



LEGISLATIVE BUDGET BOARD

Statewide Behavioral Health Services

Overview and Funding

PRESENTED TO THE HOUSE COMMITTEE ON APPROPRIATIONS

LEGISLATIVE BUDGET BOARD STAFF

FEBRUARY 2021

Funding for Behavioral Health Services

- \$4.2 billion in All Funds (\$3.3 billion in General Revenue Funds and General Revenue-Dedicated Funds) for non-Medicaid/Children’s Health Insurance Program (CHIP) behavioral health services at 24 agencies across six articles.
- Estimated behavioral health-related Medicaid and CHIP expenditures total \$3.7 billion in All Funds and \$98.9 million in All Funds, respectively.
- Total behavioral health-related funding, including Medicaid and CHIP expenditures, is estimated to be \$8.0 billion in All Funds.
- Funding at the Health and Human Services Commission (HHSC) includes:
 - \$1.4 billion in All Funds (\$1.2 billion in General Revenue Funds) for community mental health services, including:
 - \$795.7 million in All Funds for adult mental health services;
 - \$187.9 million in All Funds for children mental health services; and
 - \$145.0 million in General Revenue Funds for community mental health grant programs;
 - \$894.6 million in All Funds (\$763.1 million in General Revenue Funds) for state mental health hospital operations, including \$16.4 million in General Revenue Funds to operate expanded inpatient bed capacity at San Antonio State Hospital for a full biennium; and
 - \$520.0 million in All Funds (\$125.7 million in General Revenue Funds) for substance use services.

Funding for Behavioral Health Services (non-Medicaid/CHIP)

| Agency | 2020-21 Biennium Estimated / Budgeted | | 2022-23 Biennium House Recommendations | |
|---|---------------------------------------|-------------------------|--|-------------------------|
| | GR & GR-D | All Funds | GR & GR-D | All Funds |
| Office of the Governor, Trusteed Programs | \$ 17,693,638 | \$ 94,213,430 | \$ 17,000,000 | \$ 92,779,146 |
| Veterans Commission | \$ - | \$ 13,738,000 | \$ - | \$ 13,738,000 |
| Article I Subtotal | \$ 17,693,638 | \$ 107,951,430 | \$ 17,000,000 | \$ 106,517,146 |
| Health and Human Services Commission | \$ 2,397,107,389 | \$ 3,664,794,255 | \$ 2,421,579,916 | \$ 3,214,363,124 |
| Texas Civil Commitment Office | \$ 309,222 | \$ 309,222 | \$ 309,222 | \$ 309,222 |
| Department of Family and Protective Services | \$ 37,358,100 | \$ 60,489,152 | \$ 37,358,100 | \$ 60,557,088 |
| Department of State Health Services | \$ 5,109,011 | \$ 5,617,940 | \$ 1,878,984 | \$ 3,478,674 |
| Article II Subtotal | \$ 2,439,883,722 | \$ 3,731,210,569 | \$ 2,461,126,222 | \$ 3,278,708,108 |
| Texas Higher Education Coordinating Board | \$ 99,000,000 | \$ 99,000,000 | \$ 99,000,000 | \$ 99,000,000 |
| School for the Deaf | \$ - | \$ - | \$ 140,868 | \$ 140,868 |
| Texas Tech University Health Science Center | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 |
| University of Texas - Health Science Center at Houston | \$ 16,000,000 | \$ 16,000,000 | \$ 16,000,000 | \$ 16,000,000 |
| University of Texas - Health Science Center at Tyler | \$ 13,460,000 | \$ 13,460,000 | \$ 13,460,000 | \$ 13,460,000 |
| Article III Subtotal | \$ 133,460,000 | \$ 133,460,000 | \$ 133,600,868 | \$ 133,600,868 |
| Supreme Court of Texas | \$ 2,500,009 | \$ 2,500,009 | \$ 2,500,000 | \$ 2,500,000 |
| Court of Criminal Appeals | \$ 1,137,000 | \$ 1,137,000 | \$ 1,137,000 | \$ 1,137,000 |
| Office of Court Administration | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 |
| Article IV Subtotal | \$ 8,637,009 | \$ 8,637,009 | \$ 8,637,000 | \$ 8,637,000 |
| Military Department | \$ 1,999,100 | \$ 1,999,100 | \$ 1,999,100 | \$ 1,999,100 |
| Commission on Jail Standards | \$ 612,689 | \$ 612,689 | \$ 373,866 | \$ 373,866 |
| Juvenile Justice Department | \$ 177,258,159 | \$ 180,940,159 | \$ 178,177,725 | \$ 181,859,725 |
| Department of Criminal Justice | \$ 520,474,663 | \$ 525,563,705 | \$ 520,474,663 | \$ 525,563,705 |
| Article V Subtotal | \$ 700,344,611 | \$ 709,115,653 | \$ 701,025,354 | \$ 709,796,396 |
| Medical Board | \$ 1,316,117 | \$ 1,316,117 | \$ 1,279,474 | \$ 1,279,474 |
| State Board of Dental Examiners | \$ 264,480 | \$ 264,480 | \$ 264,480 | \$ 264,480 |
| Board of Nursing | \$ 2,010,916 | \$ 2,010,916 | \$ 2,010,916 | \$ 2,010,916 |
| Optometry Board | \$ 72,000 | \$ 72,000 | \$ 94,000 | \$ 94,000 |
| State Board of Pharmacy | \$ 486,009 | \$ 486,009 | \$ 588,405 | \$ 588,405 |
| Board of Veterinary - Medical Examiners | \$ 90,000 | \$ 90,000 | \$ 90,000 | \$ 90,000 |
| Article VIII Subtotal | \$ 4,239,522 | \$ 4,239,522 | \$ 4,327,275 | \$ 4,327,275 |
| Cross Article Total, Excluding Medicaid and CHIP | \$ 3,304,258,502 | \$ 4,694,614,183 | \$ 3,325,716,719 | \$ 4,241,586,793 |

Funding for Behavioral Health Services (Medicaid and CHIP)

| Agency | 2020-21 Biennium Estimated / Budgeted | | 2022-23 Biennium House Recommendations | |
|--|---------------------------------------|------------------|--|------------------|
| | GR & GR-D | All Funds | GR & GR-D | All Funds |
| Estimated Behavioral Health Related Medicaid Expenditures | | \$ 3,338,053,319 | | \$ 3,677,116,110 |
| Estimated Behavioral Health Related CHIP Expenditures | | \$ 90,189,047 | | \$ 98,876,106 |
| Medicaid and CHIP Subtotal | | \$ 3,428,242,366 | | \$ 3,775,992,216 |
| Cross Article Total with Medicaid and CHIP | | \$ 8,122,856,549 | | \$ 8,017,579,009 |

Note: Estimated behavioral health-related Medicaid and CHIP expenditures include projected cost growth that is not funded in House recommendations.

Funding for Behavioral Health Services (continued)

- Funding for non-Medicaid and CHIP behavioral health services is a decrease of \$453.0 million in All Funds and an increase of \$21.5 million in General Revenue and General Revenue-Dedicated Funds from the 2020-21 biennial level.
- The decrease is due primarily to the following decreases at HHSC:
 - \$406.2 million in Other Funds for one-time construction projects and capital repair and renovation projects at state-funded inpatient mental health facilities;
 - \$37.8 million in Federal Funds in community mental health and substance use services, primarily because HHSC has carried forward some federal awards into fiscal year 2020; and
 - \$11.4 million in Federal Funds at the mental health state hospitals for COVID-19 pandemic response that are not assumed to continue into 2022-23.
- These decreases are partially offset by other increases at HHSC in General Revenue to maintain higher fiscal year 2021 rates for substance use treatment services and fiscal year 2021 caseloads for the Youth Empowerment Services (YES) Waiver and Home and Community-Based Services – Adult Mental Health Program.
- Recommendations at HHSC for community mental health hospitals also include a method-of-finance swap of \$20.2 million from Other Funds 709, Public Health Medicaid Reimbursements, to General Revenue, to align with other non-behavioral health related recommendations at HHSC for Medicaid Client Services.

Article IX Section 10.04

(2018-19 General Appropriations Act (GAA), Eighty-fifth Legislature, 2017)

Article IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures, 2018-19 GAA:

- Provided an informational listing of funding for behavioral health and substance use services;
- Listed agencies that served on the Statewide Behavioral Health Coordinating Council;
- Required the Council to submit the Coordinated Statewide Expenditure Proposal each fiscal year of the biennium;
and
- Required the Council to submit a report each fiscal year detailing progress made towards the Statewide Behavioral Health Strategic Plan. The plan, submitted by the Council in May 2016, provides the framework to address gaps and challenges in the behavioral health system and improve access to care and individual outcomes.

Article IX Section 10.04

(House Recommendations, Eighty-seventh Legislature, 2021)

House recommendations amend Article IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures, to:

- Update the informational listing of behavioral health appropriations to align with recommendations for the 2022-23 biennium;
- Continue to require the Texas Mental Health Care Consortium to designate an individual to serve on the Statewide Behavioral Health Coordinating Council; and
- Continue to require submission of an annual coordinated statewide expenditure proposal.

Construction at State Mental Health Facilities

Eighty-fifth Legislature, 2017:

- \$300.0 million from the Economic Stabilization Funds (ESF) was appropriated at HHSC for new construction and significant repairs at state hospitals and other state-funded inpatient mental health facilities in the 2018-19 biennium;
- HHSC Rider 147, New Construction of State Hospitals, 2018-19 GAA, required HHSC to submit a comprehensive plan to expand inpatient bed capacity over the next three biennia, and required HHSC to receive approval for projects prior to expenditure of the funds;
- HHSC received approval to expend \$298.0 million from the ESF for the following projects:
 - \$125.0 million for construction of new facility in Harris County, with a minimum of 228 beds added to total state capacity;
 - \$91.5 million for construction of a 100-bed maximum security unit (MSU) and \$4.5 million for planning of a 100-bed non-MSU at Rusk State Hospital;
 - \$30.5 million for construction of a 70-bed MSU at Kerrville State Hospital;
 - \$30.0 million to begin planning efforts to replace current Austin State Hospital (\$15.5 million; 240-bed campus) and San Antonio State Hospital (\$14.5 million; 300-bed campus);
 - \$11.5 million for construction of a 40-bed unit at San Antonio State Hospital;
 - \$4.3 million to address fiber infrastructure and storm water run-off systems at the Harris County facility and Rusk State Hospital; and
 - \$0.7 million to hire 3.0 FTEs for oversight of the construction projects.

Construction at State Mental Health Facilities (continued)

Eighty-sixth Legislature, 2019:

- Senate Bill 500, Eighty-sixth Legislature, 2019, provided an additional \$445.4 million from the ESF in fiscal year 2019 for the following projects:
 - \$90.1 million for construction of a 100-bed non-MSU at Rusk State Hospital; and
 - \$355.3 million to begin construction to replace current Austin State Hospital (\$165.0 million; 240-bed campus) and San Antonio State Hospital (\$190.3 million; 300-bed campus).
- HHSC also received an additional \$15.5 million in General Revenue Funds and 378.3 FTEs in the 2020-21 General Appropriations Act to staff and operate the 40-bed unit at San Antonio and 70-bed unit at Kerrville State Hospitals for part of fiscal year 2021.

Considerations for Eighty-seventh Legislature, 2021:

- HHSC's revised Exceptional Item #11, Construction and Expanded Operations, includes the following requests:
 - \$152.4 million to complete construction at San Antonio State Hospital;
 - \$124.1 million to complete construction at Austin State Hospital;
 - \$52.1 million to staff and operate the new facility in Harris County;
 - \$29.3 million and 260.0 FTEs to staff and operate the 70-bed unit at Kerrville State Hospital; and
 - Placeholder to begin pre-planning and planning efforts for new hospitals in the Dallas area and Panhandle region, and for the replacement of North Texas Wichita Falls and Terrell State Hospitals.
- Note: Funding estimates were provided by HHSC.

Construction at State Mental Health Facilities (continued)

| Construction Projects | Eighty-fifth Legislature, 2017 ¹ | Eighty-sixth Legislature, 2019 ² | Agency Requests for Eighty-seventh Legislature, 2021 ³ |
|---|--|--|---|
| San Antonio State Hospital - 300-Bed Replacement | \$ 14,500,000 | \$ 190,300,000 | \$ 152,400,000 |
| San Antonio State Hospital - 40-Bed Unit | \$ 11,500,000 | | |
| Austin State Hospital - 240-Bed Replacement | \$ 15,500,000 | \$ 165,000,000 | \$ 124,100,000 |
| Kerrville State Hospital - 70-Bed Maximum Security Unit (MSU) | \$ 30,500,000 | | |
| Rusk State Hospital - 100-Bed MSU | \$ 91,500,000 | | |
| Rusk State Hospital - 100-Bed non-MSU | \$ 4,500,000 | \$ 90,054,363 | |
| Harris County - Minimum 228-Bed Facility | \$ 125,000,000 | | |
| Storm Water Run-off System at Rusk and Harris County Facility | \$ 3,799,500 | | |
| Fiber Infrastructure at Rusk | \$ 500,000 | | |
| Total Funding for Construction Projects | \$ 297,299,500 | \$ 445,354,363 | \$ 276,500,000 |

- 1) Does not include \$0.7 million approved for construction oversight FTEs.
- 2) Funds were appropriated in Senate Bill 500, Eighty-sixth Legislature, 2019, for a two-year period beginning in fiscal year 2019.
- 3) The Eighty-sixth Legislature provided funding to begin construction at Austin and San Antonio State Hospital. HHSC has requested the additional funding to complete construction.



LEGISLATIVE BUDGET BOARD

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