



LEGISLATIVE BUDGET BOARD

HHS Overview

•PRESENTED TO THE HOUSE COMMITTEE ON HUMAN SERVICES

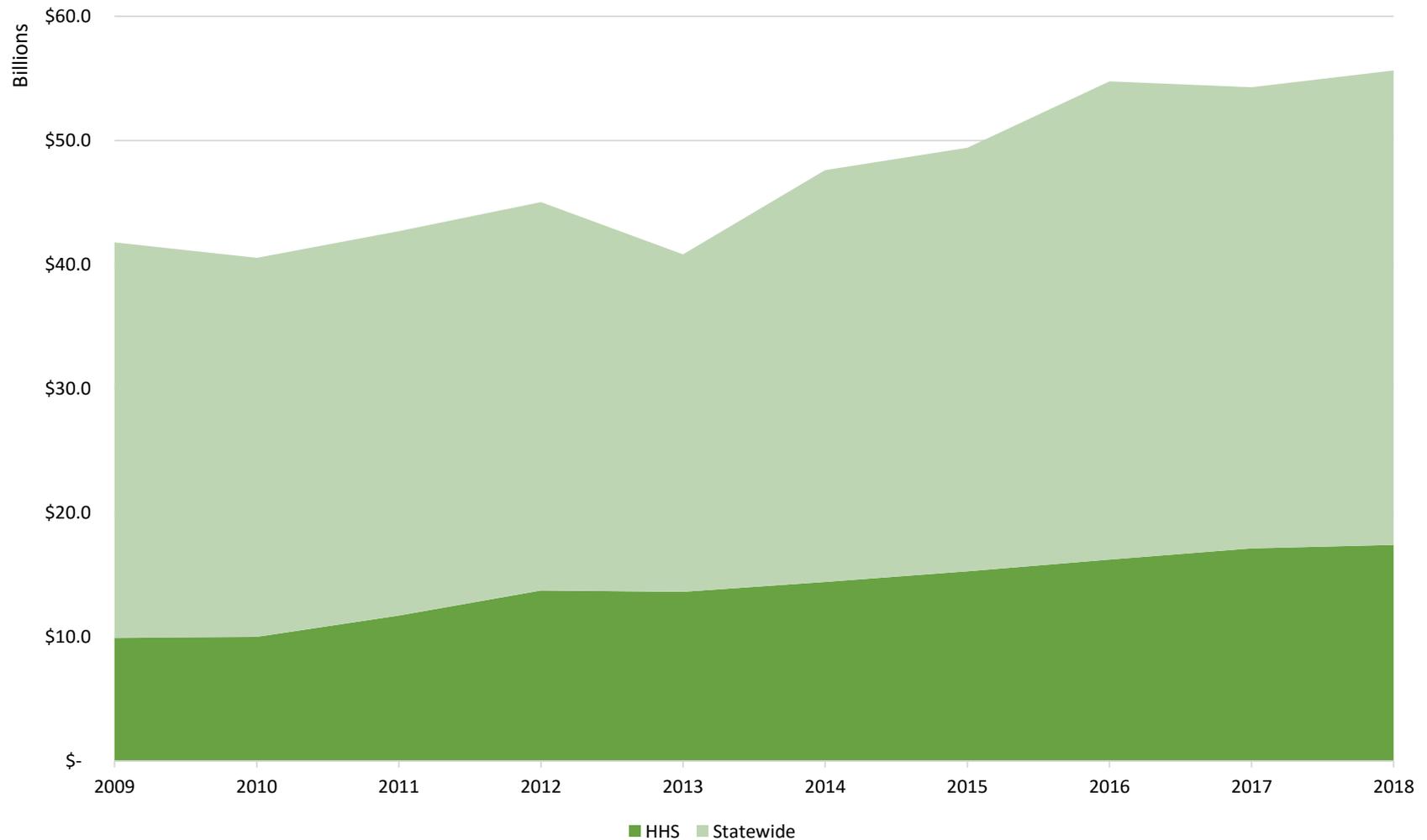
•LEGISLATIVE BUDGET BOARD STAFF

February 2019

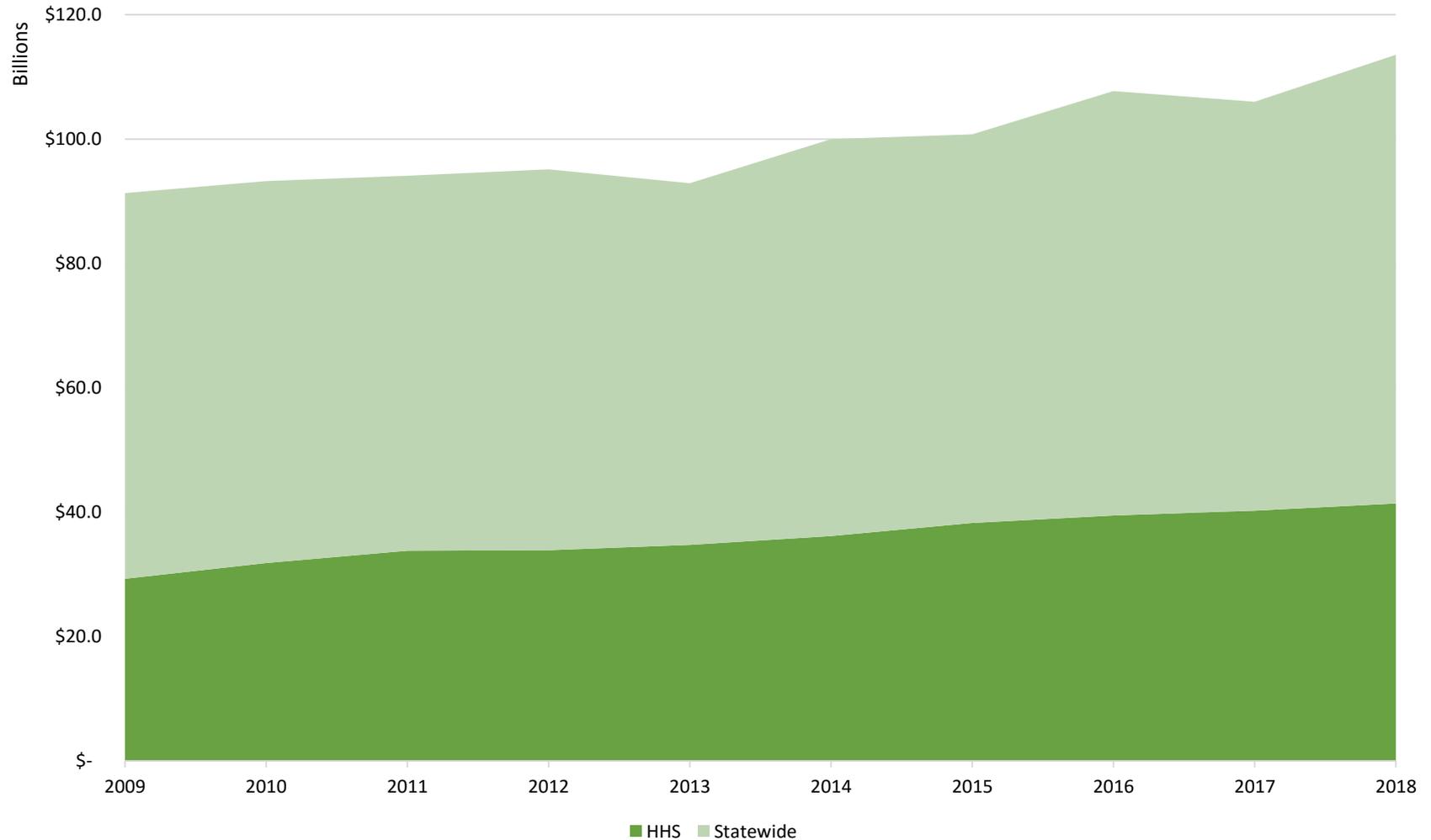
Presentation Overview

- Overview of Article II;
- Medicaid financing, caseloads, and cost drivers;
- State Supported Living Centers;
- DFPS overview;
- Foster care funding and caseloads;
- TANF cash assistance and caseload;
- House Bill 1 as Introduced

Article II General Revenue Expenditures, FY 2009-2018



Article II All Funds Expenditures, FY 2009-2018

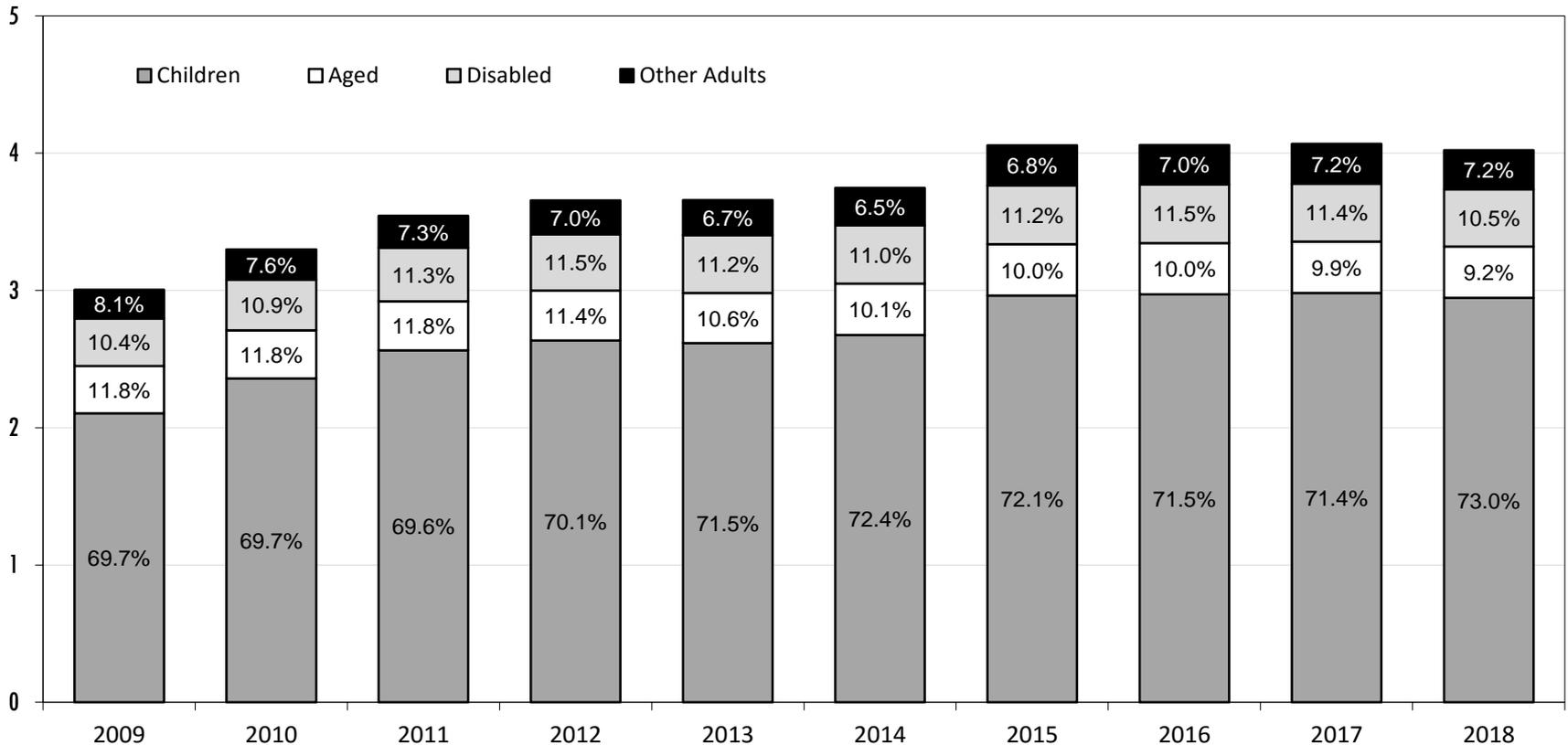


Medicaid Overview

- Medicaid is a jointly funded State/Federal program providing health insurance primarily to low-income parents, non-disabled children, pregnant women, the elderly, and people with disabilities. As a requirement of participation, states must cover certain groups and have the option to cover additional groups.
- The Health and Human Services Commission (HHSC) is the single state agency responsible for Texas's Medicaid program, but services are administered by a variety of state agencies.

Medicaid Average Monthly Full-Benefit Caseload by Enrollment Group Fiscal Years 2009 to 2018

IN MILLIONS



NOTES:

(1) Other adults includes TANF Adults, Pregnant Women, Medicaid for Breast and Cervical Cancer, and Medically Needy clients.

(2) Amounts for fiscal year 2018 are estimated.

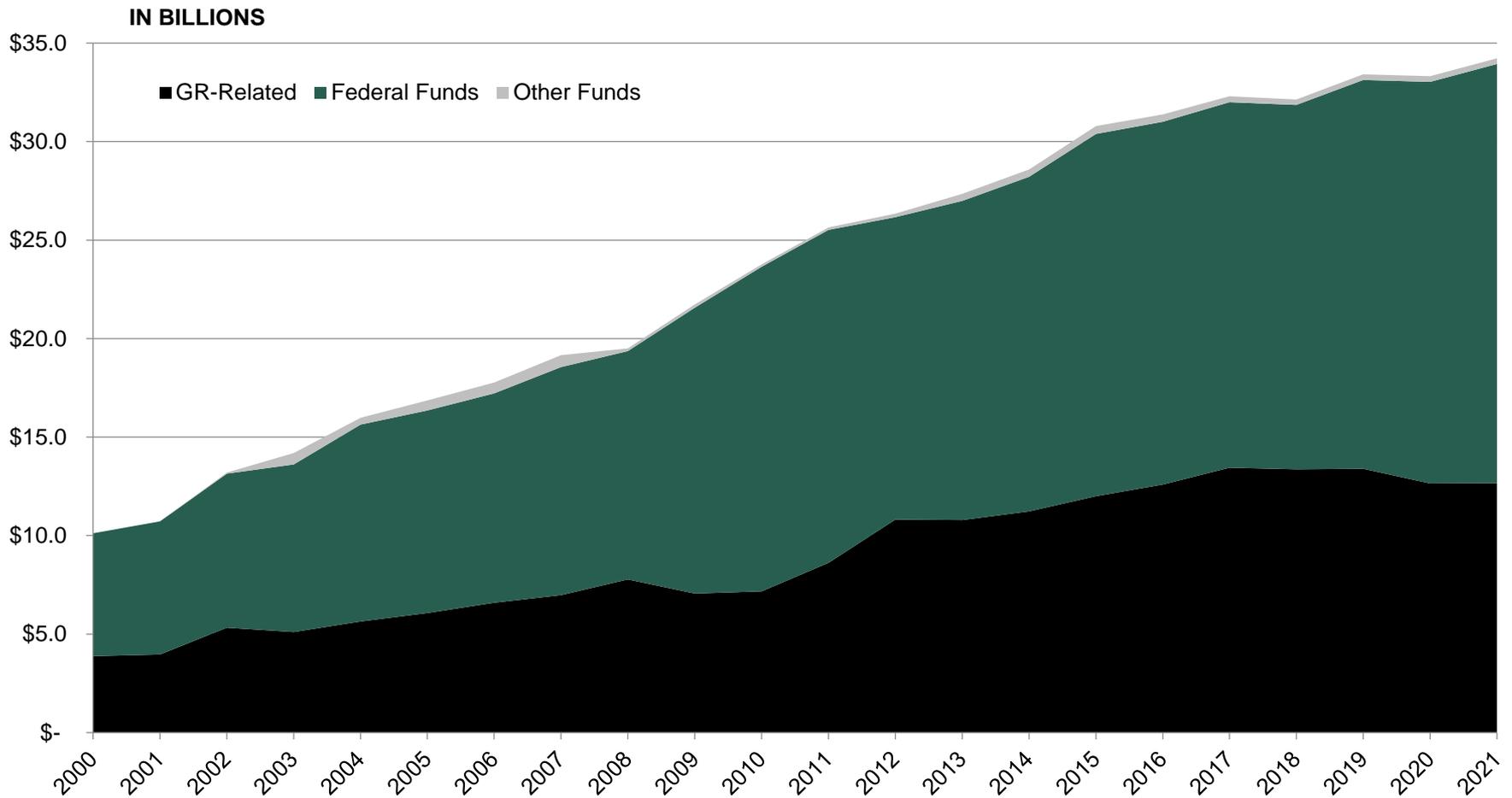
Budget Drivers: Caseload and Cost

- Medicaid expenditures are primarily a function of two factors: caseload and cost.
- As caseloads increase or decrease (due to factors such as population growth, the economy, or policy changes), Medicaid expenditures fluctuate.
- Medicaid expenditures also fluctuate as a result of cost growth (tied to rate changes, medical inflation, utilization, and acuity), which can be negative or positive.

Financing

- Financing of the Medicaid program 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 client services is the Federal Medical Assistance Percentage (FMAP).
- Each state has a different FMAP based on its per capita personal income (PCPI) relative to the nation's PCPI.
 - Federal Fiscal Year (FFY) FMAP is generally announced in November of the previous FFY.
 - FMAP is based on the three most recent years of income data available.
 - FFY 2020 FMAP was announced in November 2018 based on PCPI data for calendar years 2015 through 2017.
- State FMAPs can range from 50 to 83 percent.
 - Below 55 percent: states with PCPI higher than the national average.
 - Above 55 percent: states with PCPI below the national average.

Medicaid Funding by Method of Finance Fiscal Years 2000 to 2021



NOTE: Fiscal years 2000 to 2017 are expended, fiscal years 2018 through 2021 are amounts included in the Legislative Budget Estimates, House.

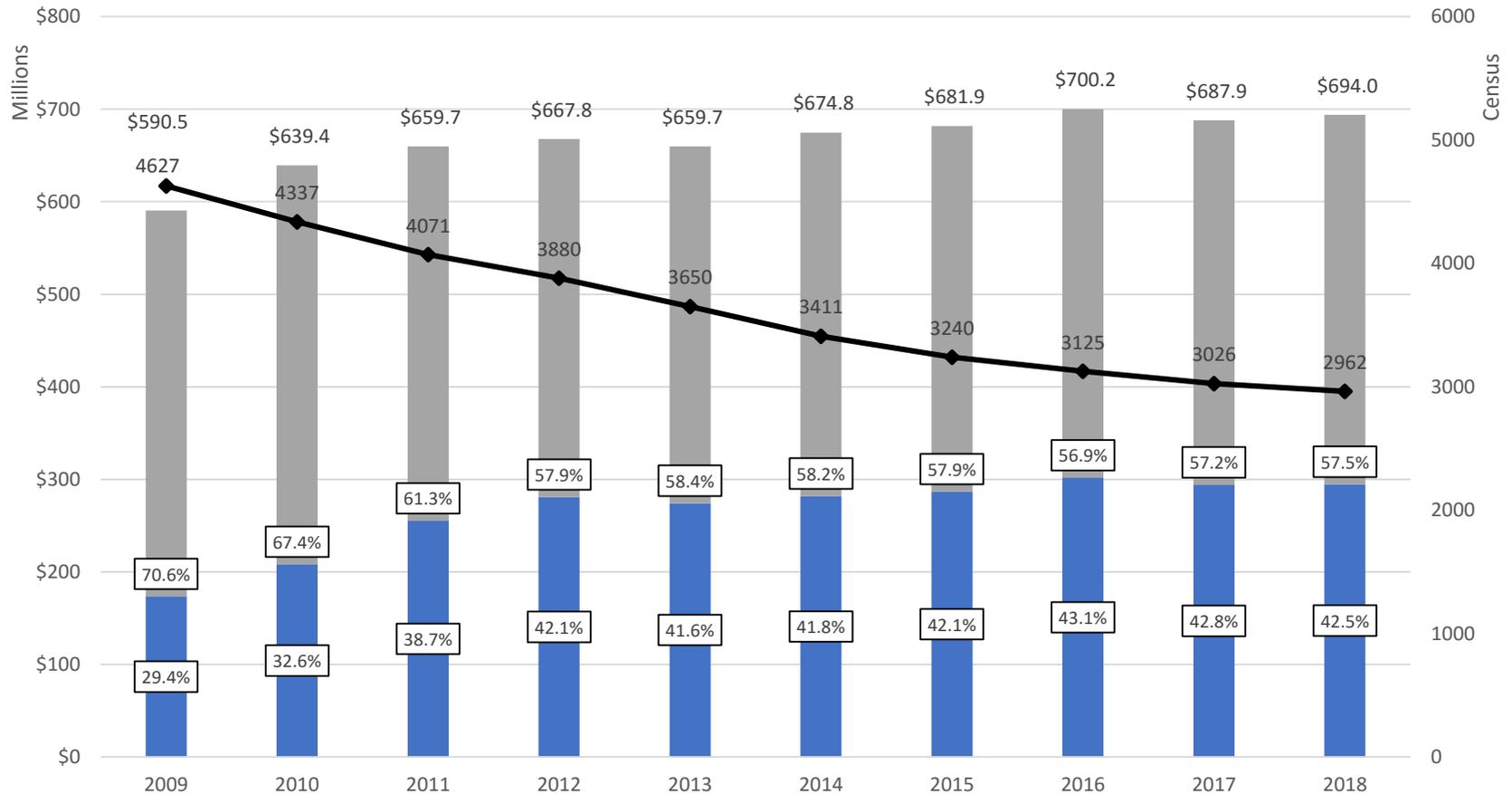
SOURCE: Legislative Budget Board.

State Supported Living Centers

- Texas operates 13 intermediate-care facilities known as state supported living centers (SSLCs). Residents at SSLCs are individuals with severe or profound intellectual disabilities and those with intellectual disabilities who have behavioral health conditions or are medically fragile.
- Nationwide trends have been toward deinstitutionalization and the expansion of community-based services. As demand for institutional services has decreased and community-based services are made available in Texas, the population served at SSLCs has decreased.
- From 1977 to 2018, the average monthly census for all SSLCs has decreased by 75.6 percent, from 12,132 to 2,962.

SSLC Average Monthly Census and Strategy Funding, FY 2009-2018

SSLC Census and Strategy Spending, Fiscal Years 2009-2018



NOTE: Amounts for fiscal year 2018 are estimated.

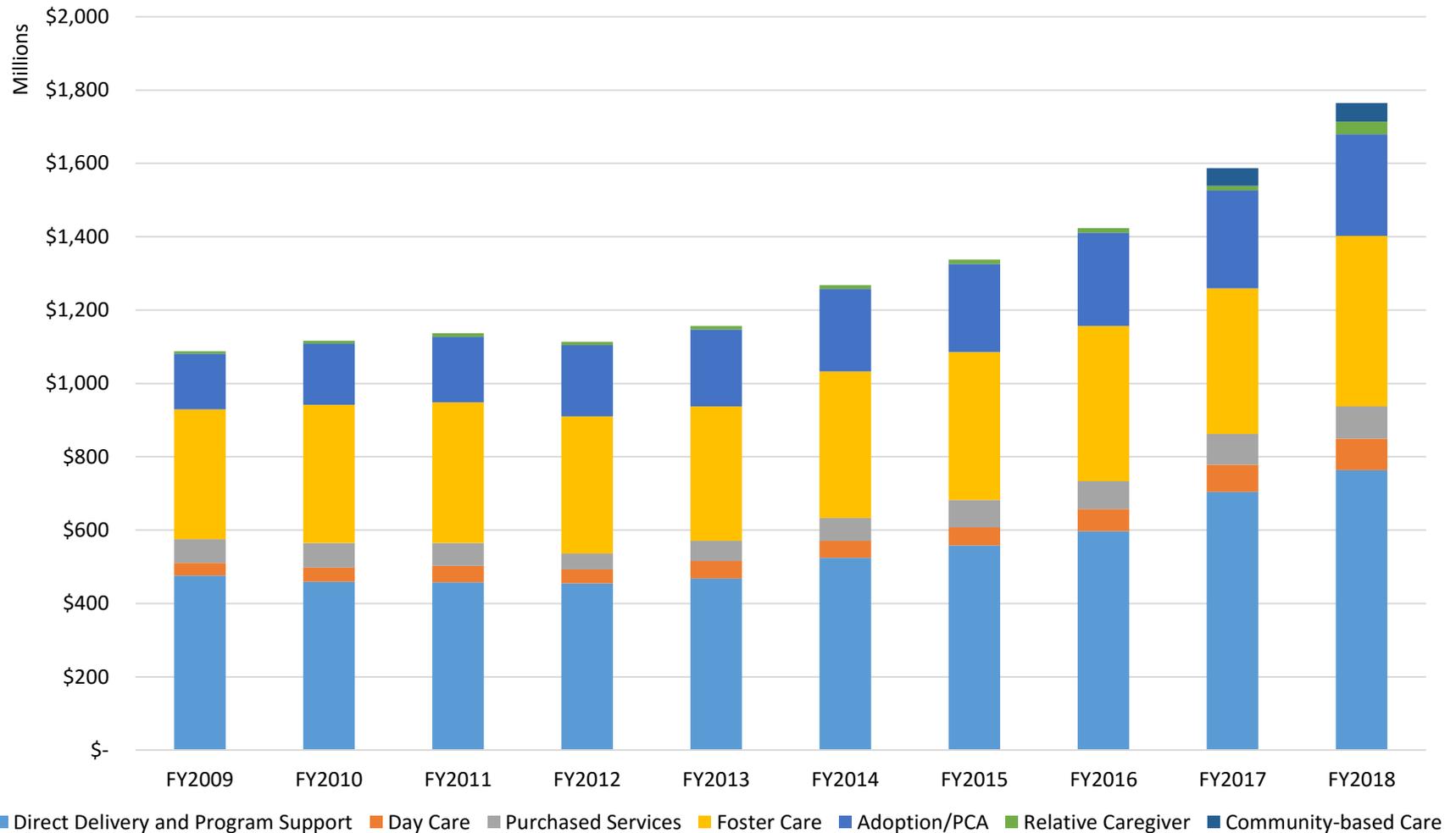
General Revenue Non-GR Census

Overview of Child Protective Services

- The Department of Family and Protective Services (DFPS) pays a daily rate for the care and maintenance of children who have been removed from their homes and placed in foster homes or residential treatment facilities as a result of abuse or neglect allegations.
- In 2012, DFPS began implementing a redesign of the foster care program that utilizes single-source continuum contractors in a DFPS catchment area to provide a full continuum of services to children in foster care.
- In the Eighty-fifth Legislature, Regular Session, 2017, Senate Bill 11 was implemented to outsource case management and Full-time-equivalent (FTE) positions and continue expansion of Foster Care Redesign, now known as Community-based Care to continue to provide child welfare services.

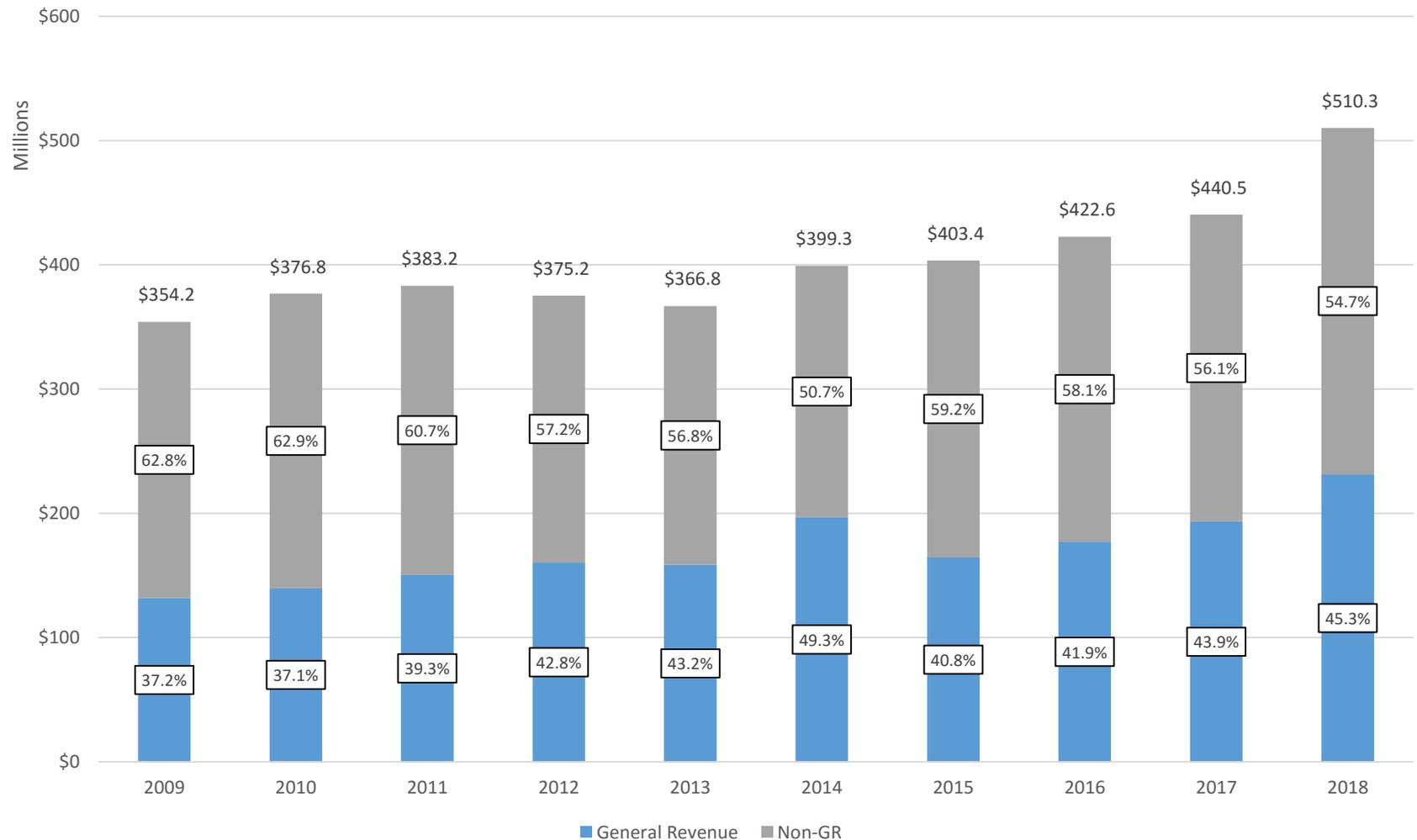
Child Protective Services Expenditures by Category

Fiscal Years 2009 to 2018

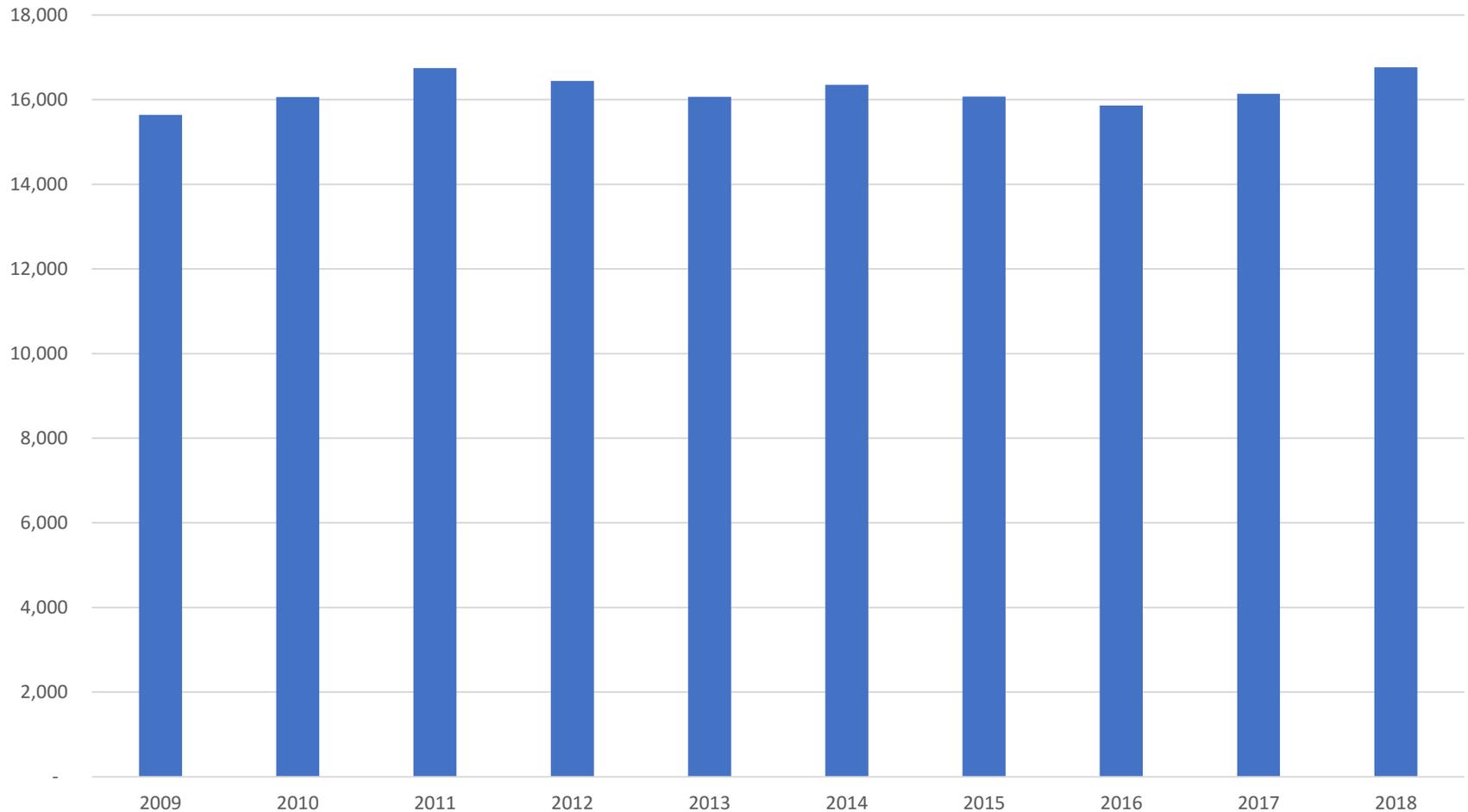


NOTE: Amounts for fiscal year 2018 are estimated.

Foster Care Payments and Community-based Care Strategy Expenditures, FY 2009-2018

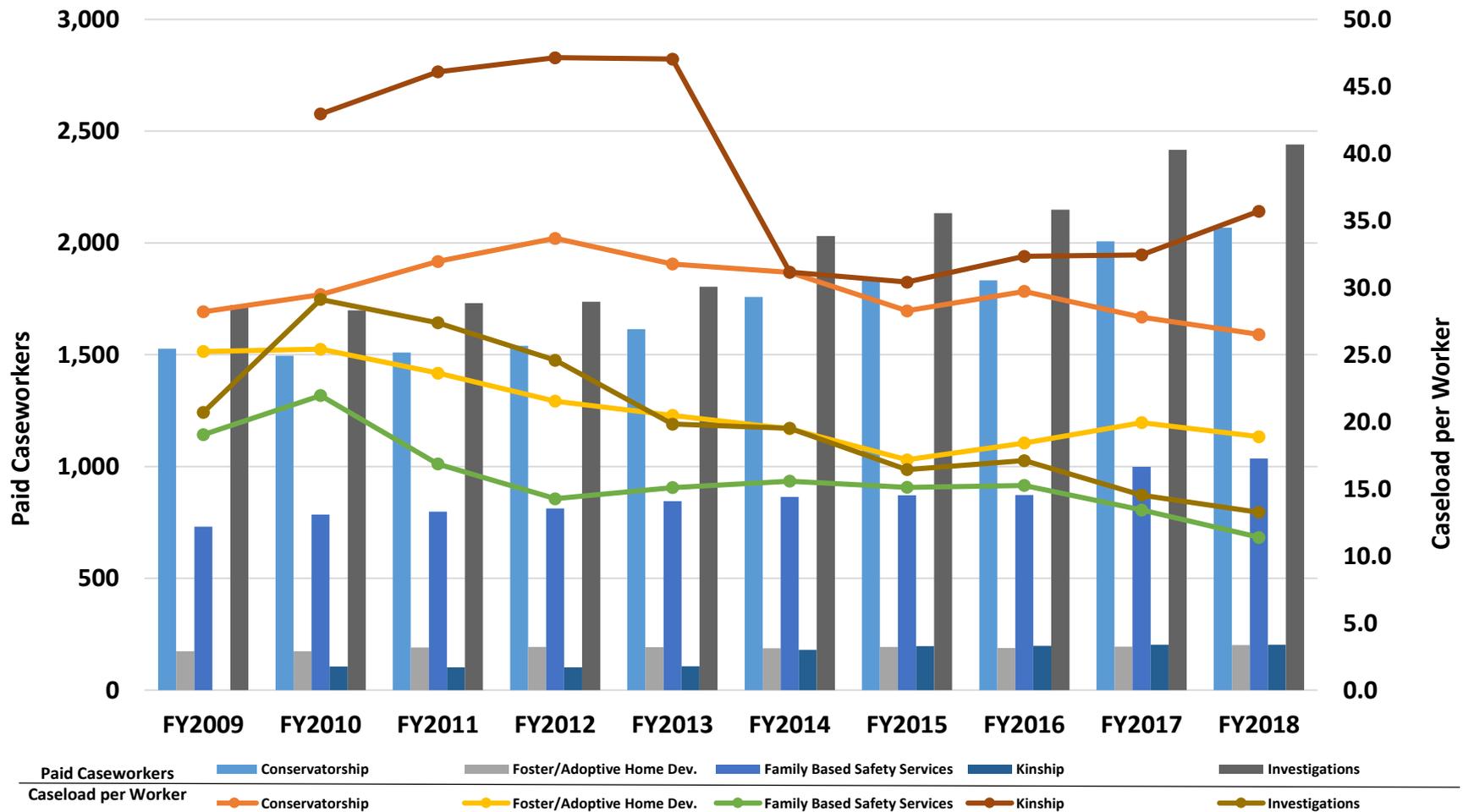


Average Number of Children (FTE) Served in FPS-Paid Foster Care per Month, FY 2009-2018



NOTE: Amounts for fiscal year 2018 are estimated.

Paid Caseworkers and Caseload Per Worker by Type Fiscal Years 2009 to 2018

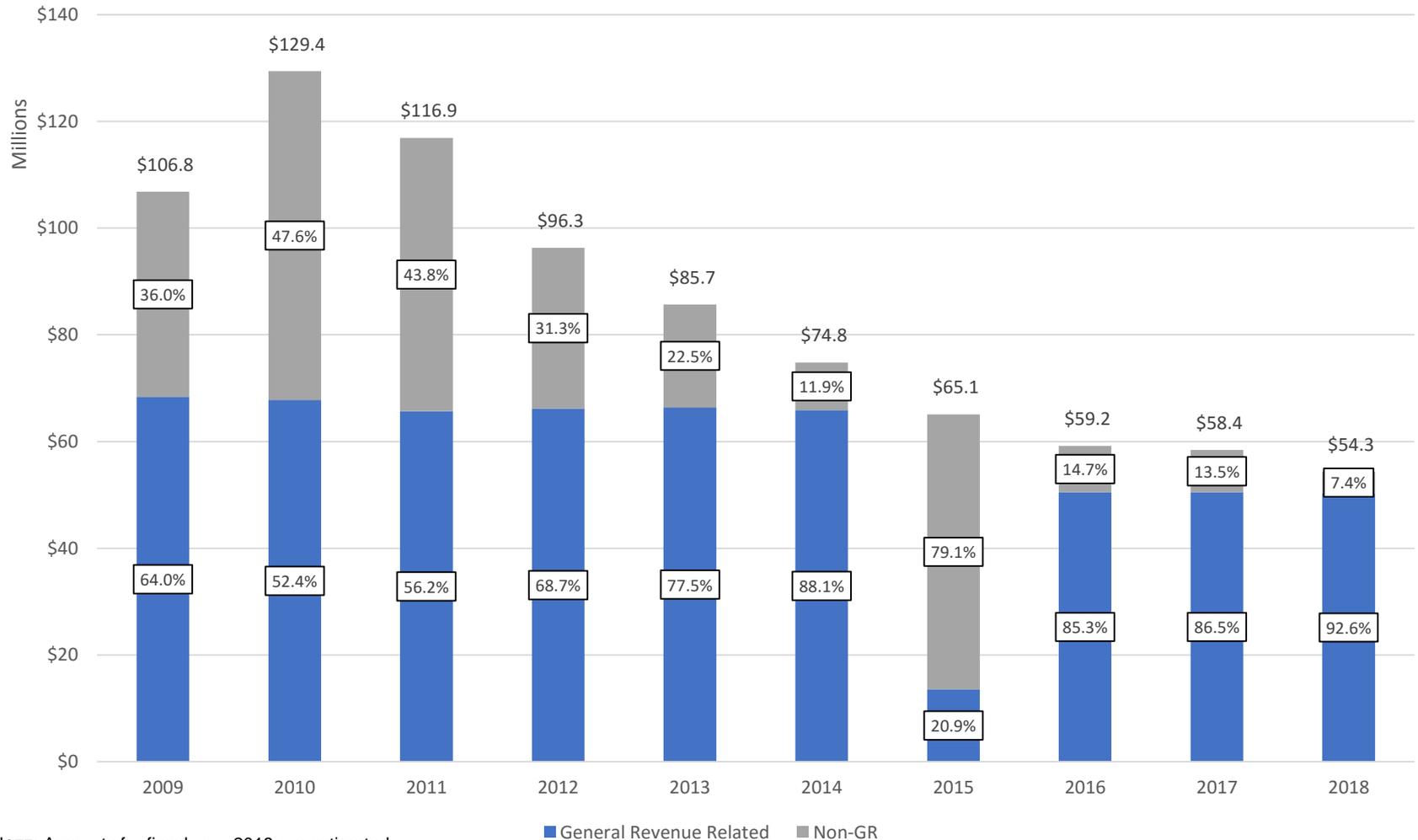


NOTE: Amounts for fiscal year 2018 are estimated.

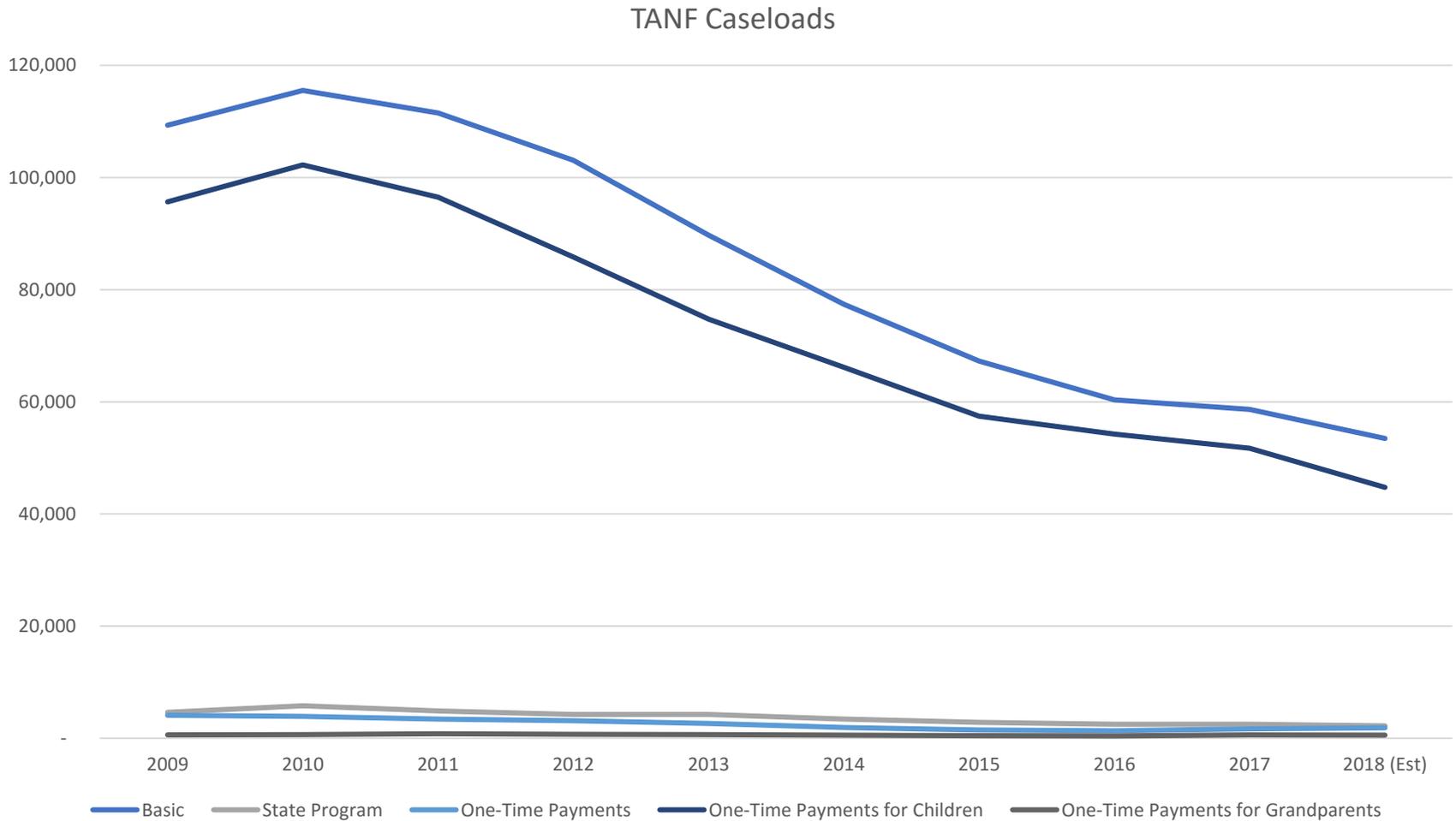
Overview of Temporary Assistance for Needy Families (TANF)

- TANF is a block grant that provides assistance to needy families with children to care for children in their homes or the homes of relatives; promotes job preparation, work, and marriage; strives to reduce and prevent out-of-wedlock pregnancies; and encourages the formation and maintenance of two-parent families.
- One component of the program, TANF cash assistance, provides monthly cash payments for eligible families with children under age 18 and includes certain obligations on the part of the parents or relative caretaker of children, including training for or looking for work and making sure the child attends school. The cash payments are intended to help these families pay for basic living needs such as food, clothing, housing, utilities, medical supplies not paid for by Medicaid, and other basic needs.
- One-time annual TANF assistance is also available for families in crisis to help them afford basic living needs and to certain grandparents caring for a child who gets TANF.
- TANF appropriations include federal funds and state maintenance of effort funds.
- Flexibility provided by the federal government allows the Legislature to appropriate TANF funds on other allowable program areas in addition to TANF cash assistance.

TANF Cash Assistance Strategy Expenditures, FY 2009-2018



TANF Caseloads by Eligibility Category, FY 2009-2018



NOTE: Amounts for fiscal year 2018 are estimated.

House Bill 1, All Funds by Article

All Funds, in millions

Article	2018–19 Base	2020–21 HB 1	\$ Change	% Change
1 – General Government	\$7,503.3	\$6,729.5	(\$773.8)	(10.3%)
2 – Health/Human Services	\$83,584.2	\$84,826.1	\$1,241.9	1.5%
3 – Public Education	\$60,492.7	\$70,615.3	\$10,122.6	16.7%
3 – Higher Education	\$20,736.3	\$21,072.1	\$335.8	1.6%
4 – Judiciary	\$857.1	\$875.4	\$18.4	2.1%
5 – Public Safety/Criminal Justice	\$18,378.5	\$15,407.6	(\$2,970.9)	(16.2%)
6 – Natural Resources	\$6,566.0	\$8,905.4	\$2,339.4	35.6%
7 – Business/Econ Development	\$36,587.5	\$37,770.0	\$1,182.5	3.2%
8 – Regulatory	\$671.7	\$633.7	(\$38.0)	(5.7%)
10 - Legislature	\$392.8	\$392.0	(\$0.8)	(0.2%)
TOTAL, ALL ARTICLES	\$235,770.2	\$247,227.3	\$11,457.1	4.9%

House Bill 1, GR by Article

General Revenue, in millions

Article	2018–19 Base	2020–21 HB 1	\$ Change	% Change
1 – General Government	\$3,406.9	\$3,709.0	\$302.2	8.9%
2 – Health/Human Services	\$34,716.3	\$33,611.2	(\$1,105.1)	(3.2%)
3 – Public Education	\$41,548.7	\$48,677.4	\$7,128.7	17.2%
3 – Higher Education	\$14,909.7	\$15,148.1	\$238.4	1.6%
4 – Judiciary	\$490.8	\$541.9	\$51.1	10.4%
5 – Public Safety/Criminal Justice	\$11,322.1	\$11,414.9	\$92.7	0.8%
6 – Natural Resources	\$910.6	\$786.5	(\$124.1)	(13.6%)
7 – Business/Econ Development	\$496.5	\$815.4	\$318.9	64.2%
8 – Regulatory	\$345.3	\$350.4	\$5.1	1.5%
10 - Legislature	\$392.7	\$391.8	(\$0.9)	(0.2%)
TOTAL, ALL ARTICLES	\$108,539.7	\$115,446.6	\$6,906.9	6.4%

House Bill 1 Medicaid

- \$67.6 billion in All Funds and \$25.2 billion in General Revenue.
- This is an increase of \$2.0 billion in All Funds and a decrease of \$1.4 billion in General Revenue.
- More favorable Federal Medical Assistance Percentages (FMAP) result in a higher proportion of the program being funded with Federal Funds.
- Funding is provided for:
 - Projected caseload growth
 - Maintaining fiscal year 2019 average costs for most services
 - Cost growth associated with average costs established by the federal government

House Bill 1 Child Protective Services (CPS)

- \$3.7 billion in All Funds and \$2.1 billion in General Revenue.
- This is an increase of \$141.7 million in All Funds and \$45.1 million in General Revenue:
- Foster Care Payments:
 - \$1.0 billion in All Funds and \$470.4 million in General Revenue
 - Includes Community-based Care
 - Includes projected caseload growth
- CPS Direct Delivery Staff:
 - \$1.5 billion in All Funds
 - Includes increased funding and additional full-time-equivalent (FTE) positions to maintain caseload per worker
 - Includes increased funding and a decrease in FTE positions for Community-based Care expansion that occurred during fiscal year 2019



LEGISLATIVE BUDGET BOARD

Contact the LBB

Legislative Budget Board

www.lbb.state.tx.us

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