OVERVIEW OF COMMUNITY MENTAL HEALTH NEEDS AND SERVICES

Texas operates 39 local mental health authorities to provide specialized outpatient community mental health services. Based primarily on rules established by the Health and Human Services Commission, local mental health authorities serve the highest-need individuals suffering from serious mental illness. In addition to crisis services, local mental health authorities provide adults and children with medication, counseling, case management, treatment, and supports.

Local mental health authorities have more contact with clients discharged from state hospitals than when the authorities were established in the 1960s. With the exception of two centers, local mental health authorities make face-to-face contact within seven days with a majority of clients discharged from state-funded psychiatric stays. This increased focus on the smallest but neediest population groups has resulted in a case mix that serves primarily adults with bipolar disorder, schizophrenia, or major depression with psychosis.

FACTS AND FINDINGS

♦ Individuals with serious and persistent mental illness will typically experience symptoms, often debilitating, throughout their lives. Most of these individuals need access to long-term treatment. Due to the persistence of symptoms, even with treatment, many of these individuals require assistance and supports for daily living.

♦ During fiscal year 2017, an estimated 532,295 Texas adults had serious and persistent mental illness. Local mental health authorities provided mental health services, including short-term crisis services, to approximately 226,913 adults that year.

♦ Since fiscal year 2012, the number of adults served by local mental health authorities has increased. However, the challenge remains to serve individuals that attempt to access services adequately. During fiscal year 2017, approximately one in 10 interactions between these authorities and eligible adults resulted in the individual being underserved.

♦ During fiscal year 2017, 9,049 adults who completed comprehensive assessments at local mental health authorities in seven metropolitan regions either were homeless or were at imminent risk of being homeless. Among these adults, 27.1 percent received help with housing from these authorities. Among adults who completed a comprehensive assessment and were unemployed, 15.2 percent received employment-related services from authorities.

DISCUSSION

Local mental health authorities (LMHA), also known as community centers or local behavioral health authorities, are political subdivisions of the state. The responsibilities of Texas’ 39 LMHAs, as established in state law, are twofold: planning and coordinating mental health policy and resources; and serving as a provider of last resort for community mental health services in their regions. LMHAs contract with providers and coordinate with multiple entities, including schools, federally qualified health centers, and law enforcement. Based primarily on rules established by the Health and Human Services Commission (HHSC), LMHAs serve the highest-need individuals with serious mental illness. In addition to crisis services, LMHAs provide adults and children with medication, counseling, case management, treatment, and supports.

Individuals may come into contact with an LMHA through a crisis hotline, walk-in visits, or through a referral from a community partner, such as a local jail or school. Individuals are screened using standard assessment tools to determine the most appropriate level of care. In addition to diagnosis-related eligibility criteria, HHSC sets requirements for the minimum level of functional impairment needed for adults to be eligible for services. Clients that meet these criteria and who lack insurance are provided services at no cost to the client or on a sliding-fee schedule, as determined by a financial assessment. Many clients are enrolled in the Texas Medicaid program, in which case LMHAs are reimbursed as network providers.

Although LMHAs have been important providers of mental health services, their role has changed significantly since they were established. Understanding the needs of Texans with mental illness and the evolving role of LMHAs helps explain the constraints and opportunities for improving equitable access to mental health services in Texas.
INDIVIDUALS WITH MENTAL HEALTH CONDITIONS IN TEXAS

Data suggest that the prevalence of diagnosable mental illness during a 12-month period has generally been stable during the past five decades in the U.S. Between 10.0 percent and 30.0 percent of the U.S. adult population has a diagnosable mental illness; between 5.0 percent and 6.0 percent of the adult population experiences a serious mental illness with significant functional impairment; and approximately 2.0 percent to 3.0 percent of U.S. adults has a severe and persistent mental illness (SPMI) such as schizophrenia, bipolar disorder, or major depression with psychosis.

These three conditions constitute the majority of adult diagnoses treated at LMHAs in Texas. Other conditions included in the federal definition of SPMI include panic disorders and obsessive-compulsive disorders. A broader set of conditions based on a mental health diagnosis and significant functional impairment are referred to in this report as serious mental illness (SMI), which can include serious anxiety, non-bipolar mood disorders, and other disorders.

Individuals with SPMI typically experience symptoms, which often are debilitating, throughout their lives. Each year, one or two individuals per 100 that are diagnosed with schizophrenia will have recovered clinically and socially for at least two years with no more than mild symptoms. During a 10-year period, 14.0 percent of diagnosed individuals will meet this criterion. For bipolar disorder, persistent depression and relapse are the most common outcomes for individuals.

Most individuals that have an SPMI experience difficulties at work and in maintaining social relationships. Their impairments can lead to substance abuse, dangerous and reckless behaviors, repeated hospitalizations, and poor self-care. They are at significant risk of homelessness, incarceration, and victimization. Although each individual’s medical complexity and acuity varies and symptoms can change, most individuals that have SPMI need access to long-term treatment, and many require assistance and supports for daily living.

SERVICES AND SUPPORTS FOR MENTAL HEALTH CONDITIONS

Individuals that experience significant impairment and symptoms from mental illness often require specialized services and supports from mental health professionals, especially when symptoms are severe. As the severity of conditions decreases, individuals may benefit to a greater extent from mental healthcare that is integrated into their primary care sources. For clients with SPMI, the severity and persistence of their symptoms, even after treatment, typically requires intensive and specialized care that exceeds what typical practitioners provide. Figure 1 shows a continuum of care necessary for individuals with mental health issues. Clients that have SPMI and SMI often need services within Strategies 3 and 4.

In Texas, community mental health services and treatment are provided based on clinical assessment and need. Figures 2 and 3 show the standard LMHA treatment packages for adults and children in Texas, respectively, and the number of individuals enrolled in each. Treatments are categorized by the needs of the target population. Services customized to individual needs also are available. Cost-reporting data indicate that the intensity of services provided within a level of care can vary. Individuals authorized into a lower level of care may receive high-intensity services, depending on clinical events and need. Clients also may be placed in a lower-than-recommended level of care due to client refusal or LMHA resource limitations.

CHANGING ROLE OF LOCAL MENTAL HEALTH AUTHORITIES

Figure 4 shows major community health events affecting Texans, beginning with the formation of LMHAs.

The U.S. Community Mental Health Act of 1963 established clinics, referred to in this report as local mental health authorities. These clinics were expected to help prevent hospital admissions. Treatment at these clinics focused on early intervention and treatment to prevent individuals from developing more serious mental illnesses. Clinics also were encouraged to find clients who could pay for services.

Over time, the U.S. Medicaid program became the primary payer of services for LMHAs. During the first two decades after Medicaid’s enactment in 1965, community centers did not serve most individuals after they were discharged from state hospitals. As late as 1986, state hospitals discharged 86 percent of people in Texas with a discharge status of no more services, rather than reassignment to community-based care. Evidence also indicates that LMHAs did not divert clients significantly from state hospitals.

State hospitals continued to treat people with SPMI, but on a shorter admissions basis. As a result, many clients with an SPMI or SMI no longer had access to a dedicated source of...
Starting in the 1990s, the state attempted to increase the focus of the community mental health system on individuals with SPMI. This effort followed a national trend after courts started setting minimum standards for state hospitals. A precedent for minimum staffing ratios was established in the Fifth Circuit in 1974 (Wyatt v. Stickney). A case specific to Texas was filed that same year and later settled in 1981 (R.A.J. v. Jones). Like most states, Texas adopted a strategy to increase staffing ratios and manage rising costs by decreasing state hospital admissions.

The settlement in 1981 required improved linkages between state facility discharges and LMHA treatment. The state established a mental health diversion incentive program for LMHAs within which LMHAs received additional funding as state facility residential bed days decreased.

Expendedures increased as LMHAs served more people. In response, the Legislature established a committee to develop recommendations for allocating resources. In 1985, the committee recommended restructuring the community mental health system for “the smallest but most needful population groups” by awarding contracts “tied directly to the provision of services to priority populations.” Included in the recommendations was a set of 10 groups ordered by priority for treatment.

Previously, LMHAs had been awarded grants. The new structure reimbursed LMHAs through a contract if they provided services to the priority populations. The report noted that “Individuals’ needs change, causing them to move among the priority groups,” and that not providing services to lower-priority groups “may result in exacerbation of their situations, thus requiring more intensive intervention.”

House Bill 2292, Seventy-eighth Legislature, Regular Session, 2003, further narrowed the definition of the priority...
The legislation required LMHAs to prioritize treatment for individuals with the greatest needs, including individuals with schizophrenia, bipolar disorder, or major depression with psychosis, and children with serious emotional disturbance (SED). In conjunction with the narrowing of eligibility, the state decreased funding to mental health services.

House Bill 3793, Eighty-third Legislature, Regular Session, 2013, specified that LMHAs could provide services for any diagnosed mental health disorder “to the extent feasible.” However, LMHAs now continue to provide services primarily for adults with schizophrenia, bipolar disorder, or major depression with psychosis. During fiscal year 2017, 95.0 percent of diagnoses for adult clients in ongoing treatment related to one of these diagnoses. The most common diagnoses among children, approximately 48.7 percent, were attention deficit disorder and major depression.

LMHAs now have contact with a higher percentage of clients that are discharged from state hospitals than when the authorities were established. With the exception of two centers, LMHAs establish in-person contact within seven days with a majority of clients discharged from state-funded psychiatric stays.

### PREVALENCE OF MENTAL HEALTH CONDITIONS AND ACCESS TO CARE

To improve coordination among state agencies and to develop a strategic approach to providing behavioral health services, the Legislature established a statewide mental health coordinator in 2013. During fiscal year 2015, the Legislature directed 18 state agencies to develop a collaborative five-year behavioral health strategic plan and proposal of coordinated expenditures. The strategic plan states that funding has increased recently, and the state has made advancements in the mental health system. However, the behavioral health

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#### FIGURE 2
**TEXAS COMMUNITY MENTAL HEALTH SERVICES FOR ADULTS, FISCAL YEAR 2017**

<table>
<thead>
<tr>
<th>LEVEL OF CARE (LOC)</th>
<th>TARGET POPULATION</th>
<th>CLIENTS SERVED BY LMHAS (3)</th>
<th>CORE SERVICES</th>
<th>THERAPEUTIC HOURS PER MONTH FOR CORE SERVICES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills training and basic services (LOC–1S)</td>
<td>Individuals with severe and persistent mental illness (SPMI) (1) who present little risk of harm and have supports or individuals waiting for higher level of services</td>
<td>180,935</td>
<td>Medication and case management</td>
<td>1.3 to 2.25</td>
</tr>
<tr>
<td>Basic services with counseling (LOC–2)</td>
<td>Individuals with major depressive disorder</td>
<td>19,735</td>
<td>Medication and case management; individual cognitive behavioral therapy</td>
<td>3.25 to 5.5</td>
</tr>
<tr>
<td>Intensive services with team approach (LOC–3)</td>
<td>Individuals with SPMI and moderate to severe levels of need</td>
<td>37,130</td>
<td>Medication management, individual and group psychosocial rehabilitation, supported housing</td>
<td>5.87 to 20.35</td>
</tr>
<tr>
<td>Assertive community treatment (LOC–4)</td>
<td>Individuals with SPMI who have experienced multiple psychiatric hospital admissions</td>
<td>5,410</td>
<td>Medication management, individual and group psychosocial rehabilitation, supported housing; uses a mobile service delivery team to meet clients in their homes</td>
<td>10.0 to 26.65</td>
</tr>
<tr>
<td>Crisis Services (LOC–0)</td>
<td>Adults experiencing mental health-related crisis without a current level of care authorization</td>
<td>43,102</td>
<td>Varies</td>
<td>Varies</td>
</tr>
</tbody>
</table>

**NOTES:**

(1) Severe and persistent mental illness includes schizophrenia, bipolar disorder, and major depression.

(2) Excludes transitional services (LOC–5), which served 8,316 clients during fiscal year 2017; medication management (LOC–A1M), which served 254 clients that year, and early onset (LOC–AEO), which served 417 clients that year.

(3) De-duplication was conducted at the local mental health authority (LMHA) and LOC levels. Individuals that received services in the same LOC from more than one LMHA during the year would be counted multiple times. Individuals may have been served in more than one LOC during a year and would be counted more than once across LOCs.

**SOURCE:** Health and Human Services Commission.
system continues to experience challenges addressing the behavioral health needs of Texans.

The strategic plan identified 15 gaps in the state’s mental health system, including access to care for individuals with SPMI and access to housing services. According to the Statewide Behavioral Health Coordinating Council, “an estimated 4,000 Texans develop an initial psychosis each year. Despite evidence suggesting that targeted interventions for this group are successful, these services are not widely available.” Analysis from several sources suggests that most clients in the Medicaid program that have SPMI do not receive services from an LMHA. HHSC estimates that, during fiscal year 2017, 18.6 percent of individuals in Medicaid with certain mental health diagnoses received targeted case management or mental health rehabilitation services. Individuals diagnosed with bipolar disorder or schizophrenia automatically are eligible for targeted case management and mental health rehabilitation.

The Meadows Mental Health Policy Institute found similar results when examining the Harris County area from...
approximately calendar years 2012 to 2015. Meadows estimated that 14.2 percent of Medicaid members with an SPMI received services from an LMHA. Previous research by The University of Texas School of Public Health found that 31.0 percent of Medicaid members diagnosed with bipolar disorder, schizophrenia, or major depression had no healthcare contacts for any medical services, including behavioral health services, in Medicare, Medicaid, or other state programs for individuals with disabilities.

Among uninsured individuals with SPMI, analysis indicates gaps in access to care. The Meadows report found that, among individuals living at less than 200 percent of the federal poverty level, 25.0 percent did not receive any services from an LMHA, a federally qualified health center, or Medicaid. Approximately 18.0 percent of clients received services from an LMHA. Figure 5 shows estimated prevalence and health access for clients that have SMI or SED, based on information from fiscal year 2017.

The low utilization of services shown in Figure 5 has a number of causes. Individuals that have mental illness may not seek services because they, their families, or their clinicians are not aware that these services are available. Individuals also may not seek treatment due to stigma associated with mental health conditions.

The experiences of other states also indicates that LMHAs have opportunities to work with a large portion of the population with mental health needs. During federal fiscal year 2016, the percentage of the population accessing services in Texas was the thirty-ninth lowest in the U.S., based on reporting to the U.S. Substance Abuse and Mental Health Service Administration’s (SAMHSA) Uniform Reporting System. Figure 6 shows the rates of utilization by state.

According to SAMHSA, states’ eligibility rules for access to federally funded or state-funded mental health services range from inclusive to restrictive. Texas is among a minority of states that restricts access to public mental health services to adults with serious mental illness and children with serious emotional disturbance. This restriction is stated in agency rule (25 Texas Administrative Code 411.303), not in statute. Fewer than 15 states, for example, apply similar access
FIGURE 5
ESTIMATED PREVALENCE OF SERIOUS MENTAL ILLNESS OR EMOTIONAL DISTURBANCE AMONG TEXANS AND ACCESS TO TREATMENT AT LOCAL MENTAL HEALTH AUTHORITIES, FISCAL YEAR 2017

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>ADULTS</th>
<th>CHILDREN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals with SMI (1) or SED (2)</td>
<td>1,124,449</td>
<td>255,690</td>
</tr>
<tr>
<td>Individuals with SPMI (3)</td>
<td>532,295</td>
<td>N/A</td>
</tr>
<tr>
<td>Individuals with SPMI or SED living at less than 200% of the federal poverty level (4)</td>
<td>277,858</td>
<td>111,481</td>
</tr>
<tr>
<td>Individuals who received services in a full level of care from an LMHA (5)</td>
<td>193,625</td>
<td>60,289</td>
</tr>
<tr>
<td>Individuals that received crisis-only services from an LMHA</td>
<td>33,288</td>
<td>7,179</td>
</tr>
</tbody>
</table>

Notes:
(1) SMI=serious mental illness, including dementia, which is not a qualifying diagnosis, according to federal register definition. The definition of SMI does not include individuals with a substance use disorder. The SMI population for Texas is the midpoint estimate of 5.4 percent from the U.S. Substance Abuse and Mental Health Services Administration.
(2) SED=serious emotional disturbance refers to children who have had a diagnosable mental, behavioral, or emotional disorder in the last year that resulted in functional impairment that substantially interferes with or limits the child’s role in family, school, or community activities.
(3) SPMI=serious and persistent mental illness, which is based on federal definitions and estimates used by the Health and Human Services Commission (HHSC), and includes individuals diagnosed with schizophrenia, bipolar, major depression, panic, and obsessive compulsive disorders. A national estimate of 2.6 percent is applied to the state population.
(4) For calendar year 2015, 200 percent of the federal poverty level was an annual income of $23,540 for a family of one or $48,500 for a family of four. Individuals in Texas who met these criteria were eligible for indigent care services from the state.
(5) HHSC defines a full level of care to include levels 1 to 4.
(6) Clients served are unduplicated counts across local mental health authorities (LMHA) and levels of care, including NorthSTAR.
Sources: Legislative Budget Board; Health and Human Services Commission; U.S. Substance Abuse and Mental Health Services Administration; U.S. National Institute of Mental Health.

FIGURE 6
STATES’ COMMUNITY MENTAL HEALTH UTILIZATION RATES PER 1,000 PEOPLE
FISCAL YEAR 2016

Source: U.S. Substance Abuse and Mental Health Service Administration, Uniform Reporting System.
restrictions for public mental health services paid by Medicaid. In addition to Texas, 17 states restrict the use of state general revenue for public mental health services at community mental health centers to individuals with an SMI.

**SERVICE TRENDS**

LMHAs can manage demand for services through different strategies. One strategy, known as waitlisting, is to offer a comprehensive set of benefits to all clients; eligible clients wait for these services when the LMHA’s resources are being used at capacity. Another strategy, which HHSC describes as underserving, is to increase capacity by offering less-intensive services to all clients. These LMHAs may have clients waiting to receive clinically appropriate and recommended services, but fewer clients are waiting for services overall.

Recently, the Legislature has prioritized funding to eliminate waitlists for clients who are unable to receive any services. In addition, local funding and federal funding have increased since 2013. As Figure 7 shows, the number of clients has increased, and the number of underserved clients, including those waitlisted for any services, has decreased in conjunction with this increased funding.

During fiscal year 2017, approximately one in 10 interactions with eligible adults after assessment resulted in an individual in need being waitlisted or underserved. That year, due to resource constraints, adults were placed into the most basic level of care (LOC–1) more than 1,000 times while they waited for higher levels of care. On average, each adult client waited three months to four months before receiving a higher level of care or withdrawing from treatment.

During fiscal year 2017, children were underserved 457 times due to fiscal constraints. Children were waitlisted for service 377 times. Children were underserved 10,515 times due to other indicated reasons, primarily client refusals.

**HOUSING AND EMPLOYMENT SERVICES**

LMHAs are required by Texas Health and Safety Code 534.053 to conduct community-based assessments and provide psychosocial rehabilitation services. These services must include social support activities, independent living skills, and vocational training. Based on HHSC contract requirements, LMHAs provide housing and vocational supports designed to help individuals find, secure, and maintain housing and employment. These supports can be provided as part of broader psychosocial rehabilitation services or as part of specific housing or employment services.
Psychosocial rehabilitation services help individuals improve their social relationships, occupational or educational achievement, and independent living skills. For example, LMHAs may help individuals develop skills relating to personal hygiene, nutrition, food preparation, exercise, and money management to help them find and maintain independent housing.

In addition to rehabilitation services, LMHAs provide supported housing services, which often include helping people apply for federal housing assistance. In addition to staff providing skills training and assistance to individuals with mental illness, LMHAs can offer financial assistance with rent and utilities. This rental assistance may be provided only if clients are engaged in applying for external housing assistance.

Several programs within and outside state and local agencies provide assistance with housing and employment. Most housing assistance for low-income families in Texas is provided through programs at the U.S. Department of Housing and Urban Development (HUD). Demand is greater than available funding for HUD-funded housing pursuant to the U.S. National Affordable Housing Act, Section 8, and individuals may wait years before they can apply. HHSC is collaborating with the Texas Department of Housing and Community Affairs for a federally funded project pursuant to the U.S. National Affordable Housing Act, Section 811. The project targets individuals that have serious mental illness and certain other priority groups. In September 2018, HHSC reported receiving 1,200 referrals, housing 75 families, and a plan to increase capacity up to approximately 600 units. Individuals also may seek assistance from community non-profits for housing and employment needs.

**Figure 8** shows the results of a housing analysis by the Texas Council of Community Centers relating to a subset of high-need individuals in select metropolitan areas. The analysis focused on individuals who completed a comprehensive assessment at an LMHA and were identified as needing housing services. Within these areas, 27.1 percent of the 9,049 adults who were homeless or at imminent risk of becoming homeless based on a uniform assessment conducted by a qualified mental health professional.

<table>
<thead>
<tr>
<th>City</th>
<th>Homeless or At Risk, Services Received</th>
<th>Homeless or At Risk, No Services Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas (3)</td>
<td>2,553</td>
<td>327</td>
</tr>
<tr>
<td>San Antonio</td>
<td>1,966</td>
<td>719</td>
</tr>
<tr>
<td>Austin</td>
<td>954</td>
<td>127</td>
</tr>
<tr>
<td>Harris</td>
<td>696</td>
<td>298</td>
</tr>
<tr>
<td>Fort Worth</td>
<td>456</td>
<td>170</td>
</tr>
<tr>
<td>Hidalgo (4)</td>
<td>470</td>
<td>456</td>
</tr>
<tr>
<td>El Paso</td>
<td>338</td>
<td>37</td>
</tr>
</tbody>
</table>

Notes:
1. Homeless is defined as unsheltered homeless, except for emergency shelter, or marginally homeless and at imminent risk of becoming homeless based on a uniform assessment conducted by a qualified mental health professional.
2. Some clients may have accessed services outside of the local mental health authorities.
3. Dallas area includes Dallas, Ellis, Hunt, Kaufman, Navarro, and Rockwall counties.
4. Hidalgo area includes Cameron, Hidalgo, and Willacy counties.

Source: Texas Council of Community Centers.
Figure 9 shows the results of an employment need and services analysis by the Texas Council of Community Centers. Within the seven metropolitan areas shown, 51,892 unemployed adults completed comprehensive assessments at LMHAs. LMHAs provided at least one service of supportive employment or psychosocial rehabilitation services related to employment to 15.2 percent of these individuals.

The provision of these services aligns with recommendations from the federal Interdepartmental Serious Mental Illness Coordinating Committee. According to this group of federal agencies and mental health experts, standards should include a comprehensive continuum of care for people with SMI, including supportive housing and employment.