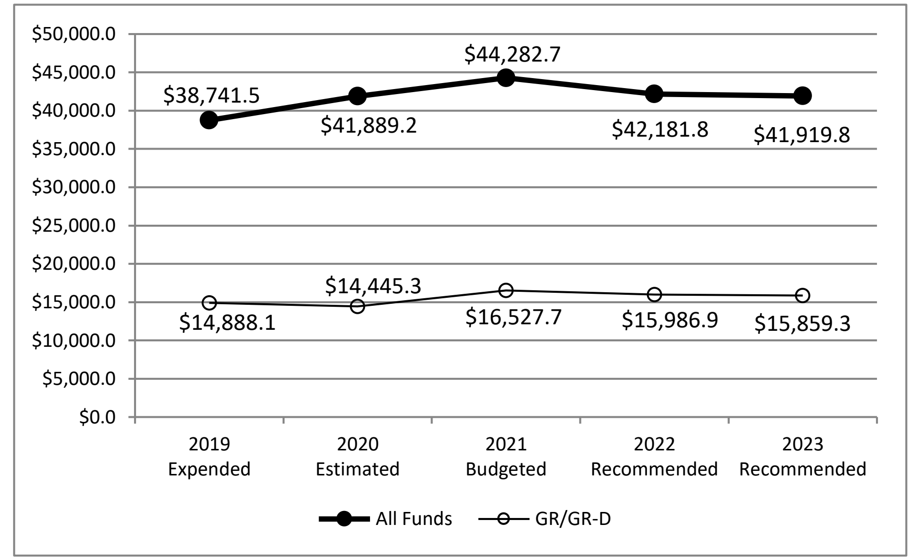
Health and Human Services Commission
Summary of Budget Recommendations - House

Page II-40
Cecile Erwin Young, Executive Commissioner
LBB Analysts - Samantha Brock, Rustin Dudley, & Amanda Kilian

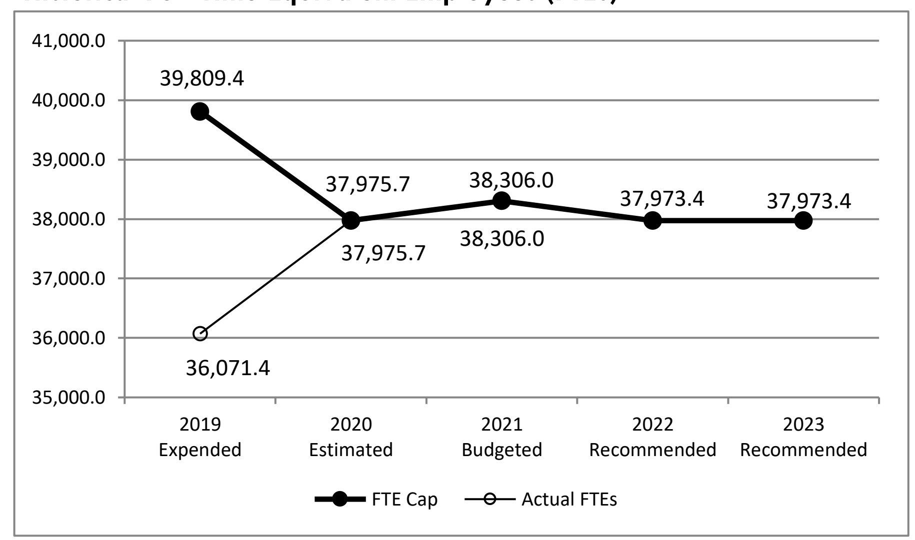
Method of Financing	2020-21 Base	2022-23 Recommended	Biennial Change ($)	Biennial Change (%)
General Revenue Funds	$30,799,756,651	$31,654,256,907	$854,500,256	2.8%
GR Dedicated Funds	$173,219,573	$191,951,776	$18,732,203	10.8%
Total GR-Related Funds	*$30,972,976,224*	*$31,846,208,683*	*$873,232,459*	*2.8%*
Federal Funds	$53,023,171,711	$50,651,052,393	($2,372,119,318)	(4.5%)
Other	$2,175,795,947	$1,604,376,566	($571,419,381)	(26.3%)
All Funds	**$86,171,943,882**	**$84,101,637,642**	**($2,070,306,240)**	**(2.4%)**

	FY 2021 Budgeted	FY 2023 Recommended	Biennial Change	Percent Change
FTEs	38,306.0	37,973.4	(332.6)	(0.9%)

Historical Funding Levels (Millions)



Historical Full-Time-Equivalent Employees (FTEs)



Agency Budget and Policy Issues and/or Highlights

2020-21 amounts do not include any of the five percent General Revenue reduction of $132.7 million. The 2022-23 recommended amounts include a reduction of $133.0 million in General Revenue for the five percent reduction plan as well as additional reductions, which are more than offset by significant increases in General Revenue and reductions in Federal Funds for Medicaid and the Children's Health Insurance Program due to less favorable federal matching rates. Additional significant reductions are due to Federal Funds provided for COVID-19 response in 2020-21 and Other Funds, including funds from the Economic Stabilization Fund and bond proceeds, provided for state hospital construction and renovations at state-owned facilities in 2020-21. The decline in FTEs reflects adjustments made to align with funding recommendations.

The bill pattern for this agency (2022-23 Recommended) represents an estimated 72.7% of the agency's estimated total available funds for the 2022-23 biennium.

Health and Human Services Commission
Summary of Funding Changes and Recommendations - House

	Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 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)	Funding for Medicaid Client Services	$920.1	$0.0	($1,710.8)	$54.2	($736.5)	Goal A
B)	Funding for CHIP Client Services	$69.2	$0.0	($476.9)	$0.0	($407.7)	Goal C
C)	Funding for Early Childhood Intervention	$15.4	$0.0	$18.5	$0.0	$33.9	D.1.3
D)	TANF Cash Assistance	($0.6)	$0.0	$0.0	$0.0	($0.6)	E.1.1
E)	Five Percent Reduction	($133.0)	$0.0	($62.2)	($15.0)	($210.1)	B.1.1, D.1.1, D.1.10, F.2.3, H.1.1, H.1.2, H.2.1, I.1.1, I.2.1, K.1.1, K.1.2, L.1.1, L.1.2, L.2.1, L.2.2, M.1.1
F)	COVID-19 Response Federal Funding	$0.0	$0.0	($100.9)	$0.0	($100.9)	E.1.3, F.1.2, F.3.1, G.1.1, G.2.1, I.2.1
G)	Funding for Electronic Visit Verification Vendor Fees	$5.0	$0.0	$15.0	$0.0	$20.0	B.1.1
H)	Funding for Women's Health Programs	($23.0)	$0.0	$34.1	($0.8)	$10.2	D.1.1
I)	Funding for Substance Use Services	$3.6	$0.0	($22.4)	$0.0	($18.7)	D.2.4
J)	Funding for Youth Empowerment Services Waiver and Home and Community-Based Services - Adult Mental Health State Plan	$2.6	$0.0	($0.3)	$0.0	$2.4	D.2.5
K)	Funding for State Supported Living Centers	$34.9	$0.0	($50.6)	$0.0	($15.6)	G.1.1
L)	Funding for State Mental Health Hospitals	($1.9)	$0.0	($0.0)	$0.0	($1.9)	G.2.1
M)	Community Mental Health Hospitals, Including General Revenue to Replace Public Health Medicaid Reimbursements Account No. 709 (Other Funds)	$22.7	$0.0	$0.0	($20.2)	$2.5	G.2.2

Health and Human Services Commission
Summary of Funding Changes and Recommendations - House

	Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 Base Spending Level (in millions)	General Revenue	GR-Dedicated	Federal Funds	Other Funds	All Funds	Strategy in Appendix A
N)	One-time Funding - Construction and Deferred Maintenance	$0.0	$0.0	$0.0	($569.7)	($569.7)	G.4.2
O)	Funding for Master Lease Purchase Program Payments	$5.5	$0.0	$0.0	$0.0	$5.5	G.4.2
P)	Biennialize Transfer of Regulation of Certain Professions to the Behavioral Health Executive Council	($1.9)	$0.0	$0.0	$0.0	($1.9)	H.3.1, H.4.1
Q)	Funding for Integrated Eligibility and Enrollment	$2.9	$0.0	$35.0	$4.5	$42.4	I.1.1
R)	Funding for Centralized Accounting and Payroll/Personnel System (CAPPS) Compliance Upgrades	$9.8	$0.0	$3.7	$0.0	$13.5	L.1.2
S)	One-time Funding - Disaster Assistance (non-COVID related)	($1.5)	$0.0	($27.0)	$0.0	($28.5)	E.1.3
T)	One-time Funding - All Other	($23.3)	$0.0	($5.9)	($21.0)	($50.2)	D.1.10, D.2.1, F.2.2, F.3.2, G.4.1, H.1.1, H.1.2, H.2.1, H.3.1, L.1.1, L.1.2, L.2.1
U)	Projected Federal Fund Awards, Revenue Collections, & Interagency Contracts	$0.0	$0.0	($31.5)	($2.2)	($33.7)	B.1.1, D.1.2, D.1.4, D.1.10, D.1.12, D.2.1, D.2.2, D.2.3, E.1.2, F.1.2, F.3.3, H.1.1, H.2.1, H.3.1, I.2.1, J.1.1, K.1.1, K.1.2, L.1.1, L.1.2, L.2.1, L.2.2, M.1.1
V)	Method-of-Finance Swaps	($32.3)	$18.7	$11.3	$2.3	$0.0	F.1.2, H.1.1, H.4.1, I.2.1

	Funding Changes and Recommendations for the 2022-23 Biennium compared to the 2020-21 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):						
W)	Other Medicaid & CHIP Contracts and Administration Funding	($0.0)	$0.0	($4.1)	$0.0	($4.2)	Goal B
X)	Other Primary & Specialty Care Funding	($2.7)	$0.0	($0.7)	$0.0	($3.4)	D.1.10
Y)	Other Facilities Funding	($5.8)	$0.0	($0.0)	$0.0	($5.8)	G.3.1, G.4.1
Z)	Other Regulatory Funding	($0.1)	$0.0	$0.0	$0.0	($0.1)	H.1.1, H.3.1
AA)	Other Eligibility Determination and Enrollment Funding	($7.7)	$0.0	$3.6	($1.7)	($5.8)	I.2.1, I.3.1, I.3.2
AB)	Other Administration Funding	($3.4)	$0.0	$0.0	($1.7)	($5.1)	Goal L
	TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)	**$854.5**	**$18.7**	**($2,372.1)**	**($571.4)**	**($2,070.3)**	As Listed
	SIGNIFICANT & OTHER Funding Increases	$1,091.8	$18.7	$121.2	$60.9	$130.3	As Listed
	SIGNIFICANT & OTHER Funding Decreases	($237.3)	$0.0	($2,493.3)	($632.4)	($2,200.6)	As Listed

NOTE: Totals may not sum due to rounding.

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

1) **2022-23 Recommendations.** The overall approach to recommendations primarily includes:

- LBB staff projections for fiscal years 2019 through 2023 for Temporary Assistance for Needy Families (TANF) cash assistance.
- HHSC projections, without cost growth, for Medicaid, the Children's Health Insurance Program (CHIP), and Early Childhood Intervention (ECI) with some adjustments to method-of-financing.
- Include five percent reduction items identified by the agency.
- Remove one-time funding including for one-time capital budget projects, capital budget projects projected to cost less in the 2022-23 biennium, and one-time full-time-equivalent (FTE) start-up costs.
- Generally, align performance measures with the agency's request.
- For 2020-21, only reflect transfers for which the agency had provided notification or received approval for before submission of the Legislative Appropriations Request (LAR), and make adjustments when errors or other inaccuracies were identified and sufficient information was available to make adjustments.

See **Supplemental Schedule 3-1: Adjustments to 2020-21**, for further detail on base adjustments.

2) **COVID-19.**

a. *Response Activities*. As of January 2021, projected expenditures reported by HHSC total $308.6 million in General Revenue ($3.2 billion in All Funds) in fiscal year 2020 and $1.1 billion in General Revenue ($4.3 billion in All Funds) in fiscal year 2021. The projected expenditures include the following significant amounts, which may not tie to 2020-21 amounts included in recommendations:
   - $289.1 million in General Revenue ($807.9 million in All Funds) in fiscal year 2021 associated with estimated costs of increased Medicaid and CHIP enrollment due to an increase in unemployment levels;
   - $190.4 million in General Revenue ($579.8 million in All Funds) in fiscal year 2020 and $549.8 million in General Revenue ($1.5 billion in All Funds) in fiscal year 2021 associated with the estimated costs of maintaining coverage for Medicaid and Healthy Texas Women clients who otherwise would have become ineligible during the emergency period;
   - $49.8 million in General Revenue ($151.4 million in All Funds) in fiscal year 2020 and $39.8 million in General Revenue ($123.5 million in All Funds) in fiscal year 2021 for temporary rate increases for certain Medicaid providers and services;
   - $49.5 million in General Revenue ($160.8 million in All Funds) in fiscal year 2020 and $137.4 million in General Revenue ($392.3 million in All Funds) in fiscal year 2021 in other Medicaid and CHIP related costs, including an estimated $44.3 million in General Revenue ($137.3 million in All Funds) in fiscal year 2020 and $132.0 million in General Revenue ($371.1 million in All Funds) in fiscal year 2021 for COVID-19 testing and related services; and
   - $2.2 billion in Federal Funds in fiscal year 2020 and $1.4 billion in Federal Funds in fiscal year 2021 for Supplemental Nutrition Assistance Program (SNAP) and Pandemic Electronic Benefit Transfer (P-EBT) benefits, which are off-budget.

b. *Temporary Federal Medical Assistance Percentage (FMAP) Increase.* In March 2020, Congress passed the Families First Coronavirus Response Act (FFCRA). The FFCRA provides for a 6.2 percentage point increase in FMAP. The 6.2 percentage point increase is available from January 1, 2020 through the last day of the federal fiscal quarter in which the public health emergency declared by the Secretary of Health and Human Services pursuant to section 319 of the Public Health Service Act ends. The public health emergency declaration was renewed effective January 21, 2021. A public health emergency lasts 90 days unless the Secretary terminates it. While the 90-day period would end during the third quarter of federal fiscal year (FFY) 2021, because the Secretary has the authority to terminate the emergency at any time, the increase is only assured through the end of the current federal fiscal quarter (March 31, 2021). If the emergency is not terminated prior to April 1, 2021 then the increase will be assured through June 30, 2021.

   In order to receive the 6.2 percentage point increase to FMAP provided in the FFCRA, states must provide continuous coverage, through the end of the month in which the emergency period ends, to all Medicaid beneficiaries who were enrolled in Medicaid on or after March 18, 2020. While the 6.2 percentage point increase does, in the short term, result in a General Revenue savings to the state, at some point the cost of providing continuous coverage may result in a net cost to the state. It is unknown at what point this may occur. According to HHSC, expenditures for the 2020-21 biennium for Medicaid and Children's Health Insurance Program (CHIP) client services assume the increased FMAP and higher caseloads through September 2020. It is unclear if the LAR reflects the increased FMAP in other strategies where it would be available; however, our office incorporated the increased FMAP into some adjustments to 2020-21. The increased FMAP is estimated to have freed up $2.5 billion in General Revenue for five federal fiscal quarters. In March of 2020 the LBB provided HHSC with authority to expend General Revenue made available from the first two quarters of the increased FMAP, pursuant to Special Provisions, Section 4(c), Limitations on Use of Available General Revenue Funds. Authority was limited to transferring funding to the Department of State Health Services (DSHS) for disaster response associated with COVID-19 or reducing the need to transfer funds from fiscal year 2021 to fiscal year 2020. Separately, in May 2020 the LBB provided HHSC with authority to expend General Revenue made available by the increased FMAP to provide temporary Medicaid rate increases for certain providers and services. HHSC has not requested authority to expend General Revenue made available by additional quarters of the increased FMAP or for purposes other than those authorized.

c. *Disaster Transfers.* The 2020-21 base reflects transfer of $50.0 million in General Revenue from HHSC to DSHS in fiscal year 2020 to support COVID-19 response.

d. *State-Owned Facilities.* The state supported living centers (SSLCs) and state mental health hospitals report COVID-19 response has included increased costs or activities related to overtime, contracted staff, creation and staffing of isolation units for COVID-19 positive residents and patients, purchase of Personal Protective Equipment (PPE), and performing COVID-19 tests. According to monthly surveys, HHSC received $19.5 million in federal Provider Relief Funds in the 2020-21 biennium that can be used to purchase PPE and cover other COVID-19 response costs at the SSLCs and state hospitals. HHSC states that Provider Relief Funds and the 6.2 percentage point increase in FMAP should be sufficient to cover increased costs at the SSLCs. HHSC does not anticipate Provider Relief Funds will be sufficient to cover increased costs at the state hospitals, and has applied for additional Provider Relief Funds from the U.S. Department of Health and Human Services.

3) **Five Percent Reduction.** HHSC submitted a five percent reduction plan for the 2020-21 biennium that totaled $130.8 million in General Revenue. The Texas Civil Commitment Office (TCCO) separately submitted a plan totaling $1.8 million in General Revenue. When combined, the plans met the target of $132.7 million in General Revenue. The plan included reductions for the following: client services; program administration directly supporting client services; eligibility determination and enrollment for individuals seeking access to services; regulatory oversight; and other administration supporting agency operations. The reductions affected multiple strategies. The plan also assumed General Revenue lapses totaling $58.6 million in fiscal year 2020, but details regarding where the lapses would occur were not provided. HHSC later submitted a revised five percent reduction plan. The revised plan removed all reductions to client services identified in the initial plan and increased the assumed lapse amount to $76.5 million in General Revenue.

   The LAR did not include any reduction in General Revenue in the 2020-21 biennium. For the 2022-23 biennium, HHSC identified $133.0 million in General Revenue in reductions to comply with the General Revenue/General Revenue-Dedicated limit. Those reductions primarily impact administration and eligibility determination. Recommendations reflect a decrease of $133.0 million in General Revenue ($210.1 million in All Funds) related to the agency's five percent reduction plan. With the exception of reductions for the Office of Inspector General (OIG), FTE reductions associated with the five percent reduction items are not included. See **Supplemental Schedule 3-2: Five Percent Reduction Items.**

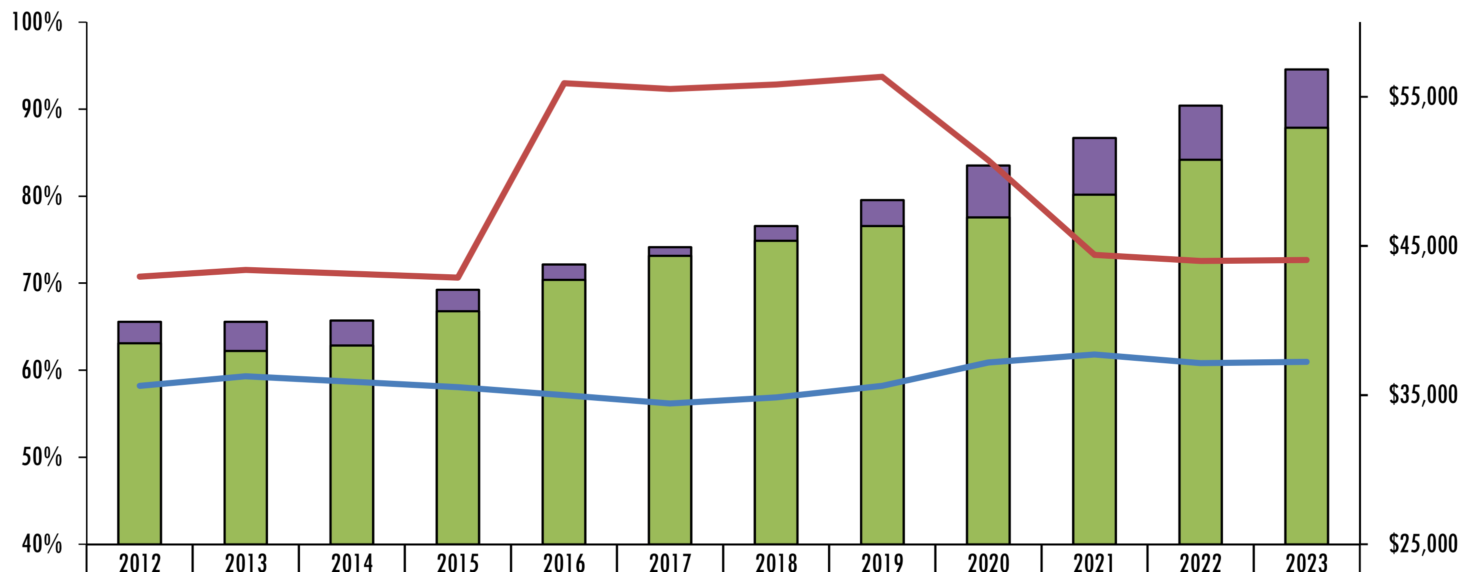
4) **Health and Human Services Program Financing.** Financing of the many health and human services programs is based on an array of matching rates that determine the amount of state funds (General Revenue, General Revenue-Dedicated, and Other Funds) and the amount of Federal Funds. The primary matching rate for Medicaid client services is the 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. As noted previously, there is a 6.2 percentage point increase to FMAP available due to the public health emergency.

The CHIP program (client services and administrative services) is matched at the Enhanced FMAP (EFMAP), a more favorable rate with a state share that is a 30 percent reduction to the state share under FMAP. 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. The increase applied to the CHIP program and certain children enrolled in Medicaid who were previously eligible for CHIP. Certain other Medicaid services are matched based on EFMAP without the percentage point increase. The 6.2 percentage point increase to FMAP pursuant to FFCRA was also incorporated into the EFMAP formula, resulting in an increase of 4.3 percentage points to the EFMAP.

The FMAP and EFMAP will be less favorable in FFY 2022 than in FFY 2020 and is expected to be less favorable in FFY 2023 than in FFY 2021. This, in addition to the presumed loss of increases pursuant to FFCRA and the loss of the 11.5 percentage point increase to EFMAP, will increase General Revenue demand.

The chart below shows Texas FMAPs and EFMAPs (without the increases pursuant to FFCRA) for FFYs 2012 to 2023. FFY 2022 FMAP is final and has been officially announced in the Federal Register. FFY 2023 FMAP is an estimate developed by LBB staff; final FFY 2023 FMAP will not be available until fall of 2021.

FMAP, EFMAP, and Per Capita Personal Income (PCPI), FFY 2012 to 2023



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
US PCPI	$39,919	$39,913	$39,996	$42,065	$43,766	$44,918	$46,329	$48,064	$50,384	$52,246	$54,405	$56,827
Texas PCPI	$38,463	$37,956	$38,321	$40,615	$42,716	$44,327	$45,352	$46,327	$46,917	$48,444	$50,781	$52,927
FMAP	58.22%	59.30%	58.69%	58.05%	57.13%	56.18%	56.88%	58.19%	60.89%	61.81%	60.80%	60.96%
EFMAP	70.75%	71.51%	71.08%	70.64%	92.99%	92.33%	92.82%	93.73%	84.12%	73.27%	72.56%	72.67%
												Projected

Notes: Reflects FFY regular FMAPs and does not reflect increased FMAPs or EFMAPs related to FFCRA that applied from the second quarter of FFY 2020 until the second quarter of FFY 2021 and may be extended further. EFMAPs reflect a 23.0 percentage point increase in FFY 2016 through FFY2019 pursuant to the federal Affordable Care Act and an 11.5 percentage point increase in FFY 2020 pursuant to the federal HEALTHY KIDS Act. 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 2021 FMAP is based on the average of 2016 to 2018 per capita personal income as reported by the Bureau of Economic Analysis in September 2019.

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 75/25 or 90/10 matching rates.

5) **Medicaid and CHIP Client Services.** Recommendations include $25,694.2 million in General Revenue and $124.6 million in General Revenue-Dedicated Funds ($69,580.8 million in All Funds) for Medicaid client services and $483.1 million in General Revenue ($1,791.3 in All Funds) for CHIP client services in the 2022-23 biennium. This is an increase of $920.1 million in General Revenue (decrease of $736.5 million in All Funds) for Medicaid client services and an increase of $69.2 million in General Revenue (decrease of $407.7 million in All Funds) for CHIP from 2020-21 spending levels, primarily due to less favorable FMAPs and EFMAPs. Recommendations largely align with the agency's request, except for two method-of-finance changes to align with LBB revenue assumptions and recommendations for allocation of that revenue. Recommendations include:

- HHSC assumed FMAP of 61.45 percent and EFMAP of 73.02 percent in FFY 2022 and 2023, which is more favorable than those identified by our office;
- $124.2 million in General Revenue ($310.4 million in All Funds) for intensive behavioral intervention services for autism in 2022-23;
- $2,284.8 million in General Revenue ($6,005.1 million in All Funds) for Medicaid entitlement demand in 2020-21;
- Relative to the agency's request, an increase of $3.0 million in General Revenue offset by an equal decrease in interagency contracts to align with recommendations for General Revenue-Dedicated Account No. 5111, Designated Trauma Facility and EMS Account, at DSHS; and
- Relative to the agency's request, a decrease of $51.8 million in General Revenue offset by an equal increase in Public Health Medicaid Reimbursements Account No. 709 (Other Funds, Account No. 709) to align with estimated revenue projections and move Account No. 709 out of Strategy G.2.2, Mental Health Community Hospitals.

Recommendations do not include funding for cost growth, which the agency estimates to be $1,515.3 million in General Revenue ($3,900.4 million in All Funds) for Medicaid and $27.0 million in General Revenue ($100.0 million in All Funds) for CHIP.

6) **Women's Health Programs.** Recommendations for women's health programs include $173.7 million in General Revenue ($352.6 million in All Funds) for the 2022-23 biennium. Recommendations reflect a decrease of $61.5 million in General Revenue (an increase of $10.2 million in All Funds) from 2020-21.

a. *Healthy Texas Women (HTW)*. Recommendations for 2022-23 for HTW include $75.4 million in General Revenue ($229.9 million in All Funds), which is a decrease of $63.8 million in General Revenue (an increase of $8.1 million in All Funds). The General Revenue decrease is more than offset by an increase of $72.0 million in Federal Funds due to approval of the HTW Section 1115 Demonstration Waiver and assumed addition of HTW Plus services to the waiver.

- *HTW 1115 Demonstration Waiver*. As outlined in HHSC Rider 104, Funding for Healthy Texas Women Program (2018-19 General Appropriations Act), 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 90/10 federal funds match 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 CMS, with a proposed effective date of September 1, 2018. The waiver application was not approved during the 2018-19 biennium.

  Appropriations in the 2020-21 GAA mostly assumed HHSC would receive approval for the HTW 1115 demonstration waiver by September 1, 2019; however, some exceptional item funding was provided as General Revenue. The GAA assumed a mix of matching rates, including 90/10 for family planning services and FMAP for non-family planning services. On October 23, 2019, HHSC requested to transfer $57.7 million in General Revenue in fiscal year 2020 and $58.0 million in General Revenue in fiscal year 2021 from Medicaid to Strategy D.1.1, Women's Health Programs, to replace Medicaid Federal Funds as the HTW 1115 waiver had not yet been approved. On December 12, 2019, HHSC was provided authority to make the transfers contingent on inaction on, or disapproval of, the HTW Section 1115 Demonstration Waiver. The approval stipulated that if the waiver received federal approval, appropriations transferred from Medicaid should not be expended in Strategy D.1.1, Women's Health Programs, on or after the effective date of the waiver and any remaining transferred appropriations should be returned to Medicaid.

On January 22, 2020, HHSC received approval from CMS for the Healthy Texas Women Section 1115 Demonstration Waiver. According to HHSC, the agency kept $26.0 million in General Revenue transferred from Medicaid in fiscal year 2020 in Strategy D.1.1, Women's Health Programs.

Recommendations assume a full biennium of the HTW Section 1115 Demonstration Waiver. The waiver does not cover HTW clients under the age of 18 or cost-reimbursement contracts.

- *Post-partum Services Package – HTW Plus*. Senate Bill 750, Eighty-sixth Legislature, Regular Session, 2019, required HHSC to implement a limited postpartum care package in HTW. HHSC was appropriated $1.0 million in General Revenue in fiscal year 2020 and $13.6 million in General Revenue in fiscal year 2021 to implement the provisions of the bill. The program, referred to as HTW Plus, launched on September 1, 2020. According to HHSC, the agency's 2022-23 base request assumed biennialization of HTW Plus and assumed services would be 100 percent General Revenue funded. Recommendations biennialize fiscal year 2021 appropriations of $13.6 million for HTW Plus services, but assume services will be added to the HTW Section 1115 Demonstration Waiver, and therefore will receive federal matching funds. Recommendations for 2022-23 include $10.7 million in General Revenue ($27.3 million in All Funds) for HTW Plus. HHSC submitted an application to CMS on December 8, 2020 to amend the waiver to include HTW Plus services. Approval of the waiver amendment is pending.

- *Cost-Reimbursement Contracts*. Recommendations biennialize fiscal year 2021 estimated spending for cost-reimbursement contracts, and include $22.0 million in General Revenue for this purpose. Cost reimbursement contracts are not covered by the HTW Section 1115 Demonstration Waiver and are 100.0 percent state-funded.

- *COVID-19 Impact*. The COVID-19 pandemic has several impacts on HTW, including the following:

  - In order to receive the 6.2 percentage point increase to FMAP provided in the FFCRA, states must provide continuous coverage, through the end of the month in which the emergency period ends, to all Medicaid beneficiaries who were enrolled in Medicaid on or after March 18, 2020. Because of this requirement, women who would normally lose Medicaid coverage two months after giving birth and be automatically enrolled into HTW are now remaining in Medicaid. While not required, HHSC has opted to provide continuous coverage for HTW beneficiaries.

  - The 6.2 percentage point increase to FMAP is available to non-family planning client services provided under the HTW Section 1115 Demonstration Waiver. The increase in FMAP frees up General Revenue. Special Provisions, Section 4, Federal Match Assumptions and Limitations on Use of Available General Revenue Funds, subsection (c) requires that, if any matching rate becomes more favorable than the rate assumed in the GAA, HHSC may only expend freed up General Revenue with prior approval from the LBB and the Governor. HHSC has not submitted such a request.

- *Rider 77, Long Acting Reversible Contraceptive Devices*. According to HHSC, the agency and the Texas State Board of Pharmacy determined the process of returning and repurposing prescribed Long Activing Reversible Contraceptive (LARC) devices is not feasible. Given the approval of the HTW Section 1115 Demonstration Waiver, the agency will be discussing with CMS the potential for the state to receive federal matching funds for the bulk purchase of LARC.

b. *Family Planning Program (FPP)*. Recommendations maintain 2020-21 appropriations for FPP of $84.0 million in General Revenue ($87.8 million in All Funds). Recommendations for 2022-23 are $5.5 million in General Revenue above 2020-21 estimated spending levels because HHSC is assuming some appropriations for FPP will be expended in HTW.

c. *Breast and Cervical Cancer Services (BCCS)*. Recommendations include $5.2 million in General Revenue ($21.8 million in All Funds) for BCCS. Recommendations for 2022-23 biennialize fiscal year 2021 estimated spending levels less $0.8 million in Appropriated Receipts (Other Funds), which were one-time settlement funds received from the State of Washington in fiscal year 2021.

d. *Administration*. Recommendations for 2022-23 biennialize fiscal year 2021 estimated spending for administration of HTW, FPP, and BCCS and include $9.1 million in General Revenue ($13.1 million in All Funds). Recommendations reflect a decrease of $3.3 million in General Revenue ($3.1 million in All Funds) due to lower fiscal year 2021 estimated spending for administration.

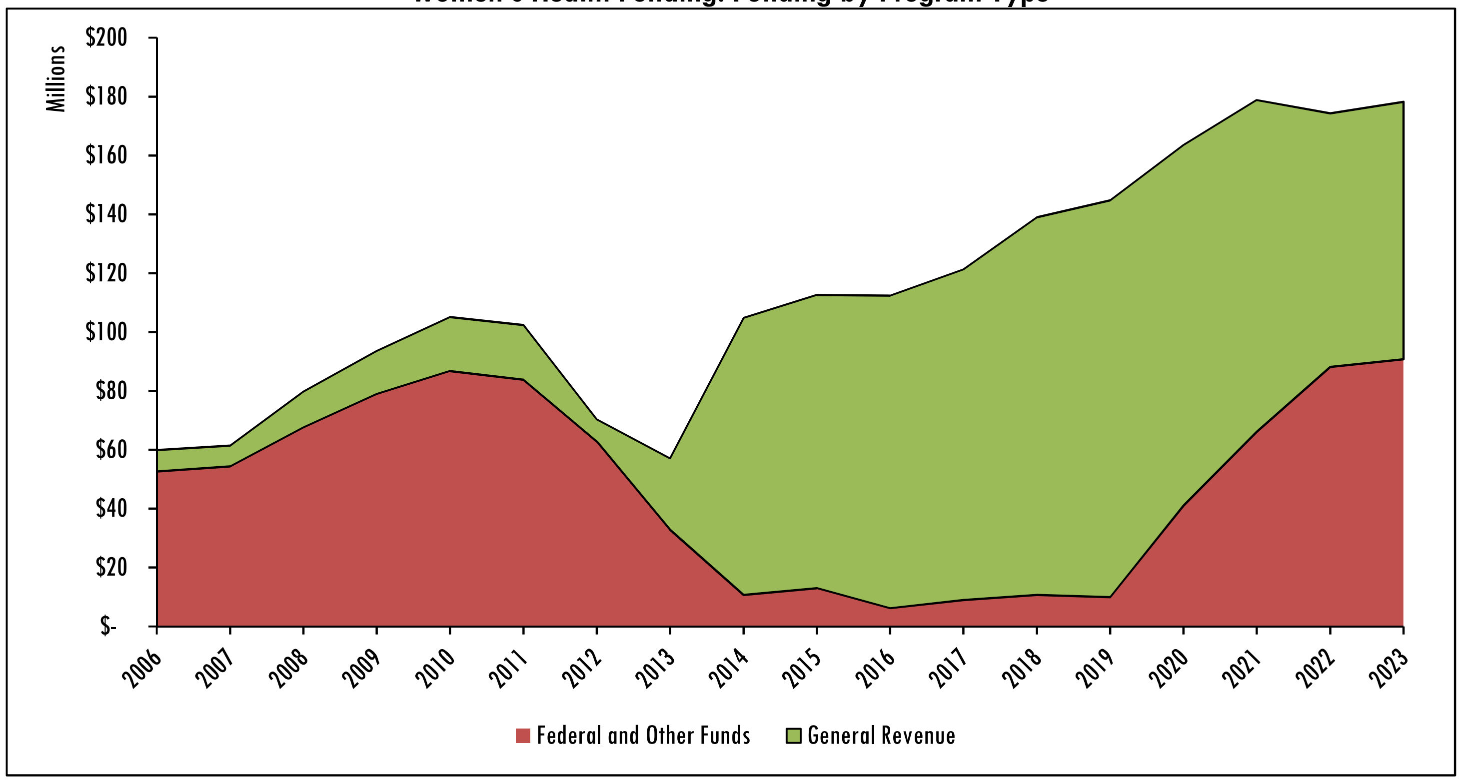
Funding for Women's Health by Program (in millions)

	Healthy Texas Women		Family Planning Program		Breast and Cervical Cancer Screening		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
2020-21	$139.3	$221.8	$78.5	$82.3	$5.2	$22.2	$12.3	$16.2	$235.3	$342.4
2022-23 Recommended	$75.4	$229.9	$84.0	$87.8	$5.2	$21.8	$9.1	$13.1	$173.7	$352.6
Biennial Change	**($63.8)**	**$8.1**	**$5.5**	**$5.5**	**-**	**($0.4)**	**($3.3)**	**($3.1)**	**($61.5)**	**$10.2**

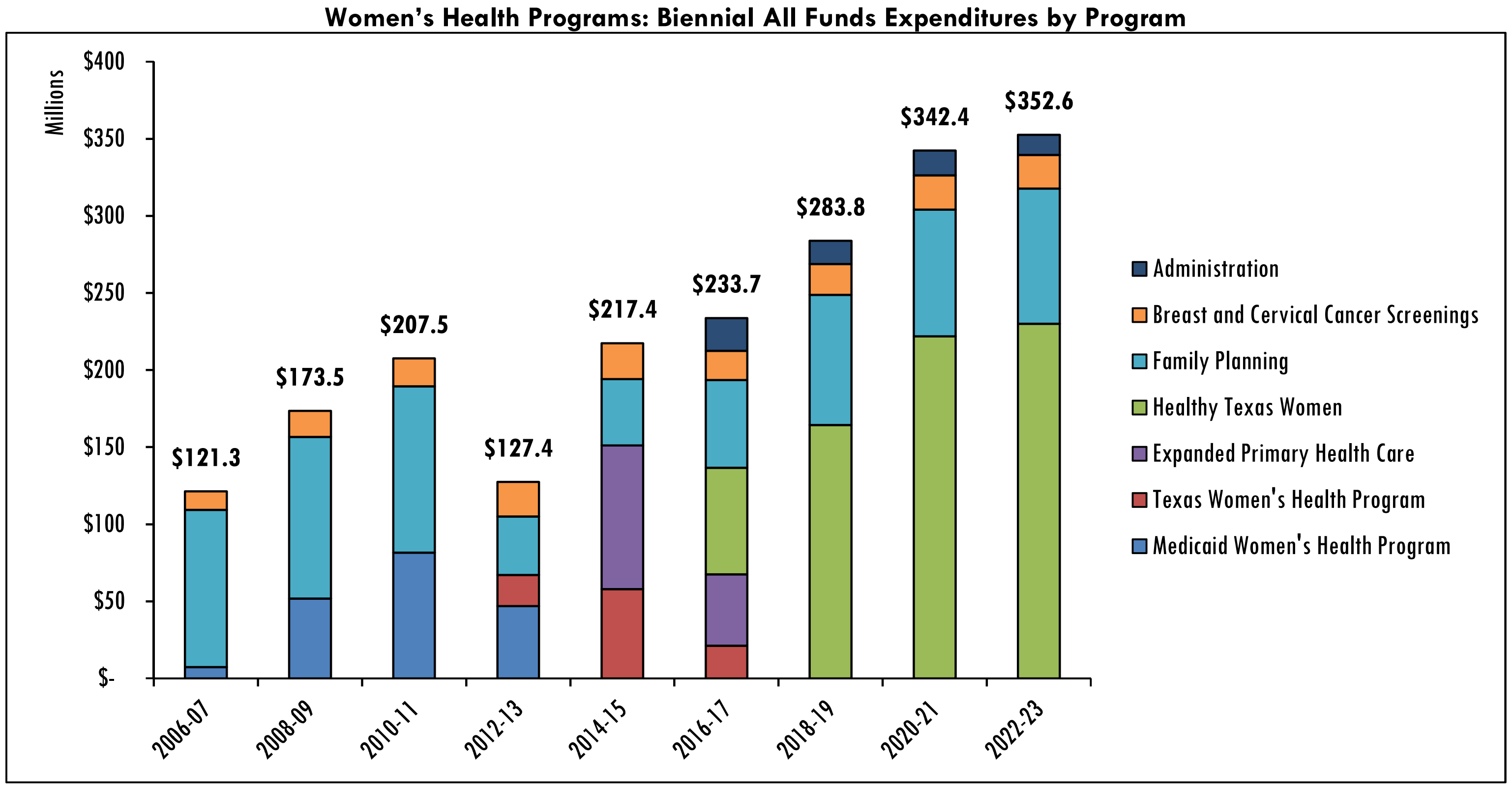
Source: Legislative Budget Board.
Notes: Healthy Texas Women includes Healthy Texas Women Plus.

The two figures below show spending on women's health programs for fiscal years 2006 through 2023.

Women's Health Funding: Funding by Program Type

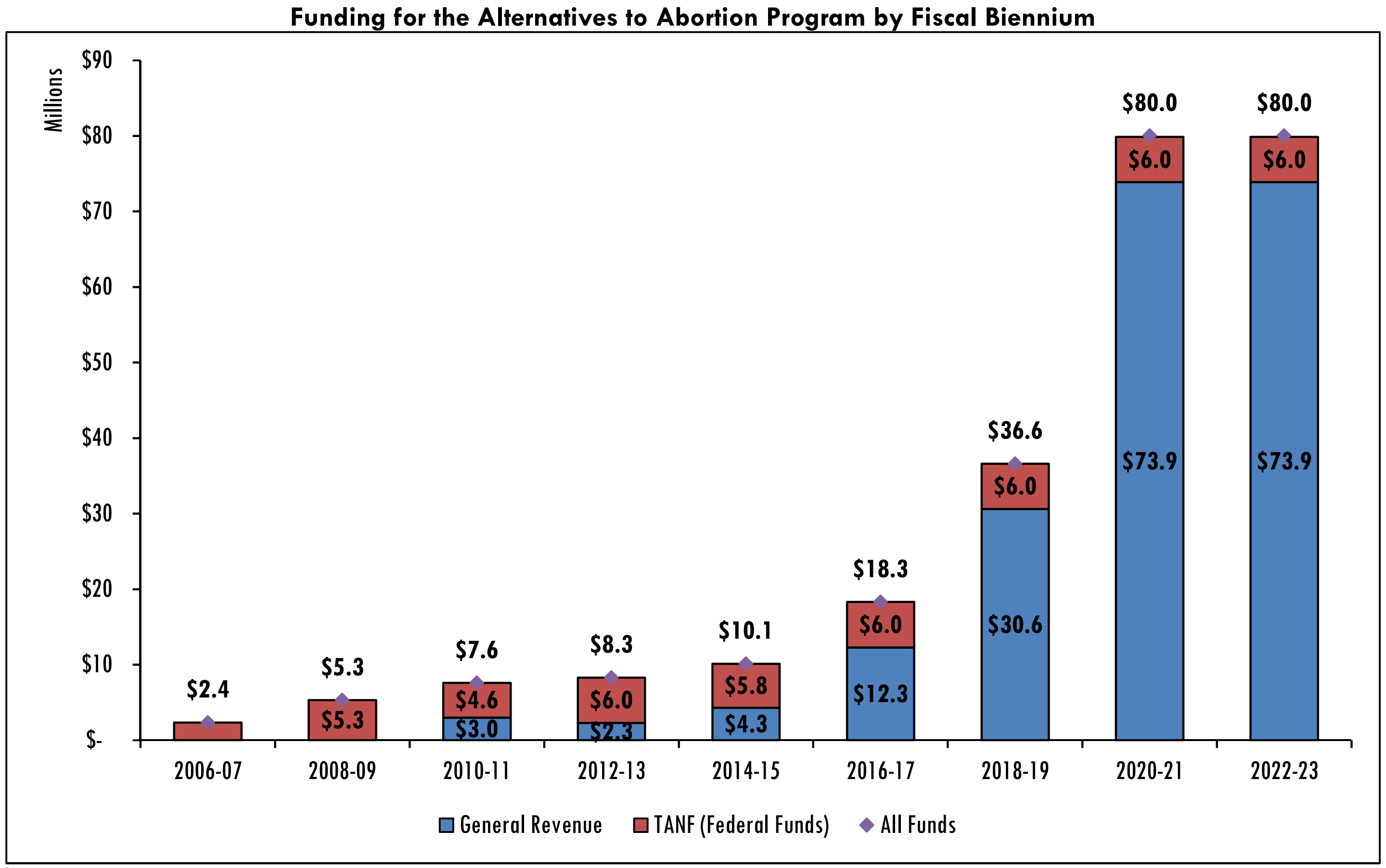


Source: Legislative Budget Board



Source: Legislative Budget Board.
Notes:
1) Healthy Texas Women includes Healthy Texas Women Plus.
2) Administrative costs are rolled in to program costs prior to the 2016-17 biennium.

7) **Alternatives to Abortion.** Appropriations for the 2020-21 biennium included $53.9 million in General Revenue ($59.9 million in All Funds) for Strategy D.1.2, Alternatives to Abortion. Additionally, HHSC Rider 80, Alternatives to Abortion Program (2020-21 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. The rider also provided HHSC authority to transfer unexpended balances from fiscal year 2020 to fiscal year 2021. HHSC transferred $14.0 million in General Revenue in fiscal year 2020 and $6.0 million in General Revenue in fiscal year 2021 from Medicaid to Strategy D.1.2, Alternatives to Abortion. HHSC transferred $9.4 million in unexpended balances from fiscal year 2020 to fiscal year 2021. Recommendations for 2022-23 include $73.9 million in General Revenue ($80.0 million in All Funds) in Strategy D.1.2, Alternatives to Abortion, which is a $0.1 million increase above 2020-21 spending levels, to align with projected revenue collections.



Source: Legislative Budget Board.

8) **Early Childhood Intervention.** Recommendations include $95.4 million in General Revenue ($339.0 million in All Funds) for the 2022-23 biennium, which is an increase of $15.4 million in General Revenue ($33.9 million in All Funds) above the 2020-21 projected level to maintain the fiscal year 2021 appropriated average monthly cost per child, which is substantially above the fiscal year 2020 level. Recommendations include HHSC requested amounts for total expenditures, with some adjustments for method-of-financing. Average cost for the 2022-23 biennium is maintained at fiscal year 2021 appropriated levels. Although appropriations were increased significantly for both fiscal year 2020 and 2021, HHSC did not expend all appropriations for fiscal year 2020 due to both lower caseloads and lower average cost per child.

   Recommendations assume HHSC will lapse General Revenue in both fiscal year 2020 and 2021 because fiscal year 2020 expenditures were substantially below appropriated in fiscal year 2020, primarily due to COVID-19. However, the agency could choose to expend all appropriated General Revenue, which would obligate the same amount of General Revenue each year moving forward for maintenance-of-effort for Part C, and instead carry forward additional Part C. General Revenue could be reduced in the supplemental bill in fiscal year 2021 but not fiscal year 2020.

9) **Funding for Community Mental Health Adult, Children, and Crisis Services.**

a. *Adults*. Recommendations for the 2022-23 biennium provide $656.4 million in General Revenue ($795.7 million in All Funds) for community mental health services for adults. This is a decrease of $0.6 million in General Revenue ($7.1 million in All Funds) from the 2020-21 biennium. Recommendations do not include $0.5 million in General Revenue ($0.6 million in All Funds) and 3.3 FTEs associated with one-time funding provided to implement the provisions of Senate Bill 633, Eighty-sixth Legislature, 2019. The legislation required HHSC to develop a plan to increase the capacity of certain local mental health authorities, among other actions. Government Code 531.0221(j), which required the plan, expires on September 1, 2021. Recommendations include $139.0 million in Federal Funds, including $97.6 million from the Mental Health Block Grant (MHBG). HHSC has moved additional federal funding into fiscal year 2020, which contributes to the appearance of a decrease of $6.5 million in Federal Funds from 2020-21 to 2022-23. This decrease is not driven by a reduction in federal grants, but because HHSC has rolled forward grants from previous awards into fiscal year 2020. It is likely that HHSC did not spend the full amount of federal funding shown in fiscal year 2020 and will instead move some amount into fiscal year 2021. HHSC also noted that they received an additional allocation of approximately $13.0 million in MHBG each year beginning in the third quarter of fiscal year 2018, which HHSC has likely rolled forward as well. This increased allocation would also impact other strategies that use MHBG, like Strategy D.2.2, Community Mental Health Services – Children. Rider 35, Federal Funds Reporting Requirement, 2022-23 General Appropriations Bill, requires HHSC to include information in monthly financial reports if MHBG expenses differ from appropriated levels by $1.0 million.

b. C*hildren*. Recommendations for the 2022-23 biennium provide $137.3 million in General Revenue ($187.9 million in All Funds) for community mental health services for children. This is a decrease of $8.9 million in Federal Funds from the 2020-21 biennium. Similar to Community Mental Health for Adults, HHSC has moved additional federal funding into fiscal year 2020, which results in the appearance of a decrease in Federal Funds from 2020-21 to 2022-23. It is likely that HHSC did not spend the full amount of federal funding shown in fiscal year 2020 and will instead move some amount into fiscal year 2021.

c. C*risis Services*. Recommendations for the 2022-23 biennium provide $214.3 million in General Revenue ($221.4 million in All Funds) for community mental health crisis services. This is an increase of $0.2 million from the LBB-adjusted base. Recommendations include the agency's request for an additional $0.2 million for a grant to contract with the National Suicide Prevention Lifeline. The 2020-21 base was adjusted in each fiscal year to move $12.5 million in General Revenue provided for Healthy Community Collaboratives and $5.0 million provided for the Mental Health Grant Program for Justice-Involved Individuals from Strategy D.2.3, Community Mental Health Crisis Services, to Strategy D.2.6, Community Mental Health Grants, which is discussed in more detail in Selected Fiscal and Policy Issue #11.

10) **Behavioral Health Waiver and Plan Amendment.** Recommendations for the 2022-23 biennium provide $22.0 million in General Revenue ($32.8 million in All Funds) for the Home and Community-Based Services – Adult Mental Health Program (HCBS-AMH), including $19.1 million in General Revenue ($29.8 million in All Funds) for client services. Recommendations also provide $10.9 million in General Revenue ($26.1 million in All Funds) for the Youth Empowerment Services (YES) waiver, including $7.9 million in General Revenue ($20.2 million in All Funds) for client services. Recommendations reflect an increase of $2.6 million in General Revenue ($2.4 million in All Funds) from the 2020-21 LBB-adjusted base, including an increase of $1.4 million in General Revenue ($2.4 million in All Funds) to maintain assumed fiscal year 2021 expenditures, and an increase of $1.3 million in General Revenue and a similar decrease in federal funds due to less favorable FMAPs. Recommendations provide funding to maintain fiscal year 2021 caseloads for HCBS-AMH program and YES waiver in fiscal years 2022 and 2023.

Recommendations for 2022-23 are lower than previously appropriated levels to align recommendations with projected expenditures based on data submitted by the agency. HHSC typically has not fully expended appropriations in Strategy D.2.5, Behavioral Health Waiver and Plan Amendment. Appropriations for 2020-21 provided $47.2 million in General Revenue ($104.6 million in All Funds) for the HCBS-AMH program and YES waiver and largely maintained 2018-19 appropriated levels for the HBCS-AMH program and YES waiver, with other adjustments made for LBB-projected FMAPs and agency requests related to shifts in cost allocation methodologies. HHSC anticipates lapsing approximately $23.0 million in All Funds in fiscal year 2020 in Strategy D.2.5, Behavioral Health Waiver and Plan Amendment, due to delays in program expansion, provider shortages, and other factors. HHSC did not provide the General Revenue amount that is assumed to lapse, and did not update fiscal year 2020 information in the LAR to reflect this anticipated lapse. In addition, HHSC transferred $17.0 million in General Revenue in the 2018-19 biennium from Strategy D.2.5, Behavioral Health Waiver and Plan Amendment, to address Medicaid client service needs. These funds were not needed in Strategy D.2.5, Behavioral Health Waiver and Plan Amendment, because client service levels were lower than appropriated levels.

11) **Community Mental Health Grant Programs.** Recommendations for the 2022-23 biennium provide $145.0 million in General Revenue for community matching grant programs authorized by previously implemented legislation, including: Senate Bill 58, Eighty-third Legislature, Regular Session, 2013; Senate Bill 55, Eighty-fourth Legislature, Regular Session, 2015; Senate Bill 292, Eighty-fifth Legislature, Regular Session, 2017; and House Bill 13, Eighty-fifth Legislature, Regular Session, 2017. Recommendations maintain 2020-21 funding for each program. Appropriations for the 2020-21 biennium provided funding for these programs in two separate strategies in HHSC's bill pattern, and appropriated the funds evenly in each fiscal year, in the first fiscal year of the biennium, or at a biennial not-to-exceed amount. Recommendations for 2022-23 include funding for the matching grant programs in new Strategy D.2.6, Community Mental Health Grants, evenly in each fiscal year. Rider 34, Community Mental Health Grant Programs, 2022-23 General Appropriations Bill, maintains carry forward authority for all of the programs. The table below details General Revenue provided for each grant program in Strategy D.2.6, Community Mental Health Grants:

Strategy D.2.6, Community Mental Health Grants (millions)	Fiscal Year 2020	Fiscal Year 2021	LBB Recommendation for Fiscal Year 2022	LBB Recommendation for Fiscal Year 2023
Healthy Community Collaborative	$12.5	$12.5	$12.5	$12.5
Texas Veterans + Family Alliance	$20.0	$ -	$10.0	$10.0
Mental Health Grant Program for Justice-Involved Individuals	$30.0	$30.0	$30.0	$30.0
Community Mental Health Grant Program	$20.0	$20.0	$20.0	$20.0
Total General Revenue	**$82.5**	**$62.5**	**$72.5**	**$72.5**

Source: Legislative Budget Board

12) **Substance Use Funding.** Recommendations for the 2022-23 biennium include $125.7 million in General Revenue ($520.0 million in All Funds) for substance use prevention, intervention, and treatment services. This is an increase of $3.6 million in General Revenue (decrease of $18.7 million in All Funds) from the 2020-21 biennium. Recommendations provide $3.6 million in General Revenue to maintain higher fiscal year 2021 costs associated with a rate increase for substance use treatment services. Recommendations also maintain $23.6 million in General Revenue to reduce the substance use treatment waitlist for pregnant women and women with dependent children. Recommendations provide $393.9 million in federal funding for substance use services, including $288.3 million from the Substance Abuse Prevention and Treatment Block Grant, and $99.6 million in federal opioid response grants, which are discussed in more detail in Selected Fiscal and Policy Issue #13.

13) **Federal Opioid Funding.**

a. *Opioid-Related Awards from the federal Substance Abuse and Mental Health Services Administration (SAMHSA).* HHSC has received $223.5 million in opioid-specific grants from SAMHSA since April 2017. HHSC has received federal funding for this purpose through two separate grant opportunities, the State Targeted Response to the Opioid Crisis (Opioid STR) Grant and the State Opioid Response (SOR) Grant. Both grants can be used towards similar services to address opioid use disorder prevention, treatment, and recovery activities, including medication assisted treatment, and the grants must supplement, not supplant, existing state activities pertaining to opioids. The table below further details opioid-specific grants from SAMHSA:

Award	Award Amount (In Millions)	Funding Release Date
Opioid STR	$27.4	April 2017
Opioid STR	$27.4	April 2018
SOR	$46.2	September 2018
SOR Supplement	$24.1	March 2019
SOR	$46.2	September 2019
SOR	$52.2	August 2020

Sources: Tracking Accountability in Government Grants System, SAMHSA

b. *2020-21 Appropriations and the 2020-21 Base*. HHSC's Legislative Appropriations Request reflects $120.1 million in federal opioid-related expenditures in 2020-21. This is an increase of $73.8 million in federal opioid funds relative to 2020-21 appropriations. The variance can be explained through the following actions:

- Higher awarded amounts than were contemplated in 2020-21 assumptions;
- Additional awards that were not contemplated in 2020-21 assumptions, like the receipt of a supplemental SOR award on top of other announced SOR awards; and
- Carry forward of unspent STR and SOR funds into other fiscal years.

c. *2022-23 Recommendations*. Recommendations assume the agency's request for $104.4 million in federal State Opioid Targeted Response funding, including $99.6 million in Strategy D.2.4, Substance Abuse Services, $4.1 million in Strategy D.2.1, Community Mental Health Services – Adults, and $0.7 million in Strategy D.2.3, Community Mental Health Crisis Services. This results in the appearance of a decrease of $24.2 million in federal opioid funds relative to 2020-21, although HHSC will likely carry forward unspent awards into future fiscal years. For 2022-23, HHSC anticipates spending $79.9 million in opioid federal funds for opioid use disorder treatment services; $15.7 million in opioid federal funds for provider training, technical assistance, conference planning, and integrated services; and $3.8 million in recovery support services. Based on responses from HHSC, it is assumed the remaining $4.9 million in federal opioid federal funds will be used for administrative costs.

d. *Congressional Actions*. The federal consolidated appropriations act for federal fiscal year 2020 (House Resolution 1865) was passed in December 2019. The act included $1.5 billion at SAMHSA for states to carry out activities "pertaining to opioids and stimulants." This provides additional flexibility for use of the SOR funds. According to SAMHSA, federal fiscal year 2020 awards can be used to support evidence-based prevention, treatment, and recovery support services to address stimulant misuse and use disorders, including for cocaine and methamphetamine. HHSC was awarded $52.2 million in SOR in federal fiscal year 2020 from SAMHSA for this purpose.

14) **Non-Medicaid Services.** Recommendations for the 2022-23 biennium include $46.2 million in General Revenue ($331.8 million in All Funds) for non-Medicaid services. This is a decrease of $12.2 million in General Revenue ($57.2 million in All Funds) from 2020-21, and include the following:

a. *Title XX Services*. Recommendations provide $18.0 million in General Revenue ($94.9 million in All Funds) for Title XX Community Services and Supports, which include day activity and health services, home delivered meals, and other services provided to individuals aged 18 or older who meet certain functional and financial eligibility criteria. Recommendations reflect a decrease of $12.2 million in General Revenue (increase of $0.1 million in All Funds) from 2020-21. Recommendations include a method-of-finance swap of $12.2 million from General Revenue to federal Social Services Block Grant funds, which have an available balance. Recommendations also include an increase of $0.1 million in federal Nutrition Services Incentive Program funding to maintain higher fiscal year 2021 costs, as requested by HHSC. This is offset by a corresponding decrease in Older Americans Act Programs.

b. *Older Americans Act Programs*. Recommendations provide $10.2 million in General Revenue ($142.0 million in All Funds) for programs authorized by the federal Older Americans Act, which include home-delivered meals, congregate meals, nutrition education, and other services provided to individuals aged 60 or older or caregivers under age 60. Recommendations reflect a decrease of $57.3 million in Federal Funds from 2020-21, including a decrease of $56.4 million in federal funding provided in 2020-21 for COVID-19 response, a decrease of $0.8 million in agency-projected federal award changes, and a decrease of $0.1 million in federal Nutrition Services Incentive Program funding to maintain lower fiscal year 2021 costs. Recommendations include the agency's revised request concerning funding and monitoring services of Area Agencies on Aging (AAAs), which does not result in an overall funding change at HHSC. See Selected Fiscal and Policy Issue #23 for more information on the agency's revised request for Strategy F.1.2, Non-Medicaid Services, and Strategy I.2.1, Long-Term Care Intake and Access.

c. *Older Americans Act Meals Programs and COVID-19 Impact*. The FFCRA awarded HHSC an additional $10.8 million in federal funds for home-delivered meals and $5.4 million in federal funds for congregate meals in fiscal year 2020. The CARES Act awarded an additional $32.4 million for home-delivered meals. In total, HHSC has received $48.6 million in additional federal funding for meals. Before COVID-19, HHSC had to spend two-thirds of awards for meal programs on congregate meals. The CARES Act increased the transfer authority between home-delivered and congregate meals from 40 percent to 50 percent, meaning that HHSC can spend more towards home-delivered meals than previously allowed.

15) **Child Advocacy Centers and Court-Appointed Special Advocates.**

a. *2022-23 Recommendations*. Recommendations provide $47.2 million in General Revenue and General Revenue-Dedicated Funds for the Child Advocacy Centers (CAC) program and $29.9 million in General Revenue and General Revenue-Dedicated Funds ($29.9 million in All Funds) for the Court-Appointed Special Advocates (CASA) program. Recommendations maintain 2020-21 appropriated levels for both programs, which included an additional $20.0 million in General Revenue and General Revenue-Dedicated Funds for CAC and $3.5 million in General Revenue for CASA relative to 2018-19 to serve additional children.

b. *Sexual Assault Program Account*. Appropriations for CAC include $10.0 million in General Revenue-Dedicated Account No. 5010, Sexual Assault Program Account, in 2020-21. The Office of the Attorney General (OAG) is the administrating agency for the account, which is funded through community and parole supervision and probation fines and fees, and fees collected from sexually oriented businesses. In August 2020, HHSC and OAG came to an agreement to delay $3.8 million in cash transfers of General Revenue-Dedicated Account No. 5010 to HHSC in fiscal year 2021 in order to fully fund OAG's grant awards for rape crisis centers in fiscal year 2021 and address OAG's concerns regarding cash flow in the account. HHSC has not reported any negative impact to CACs associated with the delayed payments, although, in the event that HHSC does not receive the full appropriated amount of $10.0 million in General Revenue-Dedicated Account No. 5010, HHSC would likely need a supplemental appropriation in fiscal year 2021 to replace this lost revenue.

16) **State Supported Living Centers.**

a. *2022-23 Recommendations*. Recommendations provide $526.7 million in General Revenue ($1,370.9 million in All Funds) for the state supported living centers (SSLCs). This is an increase of $34.9 million in General Revenue (decrease of $23.8 million in All Funds) compared to the 2020-21 LBB-adjusted base. Less favorable FMAPs result in an increase of $44.1 million in General Revenue and a decrease by the same amount in federal funds. This increase in General Revenue is partially offset by the following reductions:

- $8.1 million in federal Provider Relief Funds received in fiscal year 2021 for COVID-19 response;
- $5.0 million in General Revenue associated with one-time funding to increase bandwidth and expand wireless networks at the SSLCs; and
- $4.1 million in General Revenue ($10.6 million in All Funds) 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 caseload decline of 3.9 percent in fiscal year 2021, 3.8 percent in fiscal year 2022, and 3.9 percent in fiscal year 2023. Recommendations assume an SSLC census of 2,638 in fiscal year 2022 and 2,534 in fiscal year 2023.

Recommendations include the agency's request for $1.7 million in Federal Funds associated with renewed Money Follows the Person program funding. Recommendations assume $49.0 million in Other Funds 8095, ID Collections for Patient Support and Maintenance, and Other Funds 8096, ID Appropriated Receipts, to maintain the average of revenue collections in fiscal years 2019 and 2020 reported to be collected in Strategy G.1.1, State Supported Living Centers, in Monthly Financial Reports, and $0.2 million in Other Funds 8098, ID Revolving Fund Receipts, to maintain collections at 2020-21 appropriations. Recommendations maintain a reduction of $0.5 million in General Revenue associated with a discontinued pilot program that provided medical, behavioral, and other SSLC services to community members who meet certain eligibility requirements. According to HHSC, the program ended in fiscal year 2019.

b. *2020-21 Base*. There were several issues with the base as submitted by HHSC. The base does not appear to reflect the 6.2 percent point increase in FMAP provided in the FFCRA, which would result in significantly underreported federal funding at the SSLCs. In addition, HHSC's federal share of Medicaid in fiscal year 2020 was $9.3 million lower than appropriated amounts, despite the 6.2 percent point increase in FMAP above what was assumed in 2020-21 appropriations. Due to issues with the agency's submitted base, the base was adjusted to reflect $697.1 million in All Funds that was reported pursuant to HHSC Rider 104, State Supported Living Center Oversight, 2020-21 General Appropriations Act, as total statewide and support services expenditures in fiscal year 2020. Medicaid-related funding was adjusted to align with state fiscal year 2020 and state fiscal year 2021 FMAPs, which include the 6.2 percent point increase in FMAP provided in the FFCRA. Federal Money Follows the Person funding and Other Funds were adjusted using the same assumptions for 2022-23 noted above. Fiscal year 2021 also includes a reduction of $2.7 million in All Funds based on an assumed census decline from fiscal year 2020 to fiscal year 2021.

17) **State Mental Health Hospitals Funding.**

a. *2022-23 Recommendations*. Recommendations for the 2022-23 biennium include $763.1 million in General Revenue ($894.6 million in All Funds) and 7,608.8 FTEs in each fiscal year for HHSC owned and operated inpatient psychiatric facilities. This is a decrease of $1.9 million in General Revenue ($13.3 million in All Funds) from the 2020-21 biennium due to the following increases and decreases:

- Increase of $16.4 million in General Revenue to provide a full biennium of expanded bed capacity at San Antonio State Hospital, partially offset by a decrease of $13.7 million in General Revenue and 260.0 FTEs to remove funding and FTEs provided by the 86th Legislature for operations at San Antonio State Hospital and Kerrville State Hospital for part of fiscal year 2021. Appropriations for expanded capacity are explained in further detail below;
- Increase of $6.4 million in General Revenue to maintain higher fiscal year 2021 cost growth;
- Decrease of $11.4 million in federal Provider Relief Funds received in fiscal year 2020 for COVID-19 response;
- Decrease of $8.8 million in General Revenue associated with one-time funding to increase bandwidth and expand wireless networks at the state hospitals and to purchase furniture, fixtures, and equipment for newly renovated units; and
- Decrease of $2.2 million in General Revenue to biennialize the transfer of Casa Amistad funding and operations from Strategy G.2.1, Mental Health State Hospitals, to Strategy G.2.2, Community Mental Health Hospitals. See Selected Fiscal and Policy Issue #19 for more information on Casa Amistad.

Recommendations make other adjustments to appropriate Other Funds 709, Public Health Medicaid Reimbursements, at an equal level in each fiscal year and to maintain fiscal year 2021 total Medicaid funding using LBB staff-projected FMAPs.

b. *Operation of Expanded Bed Capacity*. Appropriations for the 2020-21 biennium included additional funding and FTEs in fiscal year 2021 relative to fiscal year 2020 primarily to operate expanded bed capacity at San Antonio State Hospital and Kerrville State Hospital. Funding provided in fiscal year 2021 included 8 months of operational costs for a new 40-bed unit at San Antonio State Hospital and 3 months of operational costs for a new 70-bed unit at Kerrville State Hospital. Recommendations decrease appropriations by $13.7 million in General Revenue to remove partial fiscal year 2021 operational costs for both units. The unit at San Antonio State Hospital is expected to begin admitting patients in towards the beginning of calendar year 2021. Recommendations provide an increase of $16.4 million in General Revenue to operate the unit for a full biennium, assuming a cost of $561 per bed per day for 40 beds, and maintain the 115.0 FTEs provided in fiscal year 2021 to operate the unit. Recommendations also maintain 3.3 FTEs provided in fiscal year 2021 for program administration related to expanded operations. Recommendations do not include funding and 260.0 FTEs associated with Kerrville State Hospital due to project delays. Appropriations for fiscal year 2021 had assumed a move-in date of June 2021 for the new 70-bed maximum security facility. HHSC changed the move-in date to November 2021 due to delays in contract execution. HHSC will need additional funding to operate Kerrville State Hospital in the 2022-23 biennium. HHSC's Exceptional Item #11, Complete Construction and Expanded Operations in State Hospitals, includes a placeholder for this purpose. Recommendations provide for an overall average daily census of 2,170 at the state mental health hospitals, which includes the 40-bed unit at San Antonio State Hospital.

18) **Construction at State-Owned Facilities.**

a. *2022-23 Recommendations*. Recommendations for Strategy G.4.2, Facility Capital Repairs and Renovations, include an increase of $9.1 million in General Revenue to align with the Texas Public Finance Authority (TPFA)'s estimates for Master Lease Purchase Program (MLPP) lease payment requirements for renovations at the state supported living centers (SSLCs) and state mental health hospitals, partially offset by a decrease of $3.7 million in General Revenue associated with TPFA's estimates for MLPP lease payment requirements for energy conservation projects at the SSLCs and state mental health hospitals. Recommendations maintain 2020-21 funding for other repair and renovation costs at an equal amount by fiscal year, including $0.1 million in General Revenue and $0.6 million in General Revenue-Dedicated Account No. 543, Texas Capital Trust Fund Account. Recommendations do not include the agency's request for an additional $208.8 million in MLPP Revenue Bond Proceeds in fiscal year 2022, as accepting the agency's request would result in additional General Revenue needed to pay TPFA for associated debt service.

The 2020-21 base was adjusted to reflect the carry forward of less than $0.1 million in General Revenue, $0.2 million in General Revenue-Dedicated Account No. 543, $188.7 million in MLPP Revenue Bond Proceeds, and $64.1 million in ESF from fiscal year 2020 to fiscal year 2021 to be used for the same purposes, including repairs, renovations, and new construction at the SSLCs and state mental health hospitals. HHSC did not execute these transfers until after the Legislative Appropriations Request had been submitted. See **Supplemental Schedule 3-3, Funding for Construction at State-Owned Facilities**, for further detail on 2022-23 recommendations by project relative to the LBB-adjusted 2020-21 base.

b. *Unexpended Balances*. Rider 93, Unexpended Construction Balances, 2022-23 General Appropriations Bill, maintains cross-biennia carry forward authority of General Obligation (GO) Bond proceeds related to deferred maintenance projects at the SSLCs and state mental health hospitals authorized by Texas voters in the November 2007 election, and funding from the Economic Stabilization Fund (ESF) related to construction projects at the state mental health hospitals that were previously approved pursuant to Rider 147, New Construction of State Hospitals, 2018-19 General Appropriations Act. Recommendations add cross-biennia carry forward authority of MLPP Revenue Bond Proceeds provided by the Eighty-sixth Legislature for deferred maintenance projects at the SSLCs and state mental health hospitals. Recommendations remove carry forward authority of funds from the ESF for deferred maintenance projects at the SSLCs and state mental health hospitals that was authorized by the Eighty-fifth Legislature. Doing so allows for any unexpended appropriation authority to lapse at the end of fiscal year 2021, and the funds would remain in the ESF to be available for other purposes designated by the Eighty-seventh Legislature.

HHSC was appropriated $445.4 million from ESF in Senate Bill 500, Eighty-sixth Legislature, 2019 (SB 500). The funds were appropriated for specific state hospital construction projects for a two-year period starting in June 2019. Cross-biennia carry forward authority for any unspent appropriations would have to be provided by making a new appropriation in the supplemental bill.

c. *New Construction Projects at State Mental Health Hospitals*. HHSC Rider 147, New Construction of State Hospitals (2018-19 GAA), identified $300.0 million in 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 LBB and Governor's Office for specific projects or significant repairs prior to expenditure of the funds. HHSC received approval to expend $298.0 million in ESF in the 2018-19 biennium, including $0.7 million in ESF 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. SB 500 provided an additional $445.4 million from the ESF to finish construction of a 100-bed non-MSU at Rusk State Hospital and to begin construction of replacement of current Austin State Hospital and San Antonio State Hospital campuses. Recommendations for 2022-23 do not include funding to finish construction at Austin State Hospital and San Antonio State Hospital, or funding to operate units expected to come online in 2022-23, including the Kerrville State Hospital 70-bed MSU and the new inpatient psychiatric facility in Harris County. See **Supplemental Schedule 3-4**, **State Hospital Construction Projects**, for further detail and status on all previously approved projects.

19) **Mental Health Community Hospitals.** Recommendations for the 2022-23 biennium include $277.0 million in General Revenue for state-purchased inpatient psychiatric beds and crisis stabilization units. This is an increase of $22.7 million in General Revenue ($2.5 million in All Funds) from the 2020-21 biennium. Appropriations for the 2020-21 biennium included funding to purchase an additional 50 beds, and included additional funding in fiscal year 2021 relative to 2020 to fund higher agency-projected cost growth in fiscal year 2021. HHSC also received LBB approval to transfer $2.2 million in General Revenue in fiscal year 2021 from Strategy G.2.1, Mental Health State Hospitals, to Strategy G.2.2, Community Mental Health Hospitals, to contract with an LMHA for operation of Casa Amistad, a 16-bed psychiatric unit in Laredo, Texas. Recommendations maintain higher fiscal year 2021 costs for each fiscal year of the 2022-23 biennium. Recommendations include a method-of-finance swap of $20.2 million from Other Funds 709, Public Health Medicaid Reimbursements, to General Revenue, in order to move the Public Health Medicaid Reimbursements into Goal A, Medicaid Client Services. Recommendations maintain funding to purchase a total of 648.2 inpatient beds in each fiscal year of the 2022-23 biennium. Recommendations did not adjust HHSC's submitted performance measure targets for Average Daily Number of Occupied Mental Health Community Hospital Beds, which showed 665.0 in each fiscal year of the 2022-23 biennium. It is not known why there is a difference between HHSC's submitted target and other purchased bed information submitted by HHSC to LBB staff in October 2020.

20) **Foster Care Lawsuit.** On March 29, 2011, Children's Rights, a national advocacy group from New York City, filed suit against the Governor of Texas, HHSC, and the Department of Family and Protective Services (DFPS) in federal court concerning children in the Permanent Managing Conservatorship (PMC) of DFPS. The case is currently before Judge Janice Graham Jack of the Corpus Christi Division in the United States District Court, Southern District of Texas.

There was a trial on the merits in December 2014. The court issued a memorandum on December 17, 2015, and appointed two special masters who began their work on April 1, 2016 and filed their recommendations with the court on November 4, 2016. The Special Master's Implementation Plan was filed with the court on December 4, 2017.

On January 19, 2018, the district court entered a Final Order including an injunction against Texas. The Final Order directed the agency to implement heightened monitoring of any facility with a pattern of contract or policy violations. On March 18, 2020, a new order was issued that required a Facility Intervention Team Staffing (FITS) made up of HHSC and DFPS staff to monitor facilities placed under heightened monitoring. The FITS team would be required to review historical data of the facilities, develop a heightened monitoring plan, perform at least weekly unannounced visits to the facility, and any placement of PMC children would need to be approved by the associate commissioner of Child Protective Services. All heightened monitoring efforts must be documented in CLASS; changes to CLASS are necessary in order to do so. HHSC and DFPS were directed by the court to begin implementation of heightened monitoring by the end of 2020.

In lieu of having to complete a workload study as originally ordered by the court, HHSC agreed to implement caseload guidelines. HHSC is required to maintain caseloads of 14 to 17 tasks per residential child care inspector. DFPS is also required to maintain caseloads of 14 to 17 children per conservatorship caseworker and 14 to 17 cases per Child Care Investigator.

The court appointed two monitors to oversee HHSC's implementation of the court's orders. The state is required to cover the costs of the monitors. Court monitors submit monthly invoices to DFPS for services rendered and HHSC is required to pay for 18.0 percent of the monthly invoice fee and makes those payments to DFPS who pays the monitors. The 2020-21 GAA did not include funding for monitor fees; HHSC paid for the fees in fiscal year 2020 out of available appropriations and has indicated they will do the same in fiscal year 2021. HHSC estimates these costs to be $150,000 each month.

Recommendations do not include any funding in the 2022-23 biennium to address the court's orders. Additionally, recommendations reflect a decrease of $1.1 million in General Revenue in Strategy L.1.1, Enterprise Oversight and Policy, that HHSC has allocated for court monitor costs.

21) **Transfer of Behavioral Health Boards.** Pursuant to House Bill 1501, Eighty-sixth Legislature, Regular Session, 2019, regulation of professional counselors, social workers, and marriage and family therapists transferred from HHSC to the Behavioral Health Executive Council (BHEC) on September 1, 2020. This included transfer of $1.9 million in General Revenue and 45.5 FTEs in fiscal year 2021 from HHSC Strategy H.3.1, Health Care Professionals and Others, to BHEC. Recommendations for 2022-23 for Strategy H.3.1, Health Care Professionals and Others, biennialize the transfer. HHSC continues to regulate nursing facility administrators, nurse aides, medication aides, chemical dependency counselors, and sex offender treatment providers under Strategy H.3.1, Health Care Professionals and Others. Recommendations for 2022-23 for Strategy H.4.1, Texas.gov, also account for the transfer.

22) **Integrated Eligibility and Enrollment (IEE).**

a. *2022-23 Recommendations*. Recommendations include $395.6 million in General Revenue ($1,142.5 million in All Funds) for TANF, SNAP, Medicaid, and CHIP eligibility determination and related functions. This is a decrease of $35.2 million in General Revenue ($48.7 million in All Funds) from the 2020-21 biennium. HHSC's LAR shows a reclassification of $16.0 million in General Revenue appropriated in fiscal year 2020 to draw down federal matching funds to unmatched General Revenue. Recommendations assume this reclassification indicates that less eligibility determination-related functions are being provided in fiscal year 2020 and that the funding will lapse, resulting in a spending level of $571.3 million in All Funds in fiscal year 2020. Recommendations maintain this anticipated fiscal year 2020 spending level in each fiscal year of the 2022-23 biennium, including maintaining General Revenue used to draw down matching federal funds, other federal awards, and interagency contracts at fiscal year 2020 estimated spending levels. Other adjustments were made to include a method-of-finance swap of $4.7 million from General Revenue to Appropriated Receipts to continue fiscal year 2020 collections received from health centers and other facilities into each fiscal year of the 2022-23 biennium. These collections are reflected in HHSC's August 2020 Monthly Financial Report, but are not reflected in HHSC's LAR in fiscal year 2020. Recommendations also adjust fiscal year 2020 total CHIP funding with LBB staff-projected EFMAPs. The table below compares HHSC's submitted 2020-21 base to recommendations:

Strategy I.1.1, IEE (millions)	Agency's LAR for Fiscal Year 2020[1,2]	Agency's LAR for Fiscal Year 2021	LBB Recommendations for Fiscal Year 2022	LBB Recommendations for Fiscal Year 2023	Recommended Over/(Under) 2020-21
General Revenue	$215.4	$215.4	$197.8	$197.8	($35.2)
Federal Funds	$370.2	$381.5	$367.1	$367.1	($17.6)
Other Funds	$1.7	$7.0	$6.4	$6.4	$4.0
All Funds	**$587.3**	**$603.9**	**$571.3**	**$571.3**	**($48.7)**

Source: Legislative Budget Board
Notes:
1) Recommendations assume $16.0 million in General Revenue in fiscal year 2020 will lapse, resulting in an All Funds amount of $571.3 million.
2) HHSC's LAR does not reflect the collection of $4.7 million in Other Funds in fiscal year 2020.

b. *Agency Request*. HHSC's 2022-23 request included a reduction of $38.1 million in General Revenue ($82.5 million in All Funds) as part of their five percent reduction plan, partially offset by an increase of $2.3 million in General Revenue transferred from Strategies I.3.1, Texas Integrated Eligibility Redesign System & Supporting Tech, and I.3.2, Texas Integrated Eligibility Redesign System Capital Projects, to reduce the impact of the reduction. Recommendations do not assume the transfer from other strategies, and do not necessarily assume the reductions as identified in the plan, as recommendations were based off of projected fiscal year 2020 spending levels. See **Supplemental Schedule 3-2** for an explanation of the agency's five percent reduction items.

23) **Long-Term Care Intake and Access.** Recommendations for the 2022-23 biennium include $239.3 million in General Revenue ($521.8 million in All Funds) for eligibility determination, service plan development, and other related long-term care intake and access services. This is a decrease of $7.3 million in General Revenue ($26.7 million in All Funds) from the LBB-adjusted 2020-21 base. Recommendations reduce $3.5 million in General Revenue ($3.5 million in All Funds) associated with the five percent reduction plan. See **Supplemental Schedule 3-2** for an explanation of the agency's five percent reduction items. Recommendations adjust resulting General Revenue and Medicaid federal funds to align with LBB staff-projected FMAPs, resulting in an increase of $0.9 million in General Revenue and a similar decrease in federal funds. Other decreases include a decrease of $1.7 million in Other Funds related to the completion of projects funded by Civil Money Penalties, a decrease of $16.1 million in one-time federal funding to respond to COVID-19, and a decrease of $0.5 million in projected federal grant awards.

Recommendations include the agency's revised request concerning funding and monitoring services of Area Agencies on Aging (AAAs), which does not result in an overall funding change at HHSC. HHSC worked with the Corporation for National and Community Services (CNCS) to provide funding and monitoring services to the AAAs. CNCS notified HHSC that they would no longer be continuing the agreement, and HHSC included a request in their Legislative Appropriations Request to transfer $1.0 million in General Revenue in fiscal year 2021 and $0.5 million in General Revenue in each fiscal year of the 2022-23 biennium from Strategy F.1.2, Non-Medicaid Services, to Strategy I.2.1, Long-Term Care Intake and Access, and an additional 27.7 FTEs in Strategy I.2.1, Long-Term Care Intake and Access, to show that HHSC's Access and Eligibility Services division would now be responsible for providing these services. HHSC informed LBB staff in November 2020 that they were no longer requesting to transfer the funding and would continue to pay for the services out of Strategy F.1.2, Non-Medicaid Services. Recommendations include the revised request to keep $1.0 million in General Revenue in fiscal year 2021 and $0.5 million in General Revenue in each fiscal year in 2022-23 in Strategy F.1.2, Non-Medicaid Services, and HHSC's revised request of 1,267.0 FTEs in each fiscal year of the 2022-23 biennium in Strategy I.2.1, Long-Term Care Intake and Access.

Recommendations include an additional reduction of $4.8 million in General Revenue savings associated with Pre-Admission Screening and Resident Review (PASRR) Habilitation Coordination. HHSC was appropriated $14.4 million in the 2020-21 biennium for PASRR Habilitation Coordination, which assists residents at nursing facilities access appropriate specialized services. Effective July 7, 2019, PASRR Habilitation Coordination was added to the Medicaid State Plan, resulting in $4.8 million in General Revenue being replaced with federal matching funds. Recommendations reduce this freed-up General Revenue from HHSC's 2022-23 request, which the agency repurposed in their baseline request to be used for upgrades to the long-term care online portal.

24) **Information Technology Projects.** The Eighty-sixth Legislature funded a number of information technology (IT) projects in the 2020-21 biennium which were either one-time or which HHSC projected would cost less in the 2022-23 biennium. Recommendations reflect a decrease of $10.3 million in General Revenue ($17.0 million in All Funds) in Strategy L.1.2, IT Oversight and Program support, related to these projects. The table below identifies amounts appropriated for each of these projects in the 2020-21 biennium and the reductions included in 2022-23 recommendations.

Project	Appropriated 2020-21		Reduced 2022-23	
	General Revenue	All Funds	General Revenue	All Funds
Telecommunications Upgrade	$5.6	$6.3	($4.2)	($6.3)
System-wide Business Enablement Platform	$5.0	$7.4	($1.8)	($3.6)
Performance Management & Analysis	$3.9	$7.8	($2.8)	($5.7)
Automate National Sex Offender Registry Searches	$0.7	$0.7	($0.7)	($0.7)
Enhance Background Checks	$0.3	$0.3	($0.3)	($0.3)
Real-time Data Sharing Among Jails, LMHAs, LBHAs, and LIDDAs	$0.4	$0.4	($0.4)	($0.4)
Total	**$16.0**	**$23.0**	**($10.3)**	**($17.0)**

25) **Data Center Services (DCS).** Recommendations for 2022-23 maintain the 2020-21 appropriated level of $64.3 million in General Revenue ($126.7 million in All Funds) for DCS. Recommendations reflect a decrease of $1.0 million in General Revenue ($1.3 million in All Funds) below the 2020-21 amounts identified in the LAR. Recommendations do not align with projections from the Department of Information Resources of $135.8 million in All Funds to maintain current services in 2022-23.

26) **Centralized Accounting and Payroll/Personnel System (CAPPS).** HHSC is a CAPPS Hub agency. This means the agency has their own copy of CAPPS and is responsible for the costs of system maintenance and support. During the Eighty-sixth legislative session, HHSC requested $3.8 million in General Revenue ($4.7 million in All Funds) for upgrades to CAPPS Financials and CAPPS Human Capital Management (HCM). The request was not adopted by the legislature.

After session, the Comptroller of Public Accounts (CPA) informed HHSC that these upgrades were necessary for HHSC, DFPS, and DSHS to be in compliance for CAPPS Hub agencies. CAPPS Hub agencies that are not in compliance risk losing CAPPS support from CPA. Additionally, the version of CAPPS may no longer be supported by the software vendor (Oracle). If this were to happen, an agency may no longer receive software updates, such as security upgrades, for the agency's version of CAPPS, and may be unable to receive technical support from Oracle.

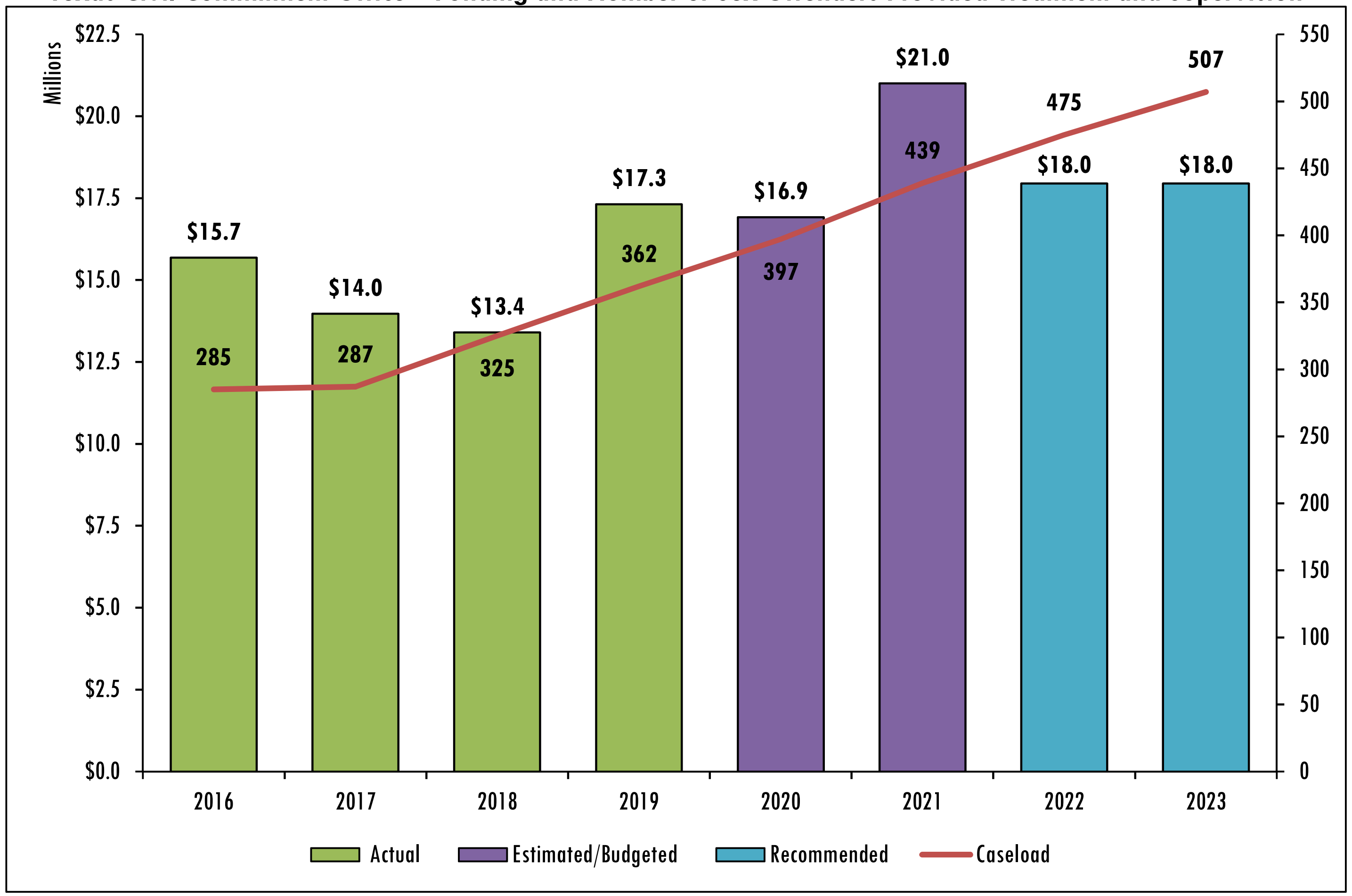
HHSC submitted an exceptional item request for the 2022-23 biennium that would, in part, provide for compliance upgrades to CAPPS. Recommendations for Strategy L.1.2, IT Oversight and Program Support, include $9.9 million in General Revenue ($13.5 million in All Funds) for the portion of the request related to compliance upgrades. Note, a portion of the General Revenue requested for this exceptional item was requested on behalf of DSHS and DFPS for their share of the cost of the project, which is paid to HHSC via interagency contract through the assessment process. This General Revenue will need to be reallocated to DSHS and DFPS.

27) **Office of Inspector General.** Recommendations for the Office of Inspector General (OIG) total $43.1 million in General Revenue ($103.3 million in All Funds) and 616.6 FTEs in each fiscal year of the 2022-23 biennium, including $14.6 million in General Revenue ($42.0 million in All Funds) for OIG administrative support. This is a reduction of $2.7 million in General Revenue ($6.0 million in All Funds) from 2020-21. Recommendations include a decrease of $2.7 million in General Revenue ($6.0 million in All Funds) due to the agency's five percent reduction plan for 2022-23. The plan includes reductions for the following: reduced or delayed hiring; travel; other admin operating expenses; and other service reductions. LBB staff also calculated an associated FTE reduction of 32.5 FTEs relative to fiscal year 2021 budgeted levels based on evaluating the agency's five reduction plan and insufficient information on how many FTEs would be reduced as a result of reduced or delayed hiring. Recommendations include OIG's request to transfer $4.5 million in General Revenue funding from Strategy K.1.1, Office of Inspector General, to Strategy K.1.2, OIG Administrative Support, for the 2022-23 biennium to more accurately reflect OIG's administrative costs.

OIG utilizes General Revenue used to draw down matching federal funds. Some federal funds may not have exact matching General Revenue funds. There is sufficient General Revenue match provided for the agency to reclass amounts as needed to meet matching requirements.

28) **Texas Civil Commitment Office.** Recommendations for TCCO total $17.9 million in General Revenue ($18.0 million in All Funds) and 35.0 FTEs in each fiscal year of the 2022-23 biennium. This is a reduction of $1.9 million in General Revenue ($2.0 in All Funds) from 2020-21, primarily related to the agency's five percent reduction plan. The 2020-21 base was adjusted to reflect transfer of $1.2 million in General Revenue unexpended balances from fiscal year 2020 to fiscal year 2021. TCCO projects the number of civilly committed sexually violent predators to be 475 by the end of fiscal year 2022 and 507 by the end of fiscal year 2023.

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



Source: Legislative Budget Board; Texas Civil Commitment Office.

Health and Human Services Commission
Adjustments to 2020-21 - House

Strategy	Description of Adjustment	Fiscal Year 2020			Fiscal Year 2021		
		General Revenue	All Funds	FTEs	General Revenue	All Funds	FTEs
B.1.1, Medicaid Contracts and Administration	Reverse transfer related to electronic visit verification (EVV) request, which has not been approved[1]	$ (1,654,624)	$ (6,618,496)	0.0	$ (2,500,000)	$ (10,000,000)	0.0
	Updated federal funds estimate	$ -	$ -	0.0	$ -	$ (15,000,000)	0.0
B.1.2, CHIP Contracts and Administration	Remove Federal Funds the agency could not have drawn down due to insufficient matching funds	$ -	$ -	0.0	$ -	$ (3,380,869)	0.0
D.1.2, Alternatives to Abortion	Reflect transfer of unexpended balances	$ (9,379,562)	$ (9,379,562)	0.0	$ 9,379,562	$ 9,379,562	0.0
D.1.3, ECI Client Services	LBB forecast[2]	$ (5,600,261)	$ (15,507,194)	0.0	$ (5,628,338)	$ (18,102,307)	0.0
D.1.4, Ensure ECI Respite and Quality ECI Services	Reflect new federal grant	$ -	$ -	0.0	$ -	$ 139,021	0.0
D.1.5, Children's Blindness Services	Updated revenue estimate	$ -	$ (762)	0.0	$ -	$ (762)	0.0
D.1.9, Kidney Health Care	Updated revenue estimate	$ -	$ 5,000	0.0	$ -	$ -	0.0
D.1.10, Additional Specialty Care	Updated interagency contract (IAC) estimate	$ -	$ (10,043)	0.0	$ -	$ (10,043)	0.0
D.2.3, Community Mental Health Crisis Services	Move Healthy Community Collaboratives Grant and mental health jail diversion program to Strategy D.2.6, Community Mental Health Grant Programs	$ (17,500,000)	$ (17,500,000)	0.0	$ (17,500,000)	$ (17,500,000)	0.0
D.2.5, Behavioral Health Waiver and Plan Amendment	LBB projections[2]	$ (9,232,523)	$ (26,015,989)	0.0	$ (7,691,057)	$ (23,683,019)	0.0
D.2.6, Community Mental health Grant Programs	Move Healthy Community Collaboratives Grant and mental health jail diversion program from Strategy D.2.3, Community Mental Health Crisis Services	$ 17,500,000	$ 17,500,000	0.0	$ 17,500,000	$ 17,500,000	0.0
E.1.1, TANF Cash Assistance	LBB Forecast	$ (2,289,808)	$ (2,289,808)	0.0	$ (6,264,020)	$ (6,264,020)	0.0
E.1.3, Disaster Assistance	Tropical Storm Imelda[1,3]	$ (5,412,260)	$ (15,772,744)	(21.0)	$ -	$ -	(21.0)
	Tropical Storm Laura[1]	$ 1,000,000	$ 1,000,000	0.0	$ 500,000	$ 500,000	0.0
F.1.2, Non-Medicaid Services	At agency's request, revenue transfer included in LAR	$ -	$ -	0.0	$ 965,000	$ 965,000	0.0
F.3.3, Additional Advocacy Programs	Updated federal funds estimate	$ -	$ -	0.0	$ -	$ (166,221)	0.0
G.1.1, State Supported Living Centers	LBB projections[2]	$ (27,688,506)	$ 5,595,838	0.0	$ (13,749,861)	$ (4,554,362)	0.0
	Assumed Transfer to DSHS - Texas Center for Infectious Disease Security positions[4]	$ -	$ -	10.0	$ -	$ -	10.0
G.4.2, Capital Repair and Renovation of SSLCs, State Hospitals, and Other	Reflect transfer of unexpended balances	$ (32,545)	$ (252,975,777)	0.0	$ 32,545	$ 252,975,777	0.0
H.1.1, Health Care Facility & Community-based Regulation	Transfer from DSHS - Contact Tracing[5]	$ -	$ -	(6.0)	$ -	$ -	0.0
H.2.1, Child Care Regulation	Remove Federal Funds the agency did not have authority to expend	$ -	$ (8,720,484)	0.0	$ -	$ (8,726,112)	0.0

Strategy	Description of Adjustment	Fiscal Year 2020			Fiscal Year 2021		
		General Revenue	All Funds	FTEs	General Revenue	All Funds	FTEs
H.3.1, Credentialing/Certification of Health Care Professionals and Others	At agency's request, update estimated/budgeted amounts reported in the LAR	$ -	$ (648,577)	0.0	$ 30,532	$ (658,457)	0.0
H.4.1, Texas.gov	Reflect impact of transfer of regulation of certain professions to the Behavioral Health Executive Council on Texas.gov subscription costs	$ -	$ -	0.0	$ (79,429)	$ (79,429)	0.0
I.2.1, Intake, Access, and Eligibility to Services and Supports	At agency's request, reverse transfer included in LAR	$ -	$ -	0.0	$ (965,000)	$ (965,000)	0.0
L.1.1, Enterprise Oversight and Policy	Reflect all appropriated receipts generated by the Office of Chief Counsel in Strategy L.1.1, Enterprise Oversight and Policy	$ -	$ 681	0.0	$ -	$ 417	0.0
L.2.1, Central Program Support	Reflect all appropriated receipts generated by the Office of Chief Counsel in Strategy L.1.1, Enterprise Oversight and Policy	$ -	$ (681)	0.0	$ -	$ (417)	0.0
M.1.1, Texas Civil Commitment Office	Reflect transfer of unexpended balances	$ (1,220,000)	$ (1,220,000)		$ 1,220,000	$ 1,220,000	
	Total Base Adjustments	**$ (61,510,089)**	**$ (332,558,598)**	**(17.0)**	**$ (24,750,066)**	**$ 173,588,759**	**(11.0)**

Outstanding Base Adjustments

Strategy	Description of Adjustment	FY2020 General Revenue	FY2020 All Funds	FY2020 FTEs	FY2021 General Revenue	FY2021 All Funds	FY2021 FTEs
E.1.3, Disaster Assistance	Tropical Storm Imelda[1]	$ 5,412,260	$ 15,649,760		$ -	$ -	
	Hurricane Hanna[1]	$ 500,000	$ 500,000		$ -	$ -	
	Do Not Use Water Advisory[1]	$ -	$ -		$ 1,000,000	$ 1,000,000	
G.2.1, Mental Health State Hospitals	Transfer to DSHS - Texas Center for Infectious Disease Security positions	$ -	$ -	(10.0)	$ -	$ -	(10.0)
	Total Outstanding Base Adjustments	**$ 5,912,260**	**$ 16,149,760**	**(10.0)**	**$ 1,000,000**	**$ 1,000,000**	**(10.0)**

Notes:

1) Transfer was to or from Medicaid. Offsetting entry for Medicaid is not shown.
2) Base adjustments include incorporation of the 6.2 percentage point increase to FMAP pursuant to the Families First Coronavirus Response Act.
3) Reversal of a transfer that was reflected in the agency's LAR, but for which the required notification had not been received. The letter has since been submitted and the final transfer amount is reflected in the Outstanding Base Adjustments above.
4) Reversal of a transfer that was reflected in the agency's LAR, but for which the required notification had not been received. The letter has since been submitted and the final transfer amount is reflected in the Outstanding Base Adjustments above. The correct transferring strategy is Strategy G.2.1, Mental Health State Hospitals.
5) HHSC's LAR had assumed the transfer of 8.0 FTEs from DSHS in each fiscal year for contact tracing information technology needs. Based on information provided by DSHS, 2.0 FTEs were transferred to HHSC in fiscal year 2020 and 8.0 FTEs were transferred to HHSC in fiscal year 2021 for this purpose. Base adjustment was done to align with information provided by DSHS.

Health and Human Services Commission
5 Percent Reduction Items - House

	Short Description	2022-23 Biennial Reduction GR & GR-D	All Funds	FTEs[1]	Included in Rec?
B.1.1 Medicaid Contracts & Administration		**$ (22,366,597)**	**$ (50,068,032)**	**0.0**	
1)	Merit Allocations - A two percent merit allocation is included in each department's operating budget. Medicaid and CHIP Services (MCS) would forego merit increases and either maintain salaries or identify funds for targeted merit increases within remaining salary budget.	$ (1,651,042)	$ (3,566,839)	0.0	Yes
2)	Estimated Administration Contract Reductions - MCS will renegotiate ongoing contracts to reduce scope and/or eliminate any non-essential contracts. This represents a 14.6 percent reduction of the total General Revenue budgeted for these contracts. This item includes approximately 55 contracts that support ongoing functions including third party audits, training, technical support/research, and provider education.	$ (4,584,572)	$ (9,169,144)	0.0	Yes
3)	Texas Medicaid Healthcare Partnership (TMHP) - Contingency Funding. Reduction of contingency project funds for technology changes necessitated by new federal/state requirements, audits, and lawsuits.	$ (5,000,000)	$ (10,000,000)	0.0	Yes
4)	TMHP - Electronic Visit Verification (EVV) Negotiated Cost Reductions. MCS is negotiating EVV cost reductions with TMHP. Negotiated cost reductions are still being finalized, and this item represents estimated EVV cost reductions.	$ (2,680,000)	$ (8,781,182)	0.0	Yes
5)	TMHP - Additional Savings. MCS has not determined the final source of savings for this item. If MCS is unable to negotiate contract efficiencies, then these reductions would come from funds for base contract performance (e.g. reducing standards for claims processing, provider enrollment, provider relations); maintaining hardware; software licenses; and/or limiting system changes for critical projects (e.g., IDD carve-in to managed care, provider portal redesign).	$ (2,000,000)	$ (4,000,000)	0.0	Yes
6)	Enrollment Broker. MCS has not determined source of savings. If MCS is not able to negotiate contract efficiencies, then these reductions would come from funds for system changes for required projects and/or base contract performance. System modifications might include changes needed to add health plans following a procurement or implementing changes to the default methodology that ensures members who do not select a plan are placed with a plan based on specific criteria. Base contract performance includes call center metrics that might result in increased hold times if vendor staffing must decrease to achieve this reduction.	$ (4,000,000)	$ (8,000,000)	0.0	Yes
7)	External Quality Review Organization. MCS would reduce/eliminate certain quality oversight activities that are not federally required.	$ (851,804)	$ (2,135,204)	0.0	Yes
8)	Vendor Drug Program. MCS has not determined source of savings. If MCS is unable to negotiate contract efficiencies, the impacts would include reduced capacity for provider outreach supporting appropriate prescribing, implementing required system changes, and/or adding invoicing and rebate collection for new Medicaid program such as Healthy Texas Women (HTW).	$ (208,106)	$ (281,060)	0.0	Yes
9)	Travel Reductions	$ (1,132,702)	$ (2,394,877)	0.0	Yes
10)	Office of Inspector General (OIG) Medicaid Contracts. Reduction in payments to the Recovery Audit Contractor.	$ (192,928)	$ (385,856)	0.0	Yes
11)	Medicaid for the Elderly and People with Disabilities Policy - Field Staff	$ (1,802)	$ (3,604)	0.0	Yes
12)	Other IT related reductions in Strategy B.1.1	$ (1,250,000)	$ (2,500,000)	0.0	Yes

	Short Description	2022-23 Biennial Reduction GR & GR-D		All Funds		FTEs[1]	Included in Rec?
13)	Medicaid/CHIP Data Analytics. This item will reduce funds for externally provided training (Tableaus, SAS, etc.), purchase of software, and travel to attend conferences, association meetings, etc. for Office of Performance staff.	$	(32,176)	$	(68,801)	0.0	Yes
	General Revenue from enhanced federal financial participation to offset five percent reduction impact. [2]	*$*	*1,218,535*	*$*	*1,218,535*	*0.0*	
D.1.1, Women's Health Programs		**$**	**(38,515,037)**	**$**	**-**	**0.0**	
14)	General Revenue freed-up due to approval of the HTW Section 1115 Demonstration Waiver. Offset by an increase in Federal Funds by a like amount. No net reductions to client services.	$	(38,515,037)	$	-	0.0	Yes[3]
D.1.10, Additional Specialty Care		**$**	**(3,428)**	**$**	**(5,414)**	**0.0**	
15)	Reductions related to the MCS Merit allocation and MCS Travel item identified in Strategy B.1.1. Will primarily impact the Office of E-Health Coordination	$	(3,428)	$	(5,414)	0.0	Yes
F.2.3, Comprehensive Rehabilitation		**$**	**(100,000)**	**$**	**(100,000)**	**0.0**	
16)	Reduced FTE funding of staff currently managed by HHSC IT and associated with ReHab Works, the program consumer case management system that supports the Blind Children's Program, Comprehensive Rehabilitation Services, and Blindness Education, Screening and Treatment Program. Program will absorb the impact to administrative capacity to minimize impact to client services.	$	(100,000)	$	(100,000)	0.0	Yes
H.1.1, Facility/Community-based Regulation		**$**	**(4,113,484)**	**$**	**(4,805,218)**	**(22.7)**	
17)	Non-essential Travel. Expected to have minimal impacts.	$	(205,044)	$	(210,000)	0.0	Yes
18)	Travel - reduced surveys and investigations. This will impact the ability to conduct investigations timely and could continue to increase the number of backlogged investigations.	$	(803,824)	$	(913,547)	0.0	Yes
19)	Reduced or delayed hiring. HHSC anticipates that a reduction in staffing would decrease estimated yearly visits (including surveys, investigations, and follow-up visits to facilities)	$	(1,565,548)	$	(2,054,646)	(22.7)	Yes[4]
20)	Non-mission critical administrative expenditures. Reductions will reduce the ability to pay for resources for staff including office supplies, training, computer software, and the provision of cell phones.	$	(1,539,068)	$	(1,627,025)	0.0	Yes
H.1.2, Long-term Care Quality Outreach		**$**	**(486,800)**	**$**	**(959,187)**	**0.0**	
21)	Merit Allocation - This item is related to the MCS travel reduction identified in Strategy B.1.1 and will primarily impact Quality Monitoring Program staff.	$	(486,800)	$	(959,187)	0.0	Yes
H.2.1, Child Care Regulation		**$**	**(439,060)**	**$**	**(882,128)**	**0.0**	
22)	Reduce resources purchased for staff including office supplies, training, and computer software	$	(400,000)	$	(800,000)	0.0	Yes
23)	Reduced hiring support for Regulatory staff	$	(903)	$	(5,814)	0.0	Yes
24)	Reduced externally provided training/travel/software purchases for Center for Analytics and Decision Support (CADS) Foster Care Litigation staff	$	(38,157)	$	(76,314)	0.0	Yes

Health and Human Services Commission
5 Percent Reduction Items - House

	Short Description	2022-23 Biennial Reduction GR & GR-D	All Funds	FTEs[1]	Included in Rec?
I.1.1, Integrated Eligibility & Enrollment		**$ (38,073,316)**	**$ (91,033,652)**	**(2.0)**	
25)	Reduced or delayed hiring of Eligibility Operations staff. HHSC anticipates significant impacts to eligibility determinations for SNAP, TANF, Medicaid, and CHIP as a result of this reduction.	$ (32,386,420)	$ (80,042,764)	0.0	Yes[5]
26)	Reduced Hiring Support for Access and Eligibility Services	$ (91,278)	$ (189,704)	(1.0)	Yes[4,5]
27)	San Antonio Call Center - This item will reduce consumables and other supplies, furniture and equipment/building maintenance, and contracted services including security guards and janitorial services at the San Antonio Call Center	$ (86,528)	$ (251,823)	0.0	Yes[5]
28)	Cost Pool Reductions	$ (5,509,090)	$ (10,549,361)	(1.0)	Yes[4,5]
I.2.1, Long-term Care Intake & Access		**$ (3,466,525)**	**$ (3,504,318)**	**(2.0)**	
29)	Reduced or delayed hiring of Eligibility Operations staff. HHSC anticipates significant impacts to eligibility determinations for SNAP, TANF, Medicaid, and CHIP as a result of this reduction.	$ (1,648,197)	$ (3,240,671)	0.0	Yes
30)	Reductions related to the MCS Merit Allocation item identified in Strategy B.1.1.	$ (504,930)	$ (1,078,969)	0.0	Yes
31)	Nursing Facility Trust Fund Audit. FTE reduction. Would impact investigations of trust funds managed by facilities on behalf of a resident.	$ (80,000)	$ (160,000)	(2.0)	Yes[4]
32)	Reduction in MCS Operating Expenses - primarily impacting Utilization Review	$ (417,756)	$ (835,512)	0.0	Yes
33)	Other General Admin Operating Expenses. Not anticipated to significantly impact business operations.	$ (64,477)	$ (128,954)	0.0	Yes
34)	Reductions related to the MCS Travel allocation item identified in Strategy B.1.1.	$ (751,165)	$ (1,607,625)	0.0	Yes
	Federal Funds adjustment to align 2020-21 reductions with 2022-23 assumptions.[6]	$ -	$ 3,547,413		Yes
K.1.1, Office of Inspector General		**$ (2,428,698)**	**$ (5,340,729)**	**(36.7)**	
35)	Travel	$ (362,768)	$ (737,865)	0.0	Yes
36)	Other Admin Operating Expenses	$ (3,610)	$ (7,577)	0.0	Yes
37)	Contracted Service Reductions	$ (70,700)	$ (141,400)	0.0	Yes
38)	Reduced or Delayed Hiring	$ (1,966,748)	$ (4,402,345)	(36.7)	Yes[7]
39)	Chief Counsel Reduction	$ (24,872)	$ (51,542)	0.0	Yes
K.1.2, OIG Administrative Support		**$ (270,825)**	**$ (725,001)**	**(3.9)**	
40)	Reduced or Delayed Hiring	$ (207,015)	$ (567,230)	(3.9)	Yes[8]
41)	Travel	$ (1,060)	$ (2,994)	0.0	Yes
42)	Other Service Reductions	$ (51,124)	$ (128,447)	0.0	Yes

Health and Human Services Commission
5 Percent Reduction Items - House

	Short Description	2022-23 Biennial Reduction GR & GR-D	All Funds	FTEs[1]	Included in Rec?
43)	Other Admin Operating Expenses	$ (11,626)	$ (26,330)	0.0	Yes
L.1.1, HHS System Supports		**$ (6,342,584)**	**$ (11,423,603)**	**(21.0)**	
44)	Reduced or Delayed Hiring	$ (5,375,951)	$ (9,253,509)	(21.0)	Yes[4]
45)	Reduced Travel	$ (223,932)	$ (568,167)	0.0	Yes
46)	Reductions related to the MCS Merit allocation item identified in Strategy B.1.1.	$ (6,304)	$ (13,481)	0.0	Yes
47)	Vendor Drug Program. MCS has not determined source of savings. If MCS is unable to negotiate contract efficiencies, the impacts would include reduced capacity for provider outreach supporting appropriate prescribing, implementing required system changes, and/or adding invoicing and rebate collection for new Medicaid program such as HTW.	$ (350,000)	$ (700,000)	0.0	Yes
48)	Other Administrative Expenditures (training and other resources)	$ (386,397)	$ (888,446)	0.0	Yes
L.1.2, IT Oversight & Program Support		**$ (12,131,386)**	**$ (25,291,890)**	**0.0**	
49)	CADS Enterprise Information Management. Reduction to travel, external training (Tableau, SAS, etc.), and other admin operating expenses. Reductions will impact travel for attending conferences and association meetings. Reductions to external training and other admin operating expenses may limit ability to purchase and train staff on tools necessary for the Office of Performance to respond to new projects and requests. Reductions to travel pose risks to ground-up projects like PMAS and some work in CADS as it limits ability for staff to attend associated conferences focused on similar initiatives. Staff will have less access to knowledge of how other governmental entities meet similar needs.	$ (199,450)	$ (421,991)	0.0	Yes
50)	Regulatory Services System Automation Modernization Phase 4. This reduction represents a reduction of funding needed to support latest capital projections.	$ (131,902)	$ (194,911)	0.0	Yes
51)	CLASS Childcare System. This reduction represents a reduction of funding needed to support latest capital projections.	$ (295,561)	$ (295,561)	0.0	Yes
52)	CAPPS Upgrades Procurement and Contracting	$ (1,440,111)	$ (4,119,013)	0.0	Yes
53)	CAPPS HCM ERP. Reduction in department forecast for 2022-23, primarily cost contingency.	$ (210,120)	$ (525,720)	0.0	Yes
54)	Office for Civil Rights Corrective Action Plan. This reduction represents a reduction of funding needed to support latest capital projections.	$ (9,854,242)	$ (19,734,694)	0.0	Yes
L.2.1, Central Program Support		**$ (2,222,702)**	**$ (3,559,280)**	**(14.0)**	
55)	Reductions related to the MCS Merit allocation identified in Strategy B.1.1.	$ (58,176)	$ (116,352)	0.0	Yes
56)	Reductions related to the MCS Travel allocation item identified in Strategy B.1.1.	$ (46,620)	$ (93,524)	0.0	Yes
57)	Reduced/Delayed Hiring	$ (700,284)	$ (1,355,246)	(14.0)	Yes[4]
58)	Other Admin Operating Expenses and Travel Reductions. Not anticipated to have significant impacts to business operations.	$ (639,328)	$ (1,030,157)	0.0	Yes
59)	Reduced recruitment and hiring support; travel; and certain training for System Support Services staff	$ (153,294)	$ (339,001)	0.0	Yes

	Short Description	2022-23 Biennial Reduction GR & GR-D	All Funds	FTEs[1]	Included in Rec?
60)	Legal Services Division Litigation Contract. HHSC will explore reductions in contracted supported attorneys at the Office of the Attorney General.	$ (625,000)	$ (625,000)	0.0	Yes
L.2.2, Regional Program Support		**$ (126,615)**	**$ (10,525,235)**	**0.0**	
61)	Regional Program Support Administrative Travel and Other Operating Expenses. This reduction primarily limits ability to monitor and respond timely to facility issues and would impact training of regional support staff, consumable supplies, and furniture replacement including certain reasonable accommodations.	$ (126,615)	$ (10,525,235)	0.0	Yes
M.1.1, Texas Civil Commitment Office		**$ (1,866,691)**	**$ (1,866,691)**	**0.0**	
62)	This reduction in funding would reduce the funding for increased capacity to house additional sexually violent predators at the Texas Civil Commitment Center.	$ (1,866,691)	$ (1,866,691)	0.0	Yes
	TOTAL, Agency Submitted 5 Percent Reduction Items	**$ (132,953,748)**	**$ (210,090,378)**	**(102.3)**	
	TOTAL, 5 Percent Reduction Items Included in Recommendations	**$ (132,953,748)**	**$ (210,090,378)**	**(32.5)**	
	5 Percent Reduction Target	**$ (132,716,696)**	**-**	**-**	

Notes:

1) HHSC did not incorporate FTEs reductions associated with five percent reduction items into the agency's baseline request submitted on October 26, 2020, and did not provide the detail until December 4, 2020.

2) HHSC's five percent reduction items for Strategy B.1.1, Medicaid Contracts and Administration, included an item totaling a $1.2 million General Revenue increase which partially offset the impact of other five percent reduction items in the strategy.

3) HHSC's base request counted a portion of General Revenue freed up due to approval of the Healthy Texas Women (HTW) Section 1115 Demonstration Waiver toward the agency's five percent reduction target. While recommendations do not include a specific reduction to Strategy D.1.1, Women's Health Programs, related to the five percent reduction, recommendations for the strategy are $61.5 million in General Revenue below 2022-23 spending levels. This is primarily due to a full biennium of approval of the HTW Section 1115 Demonstration Waiver and the assumption that HTW Plus services will be added to the waiver. This is more than offset by an increase of $72.6 million in Federal Funds.

4) Recommendations include funding reductions as submitted by the agency, but do not include FTE reductions due to the agency's delayed submission of FTE information as described in note #1.

5) Recommendations provide a $35.4 million reduction in General Revenue ($48.7 million in All Funds) to maintain fiscal year 2020 estimated expenditures. See Selected Fiscal and Policy Issue #22.

6) HHSC submitted their 5% reduction using 2020-21 method-of-finance information and made an adjustment to Federal Funds to align with their 2022-23 federal funding assumptions.

7) Recommendations include funding reductions as submitted by the agency, but reduce FTEs by 26.2.

8) Recommendations include funding reductions as submitted by the agency, but reduce FTEs by 6.3.

Health and Human Services Commission
Funding for Construction at State-Owned Facilities - House

Projects	Method of Finance	Adjusted Fiscal Year 2020	Adjusted Fiscal Year 2021	Recommended Fiscal Year 2022	Recommended Fiscal Year 2023	Recommended Over/(Under) 2020-21
Master Lease Purchase Program - Deferred Maintenance	General Revenue	$ 1,744,551	$ 13,061,029	$ 8,901,754	$ 15,034,835	$ 9,131,009
Master Lease Purchase Program - Energy Conservation	General Revenue	$ 3,304,022	$ 3,275,525	$ 2,147,155	$ 753,756	$ (3,678,636)
Minor Repairs and Renovations	General Revenue	$ 29,839	$ 94,929	$ 62,384	$ 62,384	$ -
Corpus Christi Bond Home Repairs	General Revenue-Dedicated Account No. 543	$ 74,693	$ 504,911	$ 289,802	$ 289,802	$ -
New Construction Projects at the State Mental Health Hospitals (HHSC Rider 147, 2018-19 GAA)	Economic Stabilization Funds	$ 119,165,219	$ 11,781,715	$ -	$ -	$ (130,946,934)
New Construction Projects at the State Mental Health Hospitals (Senate Bill 500, Eighty-sixth Legislature, 2019)	Economic Stabilization Funds	$ 61,627,447	$ 28,426,916	$ -	$ -	$ (90,054,363)
Deferred Maintenance at the State Supported Living Centers and State Mental Health Hospitals, including Waco Center for Youth	MLPP Revenue Bonds	$ 20,153,825	$ 188,662,452	$ -	$ -	$ (208,816,277)
	Economic Stabilization Funds	$ 113,077,076	$ 23,857,040	$ -	$ -	$ (136,934,116)
	General Obligation Bonds	$ 2,938,945	$ -	$ -	$ -	$ (2,938,945)
Total Funding for Construction Projects		**$ 322,115,617**	**$ 269,664,517**	**$ 11,401,095**	**$ 16,140,777**	**$ (564,238,262)**

Health and Human Services Commission
State Hospital Construction Projects - House

Projects	HHSC Rider 147 (2018-19 GAA)	Senate Bill 500, Eighty-sixth Legislature, 2019[1]	Included in 2022-23 Exceptional Item 11 Request[2]	Construction[3]	Estimated Move In Date[2]	Total Project Completion[4]
San Antonio State Hospital - 300-Bed Replacement	$ 14,500,000	$ 190,300,000	X	April 2020 - December 2023	January 2024	Warm shell package 9.8% Complete
San Antonio State Hospital - 40-Bed Unit	$ 11,500,000	$ -		October 2019 - February 2021	March 2021	87.0% Complete
Austin State Hospital - 240-Bed Replacement	$ 15,500,000	$ 165,000,000	X	October 2019 - April 2023	June 2023	12.3% Complete
Kerrville State Hospital - 70-Bed Maximum Security Unit (MSU)	$ 30,500,000	$ -	X	July 2020 - September 2021	November 2021	12.0% Complete
Rusk State Hospital - 100-Bed MSU	$ 91,500,000	$ -		April 2020 - January 2023	February 2023	4.0% Complete
Rusk State Hospital - 100-Bed non-MSU	$ 4,500,000	$ 90,054,363		April 2020 - January 2023	February 2023	4.0% Complete
Harris County - Minimum 228-Bed Facility	$ 125,000,000	$ -	X	June 2019 - November 2021	October 2022	57.0% Complete
Storm Water Run-off System at Rusk and Harris County Facility	$ 3,799,500	$ -				
Fiber Infrastructure at Rusk	$ 500,000	$ -				
Oversight FTEs	$ 700,500	$ -				
Total Funding for Construction Projects	**$ 298,000,000**	**$ 445,354,363**				

Notes:
1) Senate Bill 500 also reduced unencumbered appropriations from the Economic Stabilization Fund provided in HHSC Rider 147, 2018-19 General Appropriations Act, by $2.0 million.
2) Exceptional Item is a placeholder.
3) The construction timelines for San Antonio State Hospital Replacement Campus and Austin State Hospital Replacement Campus are contingent upon the receipt of additional legislative appropriations.
4) Total project completion percentages were reported in documents provided by HHSC from November 2020.

Health and Human Services Commission
Rider Highlights - House

MODIFICATION OF EXISTING RIDERS (new rider number)

4. **Hospital Uncompensated Care.** Recommendations remove restrictions around certain hospital payments.

6. **Graduate Medical Education.** Recommendations streamline rider.

9. **Hospital Payments.** Recommendations update amounts and clarify that funding maintains 2020-21 Medicaid hospital add-on payments.

13. **Medically Dependent Children Program and Youth Empowerment Services Waiver.** Recommendations revise rider name to clarify the scope of the rider.

16. **Supplemental Payment Programs Reporting and Appropriation Authority for Intergovernmental Transfers.** Recommendations remove reporting requirement and clarify that HHSC shall provide a report of the independent audit's findings.

18. **Federal Provider Enrollment and Screening Fee.** Recommendations move rider to Medicaid section and make other revisions to structure.

19. **Use of Certain Additional Medicaid Revenue.** Recommendations move rider to Medicaid section and make other revisions to structure.

24. **Use of Additional CHIP Revenue.** Recommendations consolidate former Rider 50, CHIP Premium Co-Pays, into existing similar provision related to CHIP Experience Rebates.

26. **Contingency for Behavioral Health Funds.** Recommendations revise rider to align with funding recommendations.

28. **Mental Health Appropriations and Federal Matching Opportunities.** Recommendations revise rider name to account for the discontinuation of the Delivery System Reform Incentive Payment funding pool.

30. **Reporting of Waiting Lists for Mental Health Services.** Recommendations clarify when the report is due and what period the report should cover.

31. **Mental Health Program for Veterans.** Recommendations remove reporting requirement that is duplicative of Health and Safety Code Section 1001.224.

32. **Consolidated Reporting of Opioid-Related Expenditures.** Recommendations require the report to include information on Article II programs that may not specifically be targeting opioids but could provide services to someone with an opioid-use disorder.

33. **Substance Abuse Treatment Services.** Recommendations remove references to appropriations for rate increases for one-time directive to the agency.

40. **Women's Health Programs: Savings and Performance Reporting.** Recommendations change reporting due date to August 1.

41. **Funding for Healthy Texas Women Plus.** Recommendations revise rider to apply to Healthy Texas Women Plus program and provide direction in the event services are not added to the Healthy Texas Women Section 1115 Demonstration Waiver.

44. **Alternatives to Abortion Program.** Recommendations remove authority for HHSC to transfer $20.0 million from any item of appropriation to Strategy D.1.2, Alternatives to Abortion.

46. **Limitation on Federal Funds Appropriations for Early Childhood Intervention Services.** Recommendations revise rider to prohibit HHSC from expending IDEA Part C Federal Funds in Strategy D.1.4, Ensure ECI Respite Services and Quality ECI Services, in amounts that exceed appropriations without receiving prior written approval from the Legislative Budget Board and the Governor's Office.

47. **Reporting on Early Childhood Intervention.** Recommendations revise rider to require additional information in the annual ECI report and reduce the frequency of certain other reporting requirements.

48. **Autism Program Provisions.** Recommendations revise rider to remove references to the Texas Autism Council because the council was abolished on December 31, 2020.

49. **Children with Special Health Care Needs (CSHCN).** Recommendations revise rider to move transfer limitations to Rider 88, Limitations on Transfer Authority.

53. **Funding for Child Advocacy Center Programs and Court Appointed Special Advocate Programs.** Recommendations add additional reporting requirements, clarify when the report is due, delete duplicative direction within the rider, and list funding provided for Child Advocacy Center Programs and Court Appointed Special Advocate Programs in each fiscal year instead of at the biennial level.

55. **Family Violence Services.** Recommendations add a reporting requirement.

58. **State Supported Living Center Oversight.** Recommendations modify when HHSC is required to submit certain notifications, add additional reporting requirement to cost reports, remove other reporting requirements, and remove references to a discontinued pilot program.

62. **Expenditure Reporting at the State Hospitals.** Recommendations add additional reporting requirement to cost reports.

73. **Texas Civil Commitment Office.** Recommendations revise rider to remove information that is duplicative of statute, and add information from former Rider 117, Texas Civil Commitment Office Healthcare Costs.

74. **Vendor Drug Rebates and Report.** Recommendations streamline rider language.

75. **Appropriation: WIC Rebates.** Recommendations remove reporting requirement.

77. **Revolving Fund Services: Canteen Services and Work Centers.** Recommendations require related revenues to only be reported in the monthly financial reports.

79. **Mental Health (MH) and Intellectual Disability (ID) Collections for Patient Support and Maintenance.** Recommendations streamline rider language.

80. **Mental Health (MH) and Intellectual Disability (ID) Appropriated Receipts.** Recommendations streamline rider language.

84. **Appropriation: Contingent Revenue.** Recommendations revise rider to account for the transfer of regulation of certain professions to the Behavioral Health Executive Council pursuant to House Bill 1501, Eighty-sixth Legislature, 2019.

85. **Appropriations Limited to Revenue Collections.** Recommendations revise rider to account for the transfer of regulation of certain professions to the Behavioral Health Executive Council pursuant to House Bill 1501, Eighty-sixth Legislature, 2019, and to correctly identify the accounts to which certain revenue is deposited.

88. **Limitations on Transfer Authority.** Recommendations revise rider to include transfer limitations previously required by Rider 49, Children with Special Health Care Needs, and to not allow transfers out of Strategy D.1.2, Alternatives to Abortion, which was previously indicated by inclusion of "non-transferable" in strategy name.

90. **Appropriation Transfers Between Fiscal Years.** Recommendations streamline authority related to transferring funding for Medicaid and CHIP client services to the first year of the biennium and allow the agency to make an adjustment to the amount of funding transferred at any time with notification instead of requiring written approval after October 31st of the second year of the biennium.

92. **Unexpended Balances: Deaf and Hard of Hearing Services.** Recommendations remove carry forward authority for interagency contracts to avoid potential conflicts with transferring agencies' rider authority and limitations. Recommendations remove carry forward authority that is duplicative of Article IX, Section 8.01, Acceptance of Gifts of Money.

93. **Unexpended Construction Balances.** Recommendations remove cross-biennia carry forward authority for appropriations from the Economic Stabilization Fund for facility repairs and renovations at the state hospitals and state supported living centers (SSLCs). Recommendations add cross-biennia carry forward authority of Master Lease Purchase Program Revenue Bond Proceeds provided for deferred maintenance at state hospitals and SSLCs. Recommendations remove an approval requirement, as any funding that is carried forward pursuant to the rider should be used for the purposes for which they were originally appropriated.

94. **State Owned Multicategorical Teaching Hospital Account.** Recommendations remove potentially contradictory language concerning appropriations being contingent upon a not-to-exceed amount and streamline rider language.

97. **Appropriation of Unexpended Balances: Funds Recouped from Local Authorities.** Recommendations clarify which local authorities are included in the rider.

99. **Monthly Financial Reports.** Recommendations move certain reporting requirements that apply to all Article II agencies to Special Provisions. Recommendations change the due date of the Monthly Financial Report and add or remove items from the report.

100. **Reimbursement of Advisory Committee Members.** Recommendations remove references to advisory committees that are set to be abolished prior to the start of the 2022-23 biennium.

105. **Efficiencies at Local Mental Health Authorities and Intellectual Disability Authorities.** Recommendations streamline rider language.

106. **Community Centers.** Recommendations clarify that community mental health centers are also defined in Texas Health and Safety Code Section 534.001.

107. **Transfer for Health Professions Council.** Recommendations revise rider to correctly identify the relevant organizational unit within HHSC.

NEW RIDERS

20. **Interest List Reporting.** Recommendations add rider requiring the agency to post certain information about Medicaid waiver interest lists on the agency's website to capture information previously reported in performance measures.

21. **Intensive Behavioral Intervention.** Recommendations add rider identifying appropriations for Medicaid intensive behavioral intervention services for autism.

22. **Managed Care Organization Performance Requirement to Ensure Best Value.** Recommendations add rider requiring the agency to develop performance benchmarks for the procurement of Managed Care Organizations (MCOs) and accountability requirements and consequences for MCOs.

23. **Improving Access to Pediatric Services.** Recommendations add rider identifying appropriations for a 7.0 percent rate increase for services provided in any setting by a physician, including a specialist, to children ages 0 to 3 enrolled in Medicaid.

34. **Community Mental Health Grant Programs.** Recommendations consolidate Rider 56, Healthy Community Collaboratives; Rider 61, Mental Health for Veterans Grant Program; Rider 62, Mental Health Grant Program for Justice-Involved Individuals; and Rider 68, Unexpended Balance Authority within the Biennium for the Community Mental Health Grant Program, into a new rider. Rider adds Mental Health Grant Program for Justice-Involved Individuals and Community Mental Health Grant Program to the reporting requirement. Rider removes language included in Rider 62, Mental Health Grant Program for Justice-Involved Individuals, that is duplicative of Article IX, Section 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

35. **Federal Funds Reporting Requirement.** Recommendations add rider requiring the agency to provide certain information in the Monthly Financial Report if projected expenditures from the Block Grant for Community Mental Health differ from the appropriated amount in a fiscal year by more than $1.0 million.

56. **Reporting on Population Served.** Recommendations add rider requiring HHSC to annually submit information about the percent of certain populations served by various programs to capture information previously reported in performance measures.

63. **Language Interpreter Services.** Recommendations move rider from Special Provisions, as rider only applies to HHSC-operated facilities. Recommendations make minor edits to reflect transfer into HHSC's bill pattern.

64. **Surplus Property.** Recommendations move rider from Special Provisions, as rider only applies to HHSC-operated facilities. Recommendations make minor edits to reflect transfer into HHSC's bill pattern.

65. **Patient or Client Assistance.** Recommendations move rider from Special Provisions, as rider only applies to HHSC-operated facilities. Recommendations make minor edits to reflect transfer into HHSC's bill pattern.

66. **Barber and Cosmetology Services.** Recommendations move rider from Special Provisions, as rider only applies to HHSC-operated facilities. Recommendations make minor edits to reflect transfer into HHSC's bill pattern.

67. **State-Owned Housing.** Recommendations move rider from Special Provisions, as rider only applies to HHSC-operated facilities. Recommendations make minor edits to reflect transfer into HHSC's bill pattern.

68. **Donations from Individuals, Community Groups, and Volunteer Services Councils.** Recommendations move rider from Special Provisions, as rider only applies to HHSC-operated facilities. Recommendations make minor edits to reflect transfer into HHSC's bill pattern.

87. **Appropriation: State Chest Hospital Fees and Receipts.** Recommendations add rider related to Other Funds Account No. 707, State Chest Hospital Fees and Receipts.

DELETED RIDERS (original number)

6. **Hospital Reimbursement.** Recommendations delete rider because it may potentially conflict with statute.

8. **Use of PARIS Data.** Recommendations delete rider because similar requirements are established in Government Code Sec. 531.0998.

12. **Medicaid Medical Transportation.** Recommendations delete rider to reduce reporting frequency. HHSC can provide the data without the rider.

14. **Community Integration Performance Indicators.** Recommendations delete one-time reporting requirement.

17. **Health Insurance Providers Fee.** Recommendations delete rider because the Health Insurance Providers Fee was repealed.

19. **Health and Human Services Cost Containment.** Recommendations delete one-time directive to the agency.

20. **Expansion of Community-based Services.** Recommendations delete rider one-time directive to the agency.

21. **Transition of Day Habilitation Services.** Recommendations delete one-time reporting requirement.

23. **Limited Medicaid Coverage for Clients with Medicare Part D Benefit for Certain Excluded Medicare Part D Drug Categories.** Recommendations delete rider due to agency implementation.

24. **General Revenue Funds for Medicaid Mental Health and Intellectual Disability Services.** Recommendations delete unnecessary rider identifying General Revenue method-of-finance codes.

27. **Study Relating to Cost Drivers in STAR Kids.** Recommendations delete one-time reporting requirement.

29. **Medicaid Fraud Enforcement.** Recommendations delete one-time directive to the agency.

30. **Study on Cost Savings for Medicaid Prescription Drugs.** Recommendations delete one-time reporting requirement.

31. **Electronic Visit Verification.** Recommendations delete one-time directive to the agency.

32. **Intensive Behavioral Intervention.** Recommendations delete one-time authority provided to the agency.

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

34. **Evaluation of Opioid Drug Prescribing Practices Under Medicaid.** Recommendations delete one-time reporting requirement.

35. **Report on Medicaid Coverage for Former Foster Children.** Recommendations delete one-time reporting requirement.

36. **Evaluation of Children's Hospital Reimbursement.** Recommendations delete one-time directive to the agency.

37. **Exemption from Waiver Rate Reductions.** Recommendations delete rider because the exemption is assumed to be continued in 2022-23 recommendations.

38. **Cost Effectiveness of Delivery System Reform Incentive Payment Program.** Recommendations delete one-time reporting requirement.

39. **Emergency Medical Services Enhanced Payment Model.** Recommendations delete one-time study requirement.

40. **Hepatitis C Treatment Access.** Recommendations delete one-time reporting requirement.

41. **Regional Advisory Council Diversion Evaluation.** Recommendations delete one-time reporting requirement.

42. **Medicaid Waiver Program Interest List Study.** Recommendations delete one-time reporting requirement.

43. **Quality- and Efficiency-based Enrollment Incentive Program.** Recommendations delete one-time directive to the agency.

44. **Rate Increases: Intermediate Care Facilities and Certain Waiver Providers.** Recommendations delete one-time directive to the agency.

45. **Information on Funding Provided for Attendant Wages and Rate Enhancements.** Recommendations delete one-time directive to the agency.

46. **Medicaid Private Duty Nursing Rate Increase.** Recommendations delete one-time directive to the agency.

47. **Medicaid Therapy Rate Increases.** Recommendations delete one-time directive to the agency.

50. **CHIP Premium Co-Pays.** Recommendations add provisions of this rider to similar rider related to CHIP Experience Rebates, now Rider 20, Use of Additional CHIP Revenue.

52. **Client Services.** Recommendations delete rider because the memorandum of understanding largely identifies populations that are already considered target populations for the use of federal substance abuse prevention and treatment (SABG) block grant funding.

53. **Screening for Offenders with Mental Impairment.** Recommendations delete rider because it is partially duplicative of multiple sections of Health and Safety Code Section 614 and ongoing reporting is not expected to produce any useful information.

56. **Healthy Community Collaboratives.** Recommendations consolidate Rider 56, Healthy Community Collaboratives, into a new Rider 34, Community Mental Health Grant Programs.

60. **Synar Results Notification for Local Communities.** Recommendations delete rider because it is duplicative of Health and Safety Code Section 161.090 and partially duplicative of federal requirements concerning Synar regulation.

61. **Mental Health for Veterans Grant Program.** Recommendations consolidate Rider 61, Mental Health for Veterans Grant Program, into a new Rider 34, Community Mental Health Grant Programs.

62. **Mental Health Grant Program for Justice-Involved Individuals.** Recommendations consolidate Rider 62, Mental Health Grant Program for Justice-Involved Individuals, into a new Rider 34, Community Mental Health Grant Programs.

63. **Increased Access to Community Mental Health Services.** Recommendations delete one-time directive to the agency.

65. **Funding for Mental Health Programs.** Recommendations delete one-time directive to the agency.

67. **Proposal to Enhance Efficiency of Substance Abuse Treatment Services.** Recommendations delete one-time reporting requirement.

68. **Unexpended Balance Authority within the Biennium for the Community Mental Health Grant Program.** Recommendations consolidate Rider 68, Unexpended Balance Authority within the Biennium for the Community Mental Health Grant Program, into a new Rider 34, Community Mental Health Grant Programs.

69. **Study on Substance Abuse Treatment Services.** Recommendations delete one-time reporting requirement.

77. **Long-acting Reversible Contraceptive Devices.** Recommendations delete one-time directive to the agency.

78. **Breast and Cervical Cancer Services Program Funding.** Recommendation delete one-time directive to the agency.

81. **Maintenance of Effort (MOE) Reporting Requirement: ECI Services.** Recommendations delete rider and consolidate reporting requirements related to MOE in new Special Provisions Sec. 24, Federal Funds Requirement.

84. **State Funding for Assistive Technologies and Devices.** Recommendations delete rider because funding for this purpose is included in 2022-23 recommendations.

89. **High Performance Bonus for Administration of the Supplemental Nutritional Assistance Program (SNAP).** Recommendations delete rider because SNAP high performance bonuses were discontinued by Congress.

92. **FTE Authority during Federally-Declared Disasters.** Recommendations delete rider as it is inconsistent with how all other state agencies treat FTEs hired to address disasters and sufficient authority to exceed the agency's FTE cap during a disaster is provided by Article IX, Section 6.10, Limitation on State Employment Levels, subsection (f).

93. **Umbilical Cord Blood Bank Funding.** Recommendations delete rider because funding is not included in recommendations for 2022-23.

94. **Pediatric Health Tele-Connectivity Resource Program for Rural Texas.** Recommendations delete rider because funding for this purpose is included in 2022-23 recommendations.

96. **Texas Workforce Commission Partnership.** Recommendations delete unnecessary rider identifying the amount of an interagency contract.

98. **Early Childhood Intervention Funding Maximization.** Recommendations delete one-time reporting requirement.

99. **Home Delivered Meals Program.** Recommendations delete one-time directive to the agency.

101. **Stroke Treatment and Response.** Recommendations delete one-time directive to the agency.

102. **Disposition of Construction Appropriation Related to Intellectual Disability.** Recommendations delete obsolete rider.

105. **State Health Care Facility Provisions.** Recommendations delete obsolete language and add language concerning third party collections to new Rider 87, Appropriation: State Chest Hospital Fees and Receipts.

110. **State Supported Living Centers Planning.** Recommendations delete one-time reporting requirement.

111. **Pharmacy Services at State Supported Living Centers.** Recommendations delete one-time reporting requirement.

115. **Dental and Orthodontia Providers in the Texas Medicaid Program.** Recommendations delete rider because the direction provided in the rider has been incorporated into the agency's business practices.

117. **Texas Civil Commitment Office Healthcare Costs.** Recommendations consolidate the language from this rider into Rider 73, Texas Civil Commitment Office.

118. **Appropriation: License Plate Trust Fund No. 0802.** Recommendations delete rider as it is duplicative of Article IX, Sec. 8.13, Appropriation of Specialty License Plate Receipts.

123. **Estimated Pass-through Funds.** Recommendations delete unnecessary rider. HHSC should be able to work with the Comptroller of Public Accounts to reflect pass-through funds without the rider.

141. **Mental Health Appropriation Transfer Between Fiscal Years.** Recommendations delete unnecessary rider. HHSC can utilize other transfer authority in the event additional funding is needed in the first fiscal year of the biennium.

146. **Transfer Authority Related to the Texas Home Living Waiver.** Recommendations delete rider because the carve-in of the Texas Home Living Waiver into managed care is delayed until fiscal year 2028 pursuant to House Bill 4533, Eighty-sixth Legislature, 2019.

153. **Capital Purchases on Behalf of other Governmental Entities or Services Providers.** Recommendations delete rider because the agency has never used the authority provided by the rider.

154. **Prevent Eligibility Determination Fraud.** Recommendations delete rider because the direction provided in the rider has been incorporated into the agency's business practices.

155. **Improve Efficiencies in Benefit Applications.** Recommendations delete rider because the direction provided in the rider has been incorporated into the agency's business practices.

157. **Community Attendant Workforce Development Strategies.** Recommendations delete one-time directive to the agency.

158. **Palliative Care Program.** Recommendations delete rider because the direction provided has been incorporated into the agency's business practices and the program is statutorily required.

159. **Limitation: Reclassification of General Revenue Associated with Maintenance of Effort.** Recommendations move limitations to new Special Provisions Sec. 24, Federal Funds Requirement.

160. **Financial Monitoring of Community Centers.** Recommendations delete obsolete requirement.

164. **Enterprise Data Governance.** Recommendations delete rider to reduce reporting frequency.

165. **Texas Integrated Eligibility Redesign System (TIERS).** Recommendations delete rider to reduce reporting frequency. HHSC already sends information on TIERS to the Quality Assurance Team. Recommendations also remove request-to-exceed provision. TIERS will continue to be monitored by the Quality Assurance Team.

166. **Sunset Contingency.** Recommendations delete one-time contingency.

167. **Enhanced Eligibility Tools.** Recommendations delete rider because the report is similar to other reports required by Human Resources Code Section 22.0292(d), and Government Code Sections 531.0998(e) and 531.108(e).

168. **Illegal Child Care Operations Investigation Unit.** Recommendations delete one-time directive to the agency.

169. **Strategic Plan for Vacant or Underutilized FTE Positions.** Recommendations delete one-time reporting requirement.

170. **Clear Process for Including Prescription Drugs on the Texas Drug Code Index.** Recommendations delete one-time directive to the agency.

171. **Change in Ownership Processing Timeliness.** Recommendations delete one-time reporting requirement.

172. **Coordination with Diabetes Council.** Recommendations delete rider because it is duplicative of and conflicts with Health and Safety Code Chapter 95A.

173. **Statewide Bed Capacity Review and Reallocation.** Recommendations delete one-time directive to the agency.

174. **Texas Information and Referral Network Improvements.** Recommendations delete one-time directive to the agency.

175. **Information Technology and Data Services Modernization Plan.** Recommendations delete one-time reporting requirement.

176 through 191 **Contingency Riders.** Recommendations delete contingency riders for legislation that passed.

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

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
Agency Exceptional Items Not Included (in agency priority order)							
1)	Maintain Client Services Cost Growth	$1,505,371,294	$2,774,406,376	0.0	No	No	$0
2)	Foster Care Litigation	$37,994,459	$37,994,459	152.0	Yes	Yes	$28,013,205
3)	Direct Acting Antiviral Treatment for Hepatitis C	$45,971,403	$115,756,479	0.0	No	No	$79,171,084
4)	Ensure Access to Medicaid Long-term Services and Supports Waivers	$71,980,323	$185,080,508	64.5	No	No	$274,841,272
5)	Phase 1: Medicaid Management Information System Modernization Procurement and Timeline	$34,572,784	$291,619,680	0.0	Yes	Yes	$364,361,061
6)	Electronic Visit Verification Expansion	$1,253,750	$8,015,000	0.0	Yes	Yes	$3,075,602
7)	IT Security Threat Reduction and System Stabilization	$69,968,435	$102,268,128	17.1	Yes	Yes	$64,398,974
8)	IDD System Redesign and Waiver	$8,570,112	$51,198,672	29.4	Yes	Yes	$2,571,914
9)	Comply with Federal Requirements for Community Integration for Individuals with Disabilities	$35,774,530	$92,180,884	24.0	Yes	No	$183,117,478
10)	Maintain Compliance with Federal Data Governance Requirements; Maintain Data Driven Decision Making	$9,710,742	$12,548,116	4.1	Yes	Yes	$12,517,573
11)	Placeholder - Complete Construction and Expanded Operations in State Hospitals	$5	$5	260.0	No	Yes	$4
12)	Ensure Critical Facility Infrastructure Efficiency and Safety	$60,769,804	$107,686,813	4.1	No	Yes	$892,080
13)	Stabilize E-Discovery	$4,853,581	$7,150,000	0.0	Yes	Yes	$3,811,500
14)	Address Long-term Care Regulation Backlog	$28,144,978	$29,027,478	32.7	Yes	Yes	$28,781,310
15)	CAPPS Compliance and Stabilization	$5,843,542	$9,579,401	19.3	Yes	Yes	$2,926,536
16)	Facility Support	$6,087,150	$6,087,150	0.0	No	No	$6,087,150

		2022-23 Biennial Total					
		GR & GR-D	All Funds	FTEs	Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2024-25
17)	Article II Assessment Costs	$28,071,702	$28,071,702	0.0	No	No	$26,705,876
Office of Inspector General (OIG) Exceptional Items							
18)	OIG - Restoring Cuts to Nurse Cost Allocation	$1,952,790	$4,881,974	0.0	No	No	$4,881,974
19)	OIG - Access to Work Number	$251,730	$500,000	0.0	No	No	$500,000
Texas Civil Commitment Office (TCCO) Exceptional Items							
20)	TCCO - Caseload Growth and Housing Rate Increase	$3,155,832	$3,155,832	0.0	No	No	$4,691,550
21)	TCCO - Offsite Healthcare	$713,424	$713,424	0.0	No	No	$713,424
22)	TCCO - Case Manager Career Ladder	$68,688	$68,688	0.0	No	No	$91,584
23)	TCCO - Contracted Professional Services	$50,000	$50,000	0.0	No	No	$50,000
24)	TCCO - Additional FTE Request	$215,543	$215,543	2.0	No	No	$216,556
TOTAL Items Not Included in Recommendations		**$1,961,346,601**	**$3,868,256,312**	**609.2**			**$1,092,417,707**

Note: Exceptional Items above are based on information submitted by the agency as of January 28, 2021.

Health and Human Services Commission
Appendices - House

Table of Contents

Appendix	Appendix Title	Page
A	Funding Changes and Recommendations by Strategy	44
B	Summary of Federal Funds	77
C	FTE Highlights	78

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
AGED AND MEDICARE-RELATED A.1.1	**$12,021,705,285**	**$10,940,941,164**	**($1,080,764,121)**	**(9.0%)**	
GENERAL REVENUE FUNDS	$4,304,946,278	$4,131,355,616	($173,590,662)	(4.0%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$7,716,759,007	$6,809,585,548	($907,173,459)	(11.8%)	
OTHER FUNDS	$0	$0	$0	0.0%	
DISABILITY-RELATED A.1.2	**$15,010,989,527**	**$15,129,739,186**	**$118,749,659**	**0.8%**	
GENERAL REVENUE FUNDS	$5,427,135,681	$5,773,165,657	$346,029,976	6.4%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$9,583,853,846	$9,356,573,529	($227,280,317)	(2.4%)	
OTHER FUNDS	$0	$0	$0	0.0%	
PREGNANT WOMEN A.1.3	**$2,627,232,026**	**$2,379,251,844**	**($247,980,182)**	**(9.4%)**	
GENERAL REVENUE FUNDS	$948,886,297	$907,189,277	($41,697,020)	(4.4%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$1,678,345,729	$1,472,062,567	($206,283,162)	(12.3%)	
OTHER FUNDS	$0	$0	$0	0.0%	
OTHER ADULTS A.1.4	**$1,472,411,938**	**$1,509,180,930**	**$36,768,992**	**2.5%**	
GENERAL REVENUE FUNDS	$499,194,082	$538,819,322	$39,625,240	7.9%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$971,330,102	$967,973,854	($3,356,248)	(0.3%)	
OTHER FUNDS	$1,887,754	$2,387,754	$500,000	26.5%	
CHILDREN A.1.5	**$14,258,506,703**	**$15,067,458,083**	**$808,951,380**	**5.7%**	
GENERAL REVENUE FUNDS	$4,643,692,270	$5,291,735,974	$648,043,704	14.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$9,201,759,239	$9,366,264,935	$164,505,696	1.8%	
OTHER FUNDS	$413,055,194	$409,457,174	($3,598,020)	(0.9%)	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
MEDICAID PRESCRIPTION DRUGS A.1.6	**$8,430,645,044**	**$7,614,762,828**	**($815,882,216)**	**(9.7%)**	
GENERAL REVENUE FUNDS	$3,021,915,520	$2,887,338,676	($134,576,844)	(4.5%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$5,408,729,524	$4,727,424,152	($681,305,372)	(12.6%)	
OTHER FUNDS	$0	$0	$0	0.0%	
HEALTH STEPS (EPSDT) DENTAL A.1.7	**$2,559,775,936**	**$2,363,450,710**	**($196,325,226)**	**(7.7%)**	
GENERAL REVENUE FUNDS	$895,180,177	$884,849,586	($10,330,591)	(1.2%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$1,664,595,759	$1,478,601,124	($185,994,635)	(11.2%)	
OTHER FUNDS	$0	$0	$0	0.0%	
MEDICAL TRANSPORTATION A.1.8	**$375,504,378**	**$369,612,934**	**($5,891,444)**	**(1.6%)**	
GENERAL REVENUE FUNDS	$135,082,726	$140,443,909	$5,361,183	4.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$239,791,834	$228,104,465	($11,687,369)	(4.9%)	
OTHER FUNDS	$629,818	$1,064,560	$434,742	69.0%	
COMMUNITY ATTENDANT SERVICES A.2.1	**$1,724,983,145**	**$1,912,442,476**	**$187,459,331**	**10.9%**	
GENERAL REVENUE FUNDS	$624,667,822	$732,364,411	$107,696,589	17.2%	
GR DEDICATED	$4,600,000	$4,600,000	$0	0.0%	
FEDERAL FUNDS	$1,095,715,323	$1,175,478,065	$79,762,742	7.3%	
OTHER FUNDS	$0	$0	$0	0.0%	
PRIMARY HOME CARE A.2.2	**$29,160,218**	**$28,198,295**	**($961,923)**	**(3.3%)**	
GENERAL REVENUE FUNDS	$10,651,796	$10,866,236	$214,440	2.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$18,508,422	$17,332,059	($1,176,363)	(6.4%)	
OTHER FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
DAY ACTIVITY & HEALTH SERVICES A.2.3	**$16,999,951**	**$17,246,873**	**$246,922**	**1.5%**	
GENERAL REVENUE FUNDS	$6,202,425	$6,646,103	$443,678	7.2%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$10,797,526	$10,600,770	($196,756)	(1.8%)	
OTHER FUNDS	$0	$0	$0	0.0%	
NURSING FACILITY PAYMENTS A.2.4	**$709,822,128**	**$742,622,130**	**$32,800,002**	**4.6%**	
GENERAL REVENUE FUNDS	$270,100,071	$295,253,528	$25,153,457	9.3%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$439,722,057	$447,368,602	$7,646,545	1.7%	
OTHER FUNDS	$0	$0	$0	0.0%	
MEDICARE SKILLED NURSING FACILITY A.2.5	**$107,172,773**	**$99,762,132**	**($7,410,641)**	**(6.9%)**	
GENERAL REVENUE FUNDS	$40,256,028	$38,453,373	($1,802,655)	(4.5%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$66,916,745	$61,308,759	($5,607,986)	(8.4%)	
OTHER FUNDS	$0	$0	$0	0.0%	
HOSPICE A.2.6	**$594,412,184**	**$605,112,509**	**$10,700,325**	**1.8%**	
GENERAL REVENUE FUNDS	$216,896,995	$233,181,078	$16,284,083	7.5%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$377,515,189	$371,931,431	($5,583,758)	(1.5%)	
OTHER FUNDS	$0	$0	$0	0.0%	
INTERMEDIATE CARE FACILITIES - IID A.2.7	**$539,705,886**	**$547,272,033**	**$7,566,147**	**1.4%**	
GENERAL REVENUE FUNDS	$76,994,855	$90,891,278	$13,896,423	18.0%	
GR DEDICATED	$120,000,000	$120,000,000	$0	0.0%	
FEDERAL FUNDS	$342,711,031	$336,380,755	($6,330,276)	(1.8%)	
OTHER FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
HOME AND COMMUNITY-BASED SERVICES A.3.1	**$2,629,058,583**	**$2,611,176,524**	**($17,882,059)**	**(0.7%)**	
GENERAL REVENUE FUNDS	$952,072,108	$991,215,040	$39,142,932	4.1%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$1,673,186,475	$1,616,161,484	($57,024,991)	(3.4%)	
OTHER FUNDS	$3,800,000	$3,800,000	$0	0.0%	
COMMUNITY LIVING ASSISTANCE (CLASS) A.3.2	**$632,770,585**	**$627,418,239**	**($5,352,346)**	**(0.8%)**	
GENERAL REVENUE FUNDS	$207,443,820	$215,762,862	$8,319,042	4.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$425,326,765	$411,655,377	($13,671,388)	(3.2%)	
OTHER FUNDS	$0	$0	$0	0.0%	
DEAF-BLIND MULTIPLE DISABILITIES A.3.3	**$36,764,507**	**$36,483,678**	**($280,829)**	**(0.8%)**	
GENERAL REVENUE FUNDS	$12,979,840	$13,047,001	$67,161	0.5%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$23,784,667	$23,436,677	($347,990)	(1.5%)	
OTHER FUNDS	$0	$0	$0	0.0%	
TEXAS HOME LIVING WAIVER A.3.4	**$240,445,066**	**$208,211,619**	**($32,233,447)**	**(13.4%)**	
GENERAL REVENUE FUNDS	$82,059,424	$72,892,386	($9,167,038)	(11.2%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$158,385,642	$135,319,233	($23,066,409)	(14.6%)	
OTHER FUNDS	$0	$0	$0	0.0%	
ALL-INCLUSIVE CARE - ELDERLY (PACE) A.3.5	**$88,988,346**	**$89,060,771**	**$72,425**	**0.1%**	
GENERAL REVENUE FUNDS	$32,533,393	$34,319,568	$1,786,175	5.5%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$56,454,953	$54,741,203	($1,713,750)	(3.0%)	
OTHER FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
NON-FULL BENEFIT PAYMENTS A.4.1	**$1,991,956,879**	**$2,415,279,896**	**$423,323,017**	**21.3%**	
GENERAL REVENUE FUNDS	$312,151,786	$289,698,475	($22,453,311)	(7.2%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$1,647,190,706	$2,035,825,495	$388,634,789	23.6%	
OTHER FUNDS	$32,614,387	$89,755,926	$57,141,539	175.2%	
MEDICARE PAYMENTS A.4.2	**$4,149,151,719**	**$4,196,958,071**	**$47,806,352**	**1.2%**	
GENERAL REVENUE FUNDS	$2,053,068,253	$2,114,764,667	$61,696,414	3.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$2,096,083,466	$2,082,193,404	($13,890,062)	(0.7%)	
OTHER FUNDS	$0	$0	$0	0.0%	
TRANSFORMATION PAYMENTS A.4.3	**$69,147,460**	**$69,141,460**	**($6,000)**	**(0.0%)**	
GENERAL REVENUE FUNDS	$0	$0	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$42,400,638	$42,713,008	$312,370	0.7%	
OTHER FUNDS	$26,746,822	$26,428,452	($318,370)	(1.2%)	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
Total, Goal A, MEDICAID CLIENT SERVICES	**$70,317,310,267**	**$69,580,784,385**	**($736,525,882)**	**(1.0%)**	Recommendations for all strategies in Goal A, Medical Client Services, reflect the agency's request, which does not include cost growth, except for two method-of-finance changes to align with Legislative Budget Board (LBB) revenue assumptions and recommendations for the allocation of that revenue. Relative to the agency's request, recommendations reflect an increase of $3.0 million in General Revenue offset by an equal decrease in interagency contracts to align with recommendations for General Revenue-Dedicated Account No. 5111, Designated Trauma Facility and EMS Account, at the Department of State Health Services (DSHS). Relative to the agency's request, recommendations reflect a decrease of $51.8 million in General Revenue offset by an equal increase in Public Health Medicaid Reimbursements Account No. 709 (Other Funds, Account No. 709) to align with estimated revenue projections and move Account No. 709 out of Strategy G.2.2, Mental Health Community Hospitals. (See selected fiscal and policy issue #5)
GENERAL REVENUE FUNDS	$24,774,111,647	$25,694,254,023	$920,142,376	3.7%	
GR DEDICATED	$124,600,000	$124,600,000	$0	0.0%	
FEDERAL FUNDS	$44,939,864,645	$43,229,036,496	($1,710,828,149)	(3.8%)	
OTHER FUNDS	$478,733,975	$532,893,866	$54,159,891	11.3%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
MEDICAID CONTRACTS & ADMINISTRATION B.1.1	**$1,224,948,562**	**$1,190,957,601**	**($33,990,961)**	**(2.8%)**	
GENERAL REVENUE FUNDS	$422,389,576	$403,327,904	($19,061,672)	(4.5%)	Recommendations reflect the following: - an increase of $5.0 million for electronic visit verification (EVV) vendor fees, which are not included in 2020-21 because the agency's request to transfer funding has not been approved; - a decrease of $22.4 million due to the agency's five percent reduction plan; and - a decrease of $1.7 million due to projected decreased costs. (See selected fiscal and policy issue #3)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$801,123,074	$786,194,063	($14,929,011)	(1.9%)	Recommendations reflect the following: - an increase of $15.0 million for EVV vendor fees, which are not included in 2020-21 because the agency's request to transfer General Revenue funding has not been approved; - an increase of $1.1 million to align federal funds with expected eligible expenses; - a decrease of $27.7 million due to the agency's five percent reduction plan; and - a decrease of $3.1 million to align available federal matching funds with General Revenue recommendations.
OTHER FUNDS	$1,435,912	$1,435,634	($278)	(0.0%)	Recommendations reflect a decrease to align Appropriated Receipts with expected revenue collections.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
CHIP CONTRACTS & ADMINISTRATION B.1.2	**$33,490,789**	**$31,024,706**	**($2,466,083)**	**(7.4%)**	
GENERAL REVENUE FUNDS	$6,824,112	$8,488,359	$1,664,247	24.4%	Recommendations reflect the following: - an increase of $2.0 million for less favorable Enhanced Federal Medical Assistance Percentages (EFMAPs), including the loss of the 11.5 percentage point increase in fiscal year 2020; and - a decrease of $0.3 million due to projected decreased costs.
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$26,666,677	$22,536,347	($4,130,330)	(15.5%)	Recommendations reflect the following: - a decrease of $2.0 million for less favorable EFMAPs, including the loss of the 11.5 percentage point increase in fiscal year 2020; and - a decrease of $2.1 million due to projected decreased costs.
OTHER FUNDS	$0	$0	$0	0.0%	
Total, Goal B, MEDICAID & CHIP SUPPORT	**$1,258,439,351**	**$1,221,982,307**	**($36,457,044)**	**(2.9%)**	
GENERAL REVENUE FUNDS	$429,213,688	$411,816,263	($17,397,425)	(4.1%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$827,789,751	$808,730,410	($19,059,341)	(2.3%)	
OTHER FUNDS	$1,435,912	$1,435,634	($278)	(0.0%)	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
CHIP C.1.1	**$1,207,710,924**	**$1,041,231,180**	**($166,479,744)**	**(13.8%)**	
GENERAL REVENUE FUNDS	$227,266,735	$280,818,660	$53,551,925	23.6%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$980,442,291	$760,410,520	($220,031,771)	(22.4%)	
OTHER FUNDS	$1,898	$2,000	$102	5.4%	
CHIP PERINATAL SERVICES C.1.2	**$333,752,347**	**$269,903,373**	**($63,848,974)**	**(19.1%)**	
GENERAL REVENUE FUNDS	$62,070,760	$72,792,879	$10,722,119	17.3%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$271,681,587	$197,110,494	($74,571,093)	(27.4%)	
OTHER FUNDS	$0	$0	$0	0.0%	
CHIP PRESCRIPTION DRUGS C.1.3	**$395,653,761**	**$290,820,275**	**($104,833,486)**	**(26.5%)**	
GENERAL REVENUE FUNDS	$74,777,408	$78,434,461	$3,657,053	4.9%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$320,876,353	$212,385,814	($108,490,539)	(33.8%)	
OTHER FUNDS	$0	$0	$0	0.0%	
CHIP DENTAL SERVICES C.1.4	**$261,868,553**	**$189,305,846**	**($72,562,707)**	**(27.7%)**	
GENERAL REVENUE FUNDS	$49,820,752	$51,055,959	$1,235,207	2.5%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$212,047,801	$138,249,887	($73,797,914)	(34.8%)	
OTHER FUNDS	$0	$0	$0	0.0%	
Total, Goal C, CHIP CLIENT SERVICES	**$2,198,985,585**	**$1,791,260,674**	**($407,724,911)**	**(18.5%)**	Recommendations for all strategies in Goal C, CHIP Client Services, reflect the agency's request, which does not include cost growth.
GENERAL REVENUE FUNDS	$413,935,655	$483,101,959	$69,166,304	16.7%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$1,785,048,032	$1,308,156,715	($476,891,317)	(26.7%)	
OTHER FUNDS	$1,898	$2,000	$102	5.4%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
WOMEN'S HEALTH PROGRAMS D.1.1	**$342,407,745**	**$352,615,028**	**$10,207,283**	**3.0%**	Recommendations reflect an All Funds increase of $12.6 million to biennialize the cost of Healthy Texas Women (HTW) Plus services, which were implemented in September of 2020. This increase is partially offset by a net decline of $2.6 million associated with other aspects of women's health programs. (See selected fiscal and policy issue #6)
GENERAL REVENUE FUNDS	$235,259,609	$173,711,118	($61,548,491)	(26.2%)	Recommendations reflect the following: - an increase of $5.5 million to maintain 2020-21 appropriations for the Family Planning Program, which is higher than 2020-21 spending; - a decrease of $55.3 million for HTW due to a full biennium of the HTW Section 1115 Demonstration Waiver, which was approved in January 2020; - a decrease of $4.4 million to maintain funding from fiscal year 2021 for HTW cost-reimbursement contracts, which is lower than fiscal year 2020; - a net decrease of $4.0 million for HTW Plus due to reduced General Revenue demand associated with assumed carve-in of HTW Plus services into the HTW Section 1115 Demonstration Waiver, which more than offsets the increase associated with biennializing the cost of the additional services; and - a decrease of $3.3 million to maintain funding from fiscal year 2021 for administration, which is lower than fiscal year 2020.
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$106,313,013	$178,903,910	$72,590,897	68.3%	Recommendations include the following: - an increase of $55.3 million for HTW due to a full biennium of the HTW Section 1115 Demonstration Waiver; - an increase of $16.6 million to biennialize the cost of HTW Plus services and for assumed carve-in of HTW Plus services into the HTW Section 1115 Demonstration Waiver; - an increase of $0.4 million to maintain funding from fiscal year 2021 for Breast and Cervical Cancer Services (BCCS), which is higher than fiscal year 2020; and - an increase of $0.2 million to maintain funding from fiscal year 2021 for administration, which is higher than fiscal year 2020.
OTHER FUNDS	$835,123	$0	($835,123)	(100.0%)	Recommendations reflect a decrease due to the one-time nature of settlement funds received in fiscal year 2021 for BCCS.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
ALTERNATIVES TO ABORTION D.1.2	**$80,020,552**	**$80,022,732**	**$2,180**	**0.0%**	
GENERAL REVENUE FUNDS	$73,876,059	$73,876,058	($1)	(0.0%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$6,000,000	$6,000,000	$0	0.0%	
OTHER FUNDS	$144,493	$146,674	$2,181	1.5%	Recommendations reflect an increase to align Appropriated Receipts with expected revenue collections.
ECI SERVICES D.1.3	**$305,081,582**	**$339,021,572**	**$33,939,990**	**11.1%**	Recommendations reflect the agency's request, which does not include cost growth, except for method-of-finance changes to align with LBB Federal Funds and revenue assumptions. Relative to the agency's request, recommendations reflect an increase of $4.2 million in General Revenue offset by a decrease of $4.1 million in Federal Funds and $0.1 million in Other Funds. (See selected fiscal and policy issue #8)
GENERAL REVENUE FUNDS	$80,000,000	$95,429,558	$15,429,558	19.3%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$192,085,378	$210,595,810	$18,510,432	9.6%	
OTHER FUNDS	$32,996,204	$32,996,204	$0	0.0%	
ECI RESPITE & QUALITY ASSURANCE D.1.4	**$7,279,814**	**$7,672,911**	**$393,097**	**5.4%**	
GENERAL REVENUE FUNDS	$1,900,000	$1,900,000	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$5,379,814	$5,772,911	$393,097	7.3%	Recommendations reflect an increase to align federal funds with expected awards.
OTHER FUNDS	$0	$0	$0	0.0%	
CHILDREN'S BLINDNESS SERVICES D.1.5	**$11,496,274**	**$11,496,272**	**($2)**	**(0.0%)**	
GENERAL REVENUE FUNDS	$9,483,197	$9,483,196	($1)	(0.0%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$2,013,077	$2,013,076	($1)	(0.0%)	
OTHER FUNDS	$0	$0	$0	0.0%	
AUTISM PROGRAM D.1.6	**$14,376,870**	**$14,376,870**	**$0**	**0.0%**	
GENERAL REVENUE FUNDS	$14,292,870	$14,292,870	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$84,000	$84,000	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
CHILDREN WITH SPECIAL NEEDS D.1.7	**$61,001,633**	**$61,001,632**	**($1)**	**(0.0%)**	
GENERAL REVENUE FUNDS	$49,001,633	$49,001,632	($1)	(0.0%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$12,000,000	$12,000,000	$0	0.0%	
OTHER FUNDS	$0	$0	$0	0.0%	
TITLE V DNTL & HLTH SVCS D.1.8	**$17,467,856**	**$17,467,856**	**$0**	**0.0%**	
GENERAL REVENUE FUNDS	$3,162,940	$3,162,940	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$14,304,916	$14,304,916	$0	0.0%	
OTHER FUNDS	$0	$0	$0	0.0%	
KIDNEY HEALTH CARE D.1.9	**$39,982,091**	**$39,982,091**	**$0**	**0.0%**	
GENERAL REVENUE FUNDS	$36,951,671	$36,951,671	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$3,030,420	$3,030,420	$0	0.0%	
ADDITIONAL SPECIALTY CARE D.1.10	**$13,147,336**	**$8,265,900**	**($4,881,436)**	**(37.1%)**	
GENERAL REVENUE FUNDS	$10,256,592	$6,090,364	($4,166,228)	(40.6%)	Recommendations reflect the following: - an increase of less than $0.1 million for less favorable Federal Medical Assistance Percentages (FMAPs) and EFMAPs, including the loss of the 11.5 percentage point increase to EFMAP in fiscal year 2020; - a decrease of $2.0 million for the assumed elimination of a contract with an umbilical cord blood bank; - a decrease of $1.4 million related to one-time funding for mobile stroke units; - a decrease of $0.6 million due to assumed lower costs for the Pediatric Teleconnectivity Resource Program for Rural Texas; and - a decrease of less than $0.1 million due to the agency's five percent reduction plan. (See selected fiscal and policy issue #3)
GR DEDICATED	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	$2,888,144	$2,175,536	($712,608)	(24.7%)	Recommendations reflect the following: - a decrease of $0.7 million due to assumed lower costs for the Pediatric Teleconnectivity Resource Program for Rural Texas; - a decrease of less then $0.1 million for less favorable FMAPs and EFMAPs, including the loss of the 11.5 percentage point increase to EFMAP in fiscal year 2020; and - a decrease of less than $0.1 million due to the agency's five percent reduction plan.
OTHER FUNDS	$2,600	$0	($2,600)	(100.0%)	Recommendations reflect a decrease to align interagency contracts with expected contract amounts.
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%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$0	$0	$0	0.0%	
ABSTINENCE EDUCATION D.1.12	**$14,840,508**	**$14,852,574**	**$12,066**	**0.1%**	
GENERAL REVENUE FUNDS	$1,014,679	$1,014,678	($1)	(0.0%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$13,825,829	$13,837,896	$12,067	0.1%	Recommendations reflect an increase to align federal funds with expected awards.
OTHER FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
COMMUNITY MENTAL HEALTH SVCS-ADULTS D.2.1	**$802,772,368**	**$795,705,000**	**($7,067,368)**	**(0.9%)**	
GENERAL REVENUE FUNDS	$656,990,066	$656,434,300	($555,766)	(0.1%)	Recommendations reflect the following: - a decrease of $0.5 million for the removal of one-time funding provided to implement Senate Bill 633, Eighty-sixth Legislature, 2019 (SB 633); and - a decrease of less than $0.1 million for one-time full-time equivalent (FTE) start-up costs. (See selected fiscal and policy issue #9)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$145,506,287	$138,995,976	($6,510,311)	(4.5%)	Recommendations reflect the following: - a decrease of $6.5 million to align federal funds with expected awards; and - a decrease of less than $0.1 million for the removal of one-time funding to implement SB 633.
OTHER FUNDS	$276,015	$274,724	($1,291)	(0.5%)	Recommendations reflect a decrease in Appropriated Receipts to maintain 2020-21 appropriations.
COMMUNITY MENTAL HLTH SVCS-CHILDREN D.2.2	**$196,779,821**	**$187,879,512**	**($8,900,309)**	**(4.5%)**	
GENERAL REVENUE FUNDS	$137,271,845	$137,271,846	$1	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$59,507,976	$50,607,666	($8,900,310)	(15.0%)	Recommendations reflect a decrease to align federal funds with expected awards.
OTHER FUNDS	$0	$0	$0	0.0%	
COMMUNITY MENTAL HEALTH CRISIS SVCS D.2.3	**$221,233,584**	**$221,398,300**	**$164,716**	**0.1%**	
GENERAL REVENUE FUNDS	$214,338,474	$214,338,474	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$6,895,110	$7,059,826	$164,716	2.4%	Recommendations reflect an increase to align federal funds with expected awards.
OTHER FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
SUBSTANCE ABUSE SERVICES D.2.4	**$538,707,601**	**$519,994,928**	**($18,712,673)**	**(3.5%)**	
GENERAL REVENUE FUNDS	$122,073,020	$125,719,012	$3,645,992	3.0%	Recommendations reflect an increase to maintain rate increases from fiscal year 2021, which are higher than fiscal year 2020. (See selected fiscal and policy issue #12)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$416,219,267	$393,860,602	($22,358,665)	(5.4%)	Recommendations reflect a decrease to align federal funds with expected awards.
OTHER FUNDS	$415,314	$415,314	$0	0.0%	
BEHAVIORAL HLTH WAIVER & AMENDMENT D.2.5	**$56,494,540**	**$58,874,900**	**$2,380,360**	**4.2%**	
GENERAL REVENUE FUNDS	$30,248,178	$32,879,135	$2,630,957	8.7%	Recommendations reflect the following: - an increase of $1.4 million to maintain assumed fiscal year 2021 expenditures, which are higher than fiscal year 2020, including $1.1 million for client services; and - an increase of $1.3 million for less favorable FMAPs. (See selected fiscal and policy issue #10)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$26,246,362	$25,995,765	($250,597)	(1.0%)	Recommendations reflect the following: - an increase of $1.0 million to maintain assumed fiscal year 2021 expenditures, which are higher than fiscal year 2020, including $1.0 million for client services; and - a decrease of $1.3 million for less favorable FMAPs.
OTHER FUNDS	$0	$0	$0	0.0%	
COMMUNITY MENTAL HEALTH GRANT PGMS D.2.6	**$145,000,000**	**$145,000,000**	**$0**	**0.0%**	
GENERAL REVENUE FUNDS	$145,000,000	$145,000,000	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
INDIGENT HEALTH CARE REIMBURSEMENT D.3.1	**$878,886**	**$878,886**	**$0**	**0.0%**	
GENERAL REVENUE FUNDS	$0	$0	$0	0.0%	
GR DEDICATED	$878,886	$878,886	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$0	$0	$0	0.0%	
COUNTY INDIGENT HEALTH CARE SVCS D.3.2	**$1,358,250**	**$1,358,250**	**$0**	**0.0%**	
GENERAL REVENUE FUNDS	$1,062,786	$1,062,786	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$95,464	$95,464	$0	0.0%	
OTHER FUNDS	$200,000	$200,000	$0	0.0%	
Total, Goal D, ADDITIONAL HEALTH-RELATED SERVICES	**$2,894,674,991**	**$2,902,212,894**	**$7,537,903**	**0.3%**	
GENERAL REVENUE FUNDS	$1,846,531,299	$1,801,967,318	($44,563,981)	(2.4%)	
GR DEDICATED	$878,886	$878,886	$0	0.0%	
FEDERAL FUNDS	$1,009,280,637	$1,062,219,354	$52,938,717	5.2%	
OTHER FUNDS	$37,984,169	$37,147,336	($836,833)	(2.2%)	
TANF (CASH ASSISTANCE) GRANTS E.1.1	**$93,969,928**	**$93,400,635**	**($569,293)**	**(0.6%)**	Recommendations reflect an increase of $1.9 million associated with projected growth in caseloads and average grant per recipient for the State Program offset by a decrease of $2.5 million associated with the Basic program, where projected increases in average grant per recipient are more than offset by projected caseload declines.
GENERAL REVENUE FUNDS	$84,127,546	$83,558,253	($569,293)	(0.7%)	Recommendations assume TANF Federal Funds will be maintained at the projected 2020-21 level in 2022-23 and the projected All Funds decrease will be realized in General Revenue.
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$9,842,382	$9,842,382	$0	0.0%	
OTHER FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
PROVIDE WIC SERVICES E.1.2	**$1,624,515,081**	**$1,624,059,980**	**($455,101)**	**(0.0%)**	
GENERAL REVENUE FUNDS	$0	$0	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$1,126,597,059	$1,126,141,958	($455,101)	(0.0%)	Recommendations reflect a decrease to align federal funds with expected awards.
OTHER FUNDS	$497,918,022	$497,918,022	$0	0.0%	
DISASTER ASSISTANCE 5.1.3	**$34,363,834**	**$0**	**($34,363,834)**	**(100.0%)**	Recommendations reflect a decrease due to the one-time nature of this funding, which was used to respond to various emergencies.
GENERAL REVENUE FUNDS	$1,500,000	$0	($1,500,000)	(100.0%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$32,863,834	$0	($32,863,834)	(100.0%)	
OTHER FUNDS	$0	$0	$0	0.0%	
Total, Goal 5, ENCOURAGE SELF-SUFFICIENCY	**$1,752,848,843**	**$1,717,460,615**	**($35,388,228)**	**(2.0%)**	
GENERAL REVENUE FUNDS	$85,627,546	$83,558,253	($2,069,293)	(2.4%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$1,169,303,275	$1,135,984,340	($33,318,935)	(2.8%)	
OTHER FUNDS	$497,918,022	$497,918,022	$0	0.0%	
GUARDIANSHIP F.1.1	**$17,908,551**	**$17,908,550**	**($1)**	**(0.0%)**	
GENERAL REVENUE FUNDS	$3,460,646	$3,460,646	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$14,447,905	$14,447,904	($1)	(0.0%)	
OTHER FUNDS	$0	$0	$0	0.0%	
NON-MEDICAID SERVICES F.1.2	**$388,978,687**	**$331,806,264**	**($57,172,423)**	**(14.7%)**	
GENERAL REVENUE FUNDS	$58,430,848	$46,238,706	($12,192,142)	(20.9%)	Recommendations reflect a decrease of $12.2 million due to a method-of-finance change to federal Social Services Block Grant funds, which have an available balance.
GR DEDICATED	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	$330,547,839	$285,567,558	($44,980,281)	(13.6%)	Recommendations reflect the following: - an increase of $12.2 million due to a method-of-finance change from General Revenue to federal Social Services Block Grant funds, which have an available balance; - a decrease of $56.4 million in federal funding provided in 2020-21 for COVID-19 response; and - a decrease of $0.8 million to align federal funds with expected awards.
OTHER FUNDS	$0	$0	$0	0.0%	
NON-MEDICAID IDD COMMUNITY SVCS F.1.3	**$99,803,841**	**$99,803,840**	**($1)**	**(0.0%)**	
GENERAL REVENUE FUNDS	$99,797,841	$99,797,840	($1)	(0.0%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$6,000	$6,000	$0	0.0%	
INDEPENDENT LIVING SERVICES F.2.1	**$29,168,076**	**$29,168,074**	**($2)**	**(0.0%)**	
GENERAL REVENUE FUNDS	$8,894,322	$8,894,322	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$3,100,002	$3,100,002	$0	0.0%	
OTHER FUNDS	$17,173,752	$17,173,750	($2)	(0.0%)	
BEST PROGRAM F.2.2	**$960,002**	**$860,000**	**($100,002)**	**(10.4%)**	
GENERAL REVENUE FUNDS	$960,002	$860,000	($100,002)	(10.4%)	Recommendations reflect a decrease to maintain 2020-21 appropriations, which did not assume carry forward of donations from fiscal year 2019 to fiscal year 2020.
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
COMPREHENSIVE REHABILITATION (CRS) F.2.3	**$46,607,544**	**$46,507,544**	**($100,000)**	**(0.2%)**	
GENERAL REVENUE FUNDS	$46,557,544	$46,457,544	($100,000)	(0.2%)	Recommendations reflect a decrease due to the agency's five percent reduction plan. (See selected fiscal and policy issue #3)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$50,000	$50,000	$0	0.0%	
DEAF AND HARD OF HEARING SERVICES F.2.4	**$8,445,316**	**$8,445,316**	**$0**	**0.0%**	
GENERAL REVENUE FUNDS	$5,717,340	$5,717,340	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$2,727,976	$2,727,976	$0	0.0%	
FAMILY VIOLENCE SERVICES F.3.1	**$68,323,368**	**$65,308,584**	**($3,014,784)**	**(4.4%)**	
GENERAL REVENUE FUNDS	$27,779,812	$27,779,812	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$40,543,556	$37,528,772	($3,014,784)	(7.4%)	Recommendations reflect a decrease in federal funding provided in 2020-21 for COVID-19 response.
OTHER FUNDS	$0	$0	$0	0.0%	
CHILD ADVOCACY PROGRAMS F.3.2	**$77,137,820**	**$77,126,008**	**($11,812)**	**(0.0%)**	
GENERAL REVENUE FUNDS	$46,639,321	$46,639,320	($1)	(0.0%)	
GR DEDICATED	$30,459,688	$30,459,688	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$38,811	$27,000	($11,811)	(30.4%)	Recommendations reflect a decrease in License Plate Trust Fund Account No. 0802 to maintain 2020-21 appropriations, which did not assume carry forward of license plate revenue from fiscal year 2019 to fiscal year 2020.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
ADDITIONAL ADVOCACY PROGRAMS F.3.3	**$1,896,169**	**$1,729,948**	**($166,221)**	**(8.8%)**	
GENERAL REVENUE FUNDS	$1,250,864	$1,250,864	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$645,305	$479,084	($166,221)	(25.8%)	Recommendations reflect a decrease due to the discontinuation of the State Partnership Grant Program to Improve Minority Health in fiscal year 2020.
OTHER FUNDS	$0	$0	$0	0.0%	
Total, Goal F, COMMUNITY & IL SVCS & COORDINATION	**$739,229,374**	**$678,664,128**	**($60,565,246)**	**(8.2%)**	
GENERAL REVENUE FUNDS	$299,488,540	$287,096,394	($12,392,146)	(4.1%)	
GR DEDICATED	$30,459,688	$30,459,688	$0	0.0%	
FEDERAL FUNDS	$389,284,607	$341,123,320	($48,161,287)	(12.4%)	
OTHER FUNDS	$19,996,539	$19,984,726	($11,813)	(0.1%)	
STATE SUPPORTED LIVING CENTERS G.1.1	**$1,394,664,724**	**$1,370,889,219**	**($23,775,505)**	**(1.7%)**	
GENERAL REVENUE FUNDS	$491,727,831	$526,670,572	$34,942,741	7.1%	Recommendations reflect the following: - an increase of $44.1 million for less favorable FMAPs, including the loss of the 6.2 percentage point increase pursuant to the federal Families First Coronavirus Response Act (FFCRA); - a decrease of $5.0 million for one-time capital budget projects; and - a decrease of $4.1 million associated with projected census declines. (See selected fiscal and policy issue #16)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$853,785,359	$795,067,113	($58,718,246)	(6.9%)	Recommendations reflect the following: - a decrease of $44.1 million for less favorable FMAPs, including the loss of the 6.2 percentage point increase pursuant to the federal FFCRA; - a decrease of $8.1 million in Provider Relief Funds provided in 2020-21 for COVID-19 response; and - a decrease of $6.5 million associated with projected census declines.
OTHER FUNDS	$49,151,534	$49,151,534	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
MENTAL HEALTH STATE HOSPITALS G.2.1	**$907,887,042**	**$894,601,774**	**($13,285,268)**	**(1.5%)**	
GENERAL REVENUE FUNDS	$764,926,758	$763,060,213	($1,866,545)	(0.2%)	Recommendations reflect the following: - an increase of $16.4 million to provide funding to operate expanded capacity at San Antonio State Hospital for a full biennium; - an increase of $6.4 million to maintain fiscal year 2021 cost growth, which is higher than fiscal year 2020; - an increase of less than $0.1 million due to less favorable FMAPs; - a decrease of $13.7 million to reduce funding provided in fiscal year 2021 to operate eight months of expanded capacity at San Antonio State Hospital and 3 months of expanded capacity at Kerrville State Hospital; - a decrease of $8.8 million for one-time capital budget projects; and - a decrease of $2.2 million to biennialize the transfer of Casa Amistad to Strategy G.2.2, Mental Health Community Hospitals.
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$21,447,487	$10,028,763	($11,418,724)	(53.2%)	Recommendations reflect decreases of $11.4 million in Provider Relief Funds provided in 2020-21 for COVID-19 response and less than $0.1 million due to less favorable FMAPs
OTHER FUNDS	$121,512,797	$121,512,798	$1	0.0%	
MENTAL HEALTH COMMUNITY HOSPITALS G.2.2	**$274,545,452**	**$277,010,202**	**$2,464,750**	**0.9%**	
GENERAL REVENUE FUNDS	$254,304,052	$277,010,202	$22,706,150	8.9%	Recommendations reflect the following: - an increase of $20.2 million due to a method-of-finance change from Account No. 709 (Other Funds), which is moved into Goal A, Medicaid Client Services, in place of General Revenue; and - an increase of $2.2 million to biennialize the transfer of Casa Amistad from Strategy G.2.1, Mental Health State Hospitals; and - an increase of $0.3 million to maintain other fiscal year 2021 funding increases. (See select fiscal and policy issue #19)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
OTHER FUNDS	$20,241,400	$0	($20,241,400)	(100.0%)	Recommendations reflect a decrease of $20.2 million in Account No. 709 due to a method-of-finance change to General Revenue because funding from Account No. 709 is moved to Goal A, Medicaid Client Services, in place of General Revenue.
OTHER FACILITIES G.3.1	**$11,937,302**	**$11,780,432**	**($156,870)**	**(1.3%)**	
GENERAL REVENUE FUNDS	$9,010,263	$8,979,537	($30,726)	(0.3%)	Recommendations reflect an increase of less than $0.1 million to maintain funding from fiscal year 2021 for the Rio Grande State Center, which is higher than fiscal year 2020, and a decrease of $0.1 million due to decreased costs for Corpus Christi Bond Homes.
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$2,129,331	$2,003,187	($126,144)	(5.9%)	Recommendations reflect a decrease due to decreased costs for Corpus Christi Bond Homes.
OTHER FUNDS	$797,708	$797,708	$0	0.0%	
FACILITY PROGRAM SUPPORT G.4.1	**$37,401,415**	**$21,914,156**	**($15,487,259)**	**(41.4%)**	
GENERAL REVENUE FUNDS	$26,726,331	$11,124,369	($15,601,962)	(58.4%)	Recommendations reflect a decrease of $9.8 million for one-time capital budget projects and a decrease of $5.8 million to maintain fiscal year 2021 appropriated level, which is below budgeted fiscal year 2021, and adjust for less favorable FMAPs and other small budgeted changes in Federal and Other Funds.
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$10,314,422	$10,422,279	$107,857	1.0%	Recommendations reflect a net increase for various federal funding adjustments.
OTHER FUNDS	$360,662	$367,508	$6,846	1.9%	Recommendations reflect an increase to maintain fiscal year 2021 budgeted level.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
FACILITY CAPITAL REPAIRS & RENOV G.4.2	**$591,780,134**	**$27,541,872**	**($564,238,262)**	**(95.3%)**	
GENERAL REVENUE FUNDS	$21,509,895	$26,962,268	$5,452,373	25.3%	Recommendations reflect the following: - an increase of $9.1 million associated with the Texas Public Finance Authority (TPFA)'s estimates for Master Lease Purchase Program (MLPP) lease payment requirements for renovations at the state supported living centers (SSLCs) and state mental health hospitals; and - a decrease of $3.7 million associated with TPFA's estimates for MLPP lease payment requirements for energy conservation projects at the SSLCs and state mental health hospitals.
GR DEDICATED	$579,604	$579,604	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$569,690,635	$0	($569,690,635)	(100.0%)	Recommendations reflect a decrease of $569.7 million in one-time construction funding anticipated to be spent in 2020-21, including the following: - a decrease of $221.0 million in funding from the Economic Stabilization Fund (ESF) provided for new construction projects at the state mental health hospitals and state-funded inpatient mental health facilities; - a decrease of $208.8 million in MLPP Revenue Bond Proceeds for deferred maintenance at the SSLCs and state mental health hospitals; - a decrease of $136.9 million from ESF for repairs and renovations at the SSLCs and state mental health hospitals; and - a decrease of $2.9 million in General Obligation Bond proceeds for repairs and renovations at the SSLCs and state mental health hospitals. (See selected fiscal and policy issue #18)
Total, Goal G, FACILITIES	**$3,218,216,069**	**$2,603,737,655**	**($614,478,414)**	**(19.1%)**	
GENERAL REVENUE FUNDS	$1,568,205,130	$1,613,807,161	$45,602,031	2.9%	
GR DEDICATED	$579,604	$579,604	$0	0.0%	
FEDERAL FUNDS	$887,676,599	$817,521,342	($70,155,257)	(7.9%)	
OTHER FUNDS	$761,754,736	$171,829,548	($589,925,188)	(77.4%)	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
FACILITY/COMMUNITY-BASED REGULATION H.1.1	**$213,434,739**	**$212,002,472**	**($1,432,267)**	**(0.7%)**	
GENERAL REVENUE FUNDS	$71,913,661	$46,567,574	($25,346,087)	(35.2%)	Recommendations reflect the following: - a decrease of $21.0 million due to a method-of-finance change from General Revenue-Dedicated Funds and Other Funds, which have available balances; - a decrease of $4.1 million due to the agency's five percent reduction plan; - a decrease of $0.1 million to maintain fiscal year 2020 spending, which is lower than fiscal year 2021; and - a decrease of less then $0.1 million for one-time FTE start-up costs. (See selected fiscal and policy issue #3)
GR DEDICATED	$16,688,024	$35,420,228	$18,732,204	112.2%	Recommendations reflect an increase of $18.7 million due to a method-of-finance change to Account No. 5018, Home Health Services, which has an available balance.
FEDERAL FUNDS	$124,523,066	$127,275,626	$2,752,560	2.2%	Recommendations reflect the following: - an increase of $3.4 million to align federal funds with expected awards; - a decrease of $0.7 million due to the agency's five percent reduction plan; and - a decrease of less than $0.1 million for one-time FTE start-up costs.
OTHER FUNDS	$309,988	$2,739,044	$2,429,056	783.6%	Recommendations reflect the following: - an increase of $2.3 million due to a method-of-finance change to Account No. 373, Freestanding Emergency Medical Care Facility Licensing Fees, (Account No. 373) which has an available balance; and - an increase of $0.1 million to align interagency contracts with expected contract amounts.
LTC QUALITY OUTREACH H.1.2	**$30,884,769**	**$10,078,254**	**($20,806,515)**	**(67.4%)**	
GENERAL REVENUE FUNDS	$3,891,552	$3,404,752	($486,800)	(12.5%)	Recommendations reflect a decrease due to the agency's five percent reduction plan. (See selected fiscal and policy issue #3)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$5,975,163	$5,502,776	($472,387)	(7.9%)	Recommendations reflect a decrease due to the agency's five percent reduction plan.
OTHER FUNDS	$21,018,054	$1,170,726	($19,847,328)	(94.4%)	Recommendations reflect a decrease due to the completion of projects funded by Civil Money Penalties.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
CHILD CARE REGULATION H.2.1	**$86,068,754**	**$83,612,456**	**($2,456,298)**	**(2.9%)**	
GENERAL REVENUE FUNDS	$49,558,526	$48,580,190	($978,336)	(2.0%)	Recommendations reflect decreases of $0.5 million for one-time FTE start-up costs and $0.4 million due to the agency's five percent reduction plan. (See selected fiscal and policy issue #3)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$34,512,819	$33,438,568	($1,074,251)	(3.1%)	Recommendations reflect decreases of $0.6 million to align federal funds with expected awards and $0.4 million due to the agency's five percent reduction plan.
OTHER FUNDS	$1,997,409	$1,593,698	($403,711)	(20.2%)	Recommendations reflect a decrease to align interagency contracts with expected contract amounts.
HEALTH CARE PROFESSIONALS & OTHER H.3.1	**$6,475,881**	**$4,506,866**	**($1,969,015)**	**(30.4%)**	
GENERAL REVENUE FUNDS	$5,290,343	$3,417,802	($1,872,541)	(35.4%)	Recommendations reflect a decrease to biennialize the transfer of regulation of certain professions to the Behavioral Health Executive Council on September 1, 2020 pursuant to House Bill 1501, Eighty-sixth Legislature, 2019 (HB 1501). (See selected fiscal and policy issue #21)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$1,185,538	$1,089,064	($96,474)	(8.1%)	Recommendations reflect a decrease to align federal funds with expected awards.
OTHER FUNDS	$0	$0	$0	0.0%	
TEXAS.GOV H.4.1	**$166,851**	**$87,422**	**($79,429)**	**(47.6%)**	
GENERAL REVENUE FUNDS	$156,351	$71,362	($84,989)	(54.4%)	Recommendations reflect the following: - a decrease of $0.1 million to biennialize transfer of regulation of certain professions to the Behavioral Health Executive Council on September 1, 2020 pursuant to HB 1501; and - a decrease of less than $0.1 million due to a method-of-finance change to Account No. 373, which has an available balance. (See selected fiscal and policy issue #21)
GR DEDICATED	$10,500	$10,500	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$0	$5,560	$5,560	100.0%	Recommendations reflect an increase due to a method-of-finance change to Account No. 373, which has an available balance.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
Total, Goal H, REGULATORY SERVICES	**$337,030,994**	**$310,287,470**	**($26,743,524)**	**(7.9%)**	
GENERAL REVENUE FUNDS	$130,810,433	$102,041,680	($28,768,753)	(22.0%)	
GR DEDICATED	$16,698,524	$35,430,728	$18,732,204	112.2%	
FEDERAL FUNDS	$166,196,586	$167,306,034	$1,109,448	0.7%	
OTHER FUNDS	$23,325,451	$5,509,028	($17,816,423)	(76.4%)	
INTEGRATED ELIGIBILITY & ENROLLMENT I.1.1	**$1,191,211,066**	**$1,142,536,360**	**($48,674,706)**	**(4.1%)**	Recommendations maintain fiscal year 2020 estimated expenditures less $16.0 million in General Revenue that is assumed to lapse because the agency reclassified from matching funds to unmatched funds. Additional adjustments were made to account for less favorable EFMAPs, including the loss of the 11.5 percentage point increase in fiscal year 2020, and to replace additional unmatched General Revenue with Appropriated Receipts collected in fiscal year 2020 but not reflected in the LAR.
GENERAL REVENUE FUNDS	$430,771,849	$395,611,236	($35,160,613)	(8.2%)	Recommendations reflect the following: - a net decrease of $30.5 million to reduce unmatched General Revenue and account for less favorable EFMAPs, including the loss of the 11.5 percentage point increase in fiscal year 2020; and - a decrease of $4.7 million due to a method-of-finance change to Appropriated Receipts (Other Funds). (See selected fiscal and policy issue #22)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$751,707,977	$734,152,334	($17,555,643)	(2.3%)	Recommendations reflect a decrease of $11.0 million to maintain funding at the estimated fiscal year 2020 level, which is lower than fiscal year 2021, and an additional decrease of $6.5 million to account for less favorable EFMAPs, including the loss of the 11.5 percentage point increase in fiscal year 2020.
OTHER FUNDS	$8,731,240	$12,772,790	$4,041,550	46.3%	Recommendations reflect an increase of $4.7 million due to a method-of-finance change from General Revenue to Appropriated Receipts and a decrease of $0.7 million to maintain funding at the estimated fiscal year 2020 level.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
LONG-TERM CARE INTAKE & ACCESS I.2.1	**$548,491,449**	**$521,809,196**	**($26,682,253)**	**(4.9%)**	
GENERAL REVENUE FUNDS	$246,633,792	$239,306,443	($7,327,349)	(3.0%)	Recommendations reflect the following: - an increase of $0.9 million due to a method-of-finance change to federal matching funds to align non-federal and federal share based on identified matching rates; - a decrease of $4.8 million due to not accepting the agency's request to repurpose savings from Preadmission Screening & Resident Review Habilitation Coordination being added to the Medicaid State Plan in 2020-21; and - a decrease of $3.5 million due to the agency's five percent reduction plan. (See selected fiscal and policy issue #23)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$298,200,875	$280,582,753	($17,618,122)	(5.9%)	Recommendations reflect the following: - a decrease of $16.1 million in federal funding provided in 2020-21 for COVID-19 response; - a decrease of $0.9 million due to a method-of-finance change from General Revenue to align non-federal and federal share based on identified matching rates; - a decrease of $0.5 million to align federal funds with expected awards; and - a decrease of less than $0.1 million due to the agency's five percent reduction plan.
OTHER FUNDS	$3,656,782	$1,920,000	($1,736,782)	(47.5%)	Recommendations reflect a decrease due to the completion of projects funded by Civil Money Penalties.
TIERS & ELIGIBILITY SUPPORT TECH I.3.1	**$222,351,287**	**$223,399,344**	**$1,048,057**	**0.5%**	Recommendations reflect an increase to maintain fiscal year 2021, which is higher than fiscal year 2020, but adjust the method-of-financing to include additional federal funds from the agency's request while reducing unmatched General Revenue.
GENERAL REVENUE FUNDS	$82,106,519	$80,100,185	($2,006,334)	(2.4%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$139,250,818	$142,274,811	$3,023,993	2.2%	
OTHER FUNDS	$993,950	$1,024,348	$30,398	3.1%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
TIERS CAPITAL PROJECTS I.3.2	**$108,122,959**	**$107,746,340**	**($376,619)**	**(0.3%)**	Recommendations maintain the agency's fiscal year 2022 request with adjustments to align non-federal and federal share based on identified matching rates.
GENERAL REVENUE FUNDS	$40,368,264	$39,397,266	($970,998)	(2.4%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$67,754,695	$68,349,074	$594,379	0.9%	
OTHER FUNDS	$0	$0	$0	0.0%	
Total, Goal I, PGM ELG DETERMINATION & ENROLLMENT	**$2,070,176,761**	**$1,995,491,240**	**($74,685,521)**	**(3.6%)**	
GENERAL REVENUE FUNDS	$799,880,424	$754,415,130	($45,465,294)	(5.7%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$1,256,914,365	$1,225,358,972	($31,555,393)	(2.5%)	
OTHER FUNDS	$13,381,972	$15,717,138	$2,335,166	17.5%	
DISABILITY DETERMINATION SVCS (DDS) J.1.1	**$211,383,423**	**$211,746,364**	**$362,941**	**0.2%**	
GENERAL REVENUE FUNDS	$0	$0	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$211,383,423	$211,746,364	$362,941	0.2%	Recommendations reflect an increase to align federal funds with expected awards.
OTHER FUNDS	$0	$0	$0	0.0%	
Total, Goal J, DISABILITY DETERMINATION	**$211,383,423**	**$211,746,364**	**$362,941**	**0.2%**	
GENERAL REVENUE FUNDS	$0	$0	$0	0.0%	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$211,383,423	$211,746,364	$362,941	0.2%	
OTHER FUNDS	$0	$0	$0	0.0%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
OFFICE OF INSPECTOR GENERAL K.1.1	**$73,171,092**	**$61,348,598**	**($11,822,494)**	**(16.2%)**	
GENERAL REVENUE FUNDS	$35,439,022	$28,534,886	($6,904,136)	(19.5%)	Recommendations reflect decreases of $4.5 million moved to Strategy K.1.2, OIG Administrative Support, and $2.4 million due to the agency's five percent reduction plan. (See selected fiscal and policy issue #27)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$34,550,013	$29,681,742	($4,868,271)	(14.1%)	Recommendations reflect decreases of $2.6 million due to the agency's five percent reduction plan and $2.3 million to align federal funds with expected awards.
OTHER FUNDS	$3,182,057	$3,131,970	($50,087)	(1.6%)	Recommendations reflect the following: - an increase of $0.3 million to align interagency contracts with expected contract amounts; - a decrease of $0.4 million due to the agency's five percent reduction plan; and - a decrease of less than $0.1 million to align with expected revenue collections.
OIG ADMINISTRATIVE SUPPORT K.1.2	**$35,521,651**	**$41,985,038**	**$6,463,387**	**18.2%**	
GENERAL REVENUE FUNDS	$10,365,995	$14,570,606	$4,204,611	40.6%	Recommendations reflect an increase of $4.5 million moved from Strategy K.1.1, Office of Inspector General, and a decrease of $0.3 million due to the agency's five percent reduction plan. (See selected fiscal and policy issue #27)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$17,997,056	$19,975,302	$1,978,246	11.0%	Recommendations reflect an increase of $2.2 million to align federal funds with expected awards and a decrease of $0.2 million due to the agency's five percent reduction plan.
OTHER FUNDS	$7,158,600	$7,439,130	$280,530	3.9%	Recommendations reflect the following: - an increase of $0.5 million to align interagency contracts with expected contract amounts; - a decrease of $0.2 million due to the agency's five percent reduction plan; and - a decrease of less than $0.1 million to align with expected revenue collections.
Total, Goal K, OFFICE OF INSPECTOR GENERAL	**$108,692,743**	**$103,333,636**	**($5,359,107)**	**(4.9%)**	
GENERAL REVENUE FUNDS	$45,805,017	$43,105,492	($2,699,525)	(5.9%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$52,547,069	$49,657,044	($2,890,025)	(5.5%)	
OTHER FUNDS	$10,340,657	$10,571,100	$230,443	2.2%	

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
HHS SYSTEM SUPPORTS L.1.1	**$230,101,946**	**$212,567,962**	**($17,533,984)**	**(7.6%)**	
GENERAL REVENUE FUNDS	$88,260,421	$80,461,029	($7,799,392)	(8.8%)	Recommendations reflect the following: - a decrease of $6.3 million due to the agency's five percent reduction plan; - a decrease of $1.1 million for court monitor fees related to the foster care lawsuit; - a decrease of $0.3 million for one-time FTE start-up costs; and - a decrease of less than $0.1 million to maintain fiscal year 2020, which is lower than fiscal year 2021. (See selected fiscal and policy issues #3 and #20)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$91,514,502	$82,659,557	($8,854,945)	(9.7%)	Recommendations reflect the following: - an increase of $1.1 million to align federal funds with expected awards; - a decrease of $5.8 million due to less favorable FMAPs and EFMAPs, including the loss of the 11.5 percentage point increase to EFMAP in fiscal year 2020; - a decrease of $4.1 million due to the agency's five percent reduction plan; and - a decrease of $0.1 million for one-time FTE start-up costs.
OTHER FUNDS	$50,327,023	$49,447,376	($879,647)	(1.7%)	Recommendations include the following: - an increase of $0.3 million to align with projected revenue collections; - a decrease of $1.0 million in interagency contracts related to the agency's five percent reduction plan; - a decrease of $0.1 million for one-time FTE start-up costs; and - a decrease of $0.1 million to maintain fiscal year 2020, which is lower than fiscal year 2021.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
IT OVERSIGHT & PROGRAM SUPPORT L.1.2	**$498,102,842**	**$455,994,798**	**($42,108,044)**	**(8.5%)**	
GENERAL REVENUE FUNDS	$229,092,629	$215,011,399	($14,081,230)	(6.1%)	Recommendations reflect the following: - an increase of $9.8 million for compliance upgrades to the agency's instance of the Centralized Accounting and Payroll/Personnel System (CAPPS); - a decrease of $12.1 million due to the agency's five percent reduction plan; - a decrease of $10.3 million for capital budget projects that were one-time or are expected to cost less in 2022-23; and - a decrease of $1.5 million to align with LBB projections for FMAPs and EFMAPs. (See selected fiscal and policy issue #3, #24, and #26)
GR DEDICATED	$2,829	$2,828	($1)	(0.0%)	
FEDERAL FUNDS	$192,927,819	$171,343,911	($21,583,908)	(11.2%)	Recommendations reflect the following: - an increase of $3.7 million for compliance upgrades to the agency's instance of CAPPS; - an increase of $1.5 million to align with LBB projections for FMAPs and EFMAPs; - a decrease of $10.7 million due to the agency's five percent reduction plan; - a decrease of $10.4 million to align federal funds with expected awards; and - a decrease of $5.7 million for capital budget projects that were one-time or are expected to cost less in 2022-23.
OTHER FUNDS	$76,079,565	$69,636,660	($6,442,905)	(8.5%)	Recommendations include the following: - a decrease of $2.5 million due to the agency's five percent reduction plan; - a decrease of $1.6 million to maintain fiscal year 2021, which is lower than fiscal year 2020; - a decrease of $1.3 million to align with projected revenue collections; and - a decrease of $1.0 million for capital budget projects that were one-time or are expected to cost less in 2022-23.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
CENTRAL PROGRAM SUPPORT L.2.1	**$84,567,007**	**$79,341,326**	**($5,225,681)**	**(6.2%)**	
GENERAL REVENUE FUNDS	$41,612,192	$38,418,140	($3,194,052)	(7.7%)	Recommendations reflect the following: - a decrease of $2.2 million due to the agency's five percent reduction plan; - a decrease of $0.8 million to align with LBB projections for FMAPs and EFMAPs; and - a decrease of $0.2 million in one-time funding for vehicles. (See selected fiscal and policy issue #3)
GR DEDICATED	$42	$42	$0	0.0%	
FEDERAL FUNDS	$32,335,729	$32,093,220	($242,509)	(0.7%)	Recommendations reflect the following: - an increase of $0.8 million to align with LBB projections for FMAPs and EFMAPs; - an increase of $0.1 million to align federal funds with expected awards; and - a decrease of $1.1 million due to the agency's five percent reduction plan.
OTHER FUNDS	$10,619,044	$8,829,924	($1,789,120)	(16.8%)	Recommendations reflect decreases of $1.7 million in interagency contracts due to the agency's five percent reduction plan and less than $0.1 million to align with expected revenue collections.
REGIONAL PROGRAM SUPPORT L.2.2	**$214,265,566**	**$200,871,834**	**($13,393,732)**	**(6.3%)**	
GENERAL REVENUE FUNDS	$9,538,984	$9,426,312	($112,672)	(1.2%)	Recommendations reflect a decrease of $0.1 million due to the agency's five percent reduction plan and an increase of less than $0.1 million for less favorable FMAPs and EFMAPs, including the loss of the 11.5 percentage point increase to EFMAP in fiscal year 2020. (See selected fiscal and policy issue #3)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$11,104,672	$8,115,314	($2,989,358)	(26.9%)	Recommendations reflect the following: - a decrease of $2.9 million to align federal funds with expected awards; - a decrease of $0.1 million due to the agency's five percent reduction plan; and - a decrease of less than $0.1 million for less favorable FMAPs and EFMAPs, including the loss of the 11.5 percentage point increase to EFMAP in fiscal year 2020.
OTHER FUNDS	$193,621,910	$183,330,208	($10,291,702)	(5.3%)	Recommendations reflect decreases of $10.3 million in interagency contracts due to the agency's five percent reduction plan and less than $0.1 million to align with expected revenue collections.

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

Strategy/Fund Type/Goal	2020-21 Base	2022-23 Recommended	Biennial Change	% Change	Comments
Total, Goal L, SYSTEM OVERSIGHT & PROGRAM SUPPORT	**$1,027,037,361**	**$948,775,920**	**($78,261,441)**	**(7.6%)**	
GENERAL REVENUE FUNDS	$368,504,226	$343,316,880	($25,187,346)	(6.8%)	
GR DEDICATED	$2,871	$2,870	($1)	(0.0%)	
FEDERAL FUNDS	$327,882,722	$294,212,002	($33,670,720)	(10.3%)	
OTHER FUNDS	$330,647,542	$311,244,168	($19,403,374)	(5.9%)	
TEXAS CIVIL COMMITMENT OFFICE M.1.1	**$37,918,120**	**$35,900,354**	**($2,017,766)**	**(5.3%)**	
GENERAL REVENUE FUNDS	$37,643,046	$35,776,354	($1,866,692)	(5.0%)	Recommendations reflect a decrease due to the agency's five percent reduction plan. (See selected fiscal and policy issue #28)
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$275,074	$124,000	($151,074)	(54.9%)	Recommendations reflect a decrease to align Appropriated Receipts with expected revenue collections.
Total, Goal M, TEXAS CIVIL COMMITMENT OFFICE	**$37,918,120**	**$35,900,354**	**($2,017,766)**	**(5.3%)**	
GENERAL REVENUE FUNDS	$37,643,046	$35,776,354	($1,866,692)	(5.0%)	
GR DEDICATED	$0	$0	$0	0.0%	
FEDERAL FUNDS	$0	$0	$0	0.0%	
OTHER FUNDS	$275,074	$124,000	($151,074)	(54.9%)	
Grand Total, All Agency	**$86,171,943,882**	**$84,101,637,642**	**($2,070,306,240)**	**(2.4%)**	
GENERAL REVENUE FUNDS	$30,799,756,651	$31,654,256,907	$854,500,256	2.8%	
GR DEDICATED	$173,219,573	$191,951,776	$18,732,203	10.8%	
FEDERAL FUNDS	$53,023,171,711	$50,651,052,393	($2,372,119,318)	(4.5%)	
OTHER FUNDS	$2,175,795,947	$1,604,376,566	($571,419,381)	(26.3%)	

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

Program	Est 2020	Bud 2021	Rec 2022	Rec 2023	2020-21 Base	2022-23 Rec	2022-23 Rec % Total	Rec Over/ (Under) Base	% Change from Base
Medicaid	$23,597.0	$24,188.3	$23,099.7	$22,932.4	$47,785.2	$46,032.1	**90.9%**	**($1,753.1)**	**(3.7%)**
Children's Insurance Program (CHIP)	$1,051.4	$829.5	$691.8	$698.5	$1,880.9	$1,390.4	**2.7%**	**($490.6)**	**(26.1%)**
Nutrition Program for Women, Infants, and Children (WIC)	$566.4	$566.0	$566.1	$566.1	$1,132.4	$1,132.2	**2.2%**	**($0.2)**	**(0.0%)**
SNAP State Administration	$190.7	$191.2	$189.8	$189.6	$381.9	$379.5	**0.7%**	**($2.5)**	**(0.6%)**
Block Grants for Prevention and Treatment of Substance Abuse	$146.2	$145.4	$144.8	$144.8	$291.6	$289.7	**0.6%**	**($1.9)**	**(0.7%)**
Social Security Disability Insurance	$110.7	$110.8	$109.0	$108.9	$221.5	$218.0	**0.4%**	**($3.6)**	**(1.6%)**
Social Services Block Grant	$95.2	$95.2	$101.3	$101.3	$190.4	$202.6	**0.4%**	**$12.2**	**6.4%**
Block Grants for Community Mental Health	$68.7	$74.4	$64.7	$64.7	$143.1	$129.5	**0.3%**	**($13.7)**	**(9.5%)**
Survey & Certification: Health Care Providers & Suppliers	$55.4	$59.8	$59.5	$59.3	$115.2	$118.7	**0.2%**	**$3.6**	**3.1%**
Special Education Grants for Infants & Families w/Disabilities	$47.0	$47.9	$53.4	$54.4	$94.9	$107.8	**0.2%**	**$12.8**	**13.5%**
Opioid State Targeted Response	$72.0	$56.6	$52.2	$52.2	$128.5	$104.4	**0.2%**	**($24.2)**	**(18.8%)**
Special Programs for the Aging - Nutrition Services	$44.5	$44.7	$44.7	$44.7	$89.3	$89.3	**0.2%**	**$0.0**	**0.0%**
Money Follows the Person Rebalancing Demonstration	$26.4	$25.9	$36.9	$36.7	$52.3	$73.6	**0.1%**	**$21.3**	**40.8%**
Temporary Assistance for Needy Families to Title XX	$31.7	$31.7	$31.7	$31.7	$63.3	$63.3	**0.1%**	**($0.0)**	**(0.0%)**
Grants for Supportive Services and Senior Centers	$28.8	$28.8	$29.2	$29.2	$57.6	$58.4	**0.1%**	**$0.8**	**1.4%**
Temporary Assistance for Needy Families	$28.0	$28.7	$28.4	$28.5	$56.7	$56.8	**0.1%**	**$0.1**	**0.2%**
Child Care and Development Block Grant	$16.2	$16.2	$14.6	$14.6	$32.4	$29.3	**0.1%**	**($3.1)**	**(9.6%)**
Maternal and Child Health Services Block Grants to the States	$13.2	$13.2	$13.2	$13.2	$26.3	$26.3	**0.1%**	**$0.0**	**0.0%**
Nutrition Services Incentive Program	$11.6	$11.6	$11.6	$11.6	$23.1	$23.1	**0.0%**	**$0.0**	**0.0%**
National Family Caregiver Support Program	$11.4	$11.4	$11.4	$11.4	$22.8	$22.8	**0.0%**	**$0.0**	**0.0%**
Abstinence Education	$6.9	$6.9	$6.9	$6.9	$13.8	$13.9	**0.0%**	**$0.0**	**0.2%**
Family Violence Prevention & Services	$6.7	$6.7	$6.7	$6.7	$13.4	$13.4	**0.0%**	**$0.0**	**0.0%**
Projects of Regional and National Significance	$6.1	$6.5	$6.2	$6.2	$12.6	$12.4	**0.0%**	**($0.2)**	**(1.5%)**
Cancer Prevention and Control Programs	$6.0	$6.0	$6.0	$6.0	$12.0	$12.0	**0.0%**	**($0.0)**	**(0.0%)**
Special Education Grants to States	$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%)**
Grants awarded in Response to Covid-19[1]	$43.1	$57.9	$0.0	$0.0	$100.9	$0.0	**0.0%**	**($100.9)**	**(100.0%)**
All other grants (not awarded in response to Covid-19)[2]	$42.8	$17.7	$15.8	$15.6	$60.6	$31.4	**0.1%**	**($29.1)**	**(48.1%)**
TOTAL:	**$26,334.0**	**$26,689.1**	**$25,405.8**	**$25,245.3**	**$53,023.2**	**$50,651.1**	**100.0%**	**($2,372.1)**	**(4.5%)**

1. Includes grants made in response to COVID-19, none of which were continued in 2022-23.
2. Includes grants that for the 2022-23 biennium do not exceed $5.0 million and that were not allocated in response to COVID-19 in 2020-21.

Health and Human Services Commission
FTE Highlights - House

Full-Time-Equivalent Positions	Expended 2019	Estimated 2020	Budgeted 2021	Recommended 2022	Recommended 2023
Cap	39,809.4	37,975.7	38,306.0	37,973.4	37,973.4
Actual/Budgeted	36,071.4	37,975.7	38,306.0	NA	NA

Schedule of Exempt Positions (Cap)					
Executive Commissioner, Group 9	$266,500	$290,258	$290,258	$290,258	$290,258

Notes:
a) The FTE cap for fiscal year 2019 reflects appropriated FTEs 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 of child care abuse and neglect investigations from HHSC to the Department of Family and Protective Services (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.

b) The FTE caps for fiscal years 2020 and 2021 reflect appropriated FTEs adjusted as follows:
1) An increase of 2.0 FTEs in fiscal year 2020 and 8.0 FTEs in fiscal year 2021 transferred from the Department of State Health Services (DSHS) to HHSC to address contact tracing information technology needs; and
2) A decrease of 4.0 FTEs in each fiscal year related to transfer of the Vital Statistics Fraud Unit from HHSC to DSHS.

c) The FTE caps for fiscal years 2020 and 2021 do not account for certain FTE adjustments included in HHSC's Legislative Appropriations Request (LAR) because appropriate notification letters required by the 2020-21 General Appropriations Act were not submitted until after the LAR. This includes the following:
1) An increase of 21.0 FTEs in each fiscal year to respond to Tropical Storm Imelda.
2) A decrease of 10.0 FTEs in each fiscal year that were supposed to transfer to DSHS for the Texas Center of Infectious Disease.

d) The estimated/budget amounts submitted by HHSC in the LAR for fiscal years 2020 and 2021 did not represent actual estimated/budgeted amounts, instead representing an adjusted FTE cap assumed by the agency. These have been replaced in recommendations with the adjusted FTE cap calculated by the Legislative Budget Board.

e) HHSC's five percent reduction plan for 2022-23 reflected reductions in expenditures related to staffing and administration, but did not include reductions to FTEs. There are FTEs associated with the reductions, but HHSC did not provide information on their FTE assumptions regarding their five percent reduction plan in time to be incorporated into the introduced bill. Recommendations for 2022-23 are based on the fiscal year 2021 adjusted cap with reductions of 260.0 FTEs at Kerrville State Hospital due to construction project delays, 32.5 FTEs assumed to decrease as part of the agency's five percent reduction plan impacting the Office of the Inspector General, 27.7 FTEs in Long-Term Care Intake and Access related to HHSC's revised request for monitoring of Area Agencies on Aging, and 12.4 FTEs associated with one-time costs or discontinued programs.

f) The State Auditor's Office, Executive Compensation at State Agencies (Report No. 20-706, August 2020), indicated a market average salary of $300,958 for the Executive Commissioner position at the Health and Human Services Commission. The commission is not requesting any changes to its Exempt position.