

Health and Human Services Commission  
Summary of Recommendations - Senate

Executive Commissioner - Charles Smith

LBB Analysts - Thomas Brown, Mike Diehl, Samantha Schaffer, & Leora Rodell

Method of Financing	2016-17 Base	2018-19 Recommended	Biennial Change (\$)	Biennial Change (%)
General Revenue Funds	\$27,018,467,768	\$28,294,889,216	\$1,276,421,448	4.7%
GR Dedicated Funds	\$256,042,518	\$699,692,161	\$443,649,643	173.3%
Total GR-Related Funds	\$27,274,510,286	\$28,994,581,377	\$1,720,071,091	6.3%
Federal Funds	\$39,779,641,478	\$40,216,971,933	\$437,330,455	1.1%
Other	\$1,361,641,124	\$1,360,195,136	(\$1,445,988)	(0.1%)
All Funds	\$68,415,792,888	\$70,571,748,446	\$2,155,955,558	3.2%

	FY 2017 Budgeted	FY 2019 Recommended	Biennial Change	Percent Change
FTEs	31,375.0	39,710.7	8,335.7	26.6%
Recast FTEs	40,675.1	39,710.7	(964.4)	(2.4%)

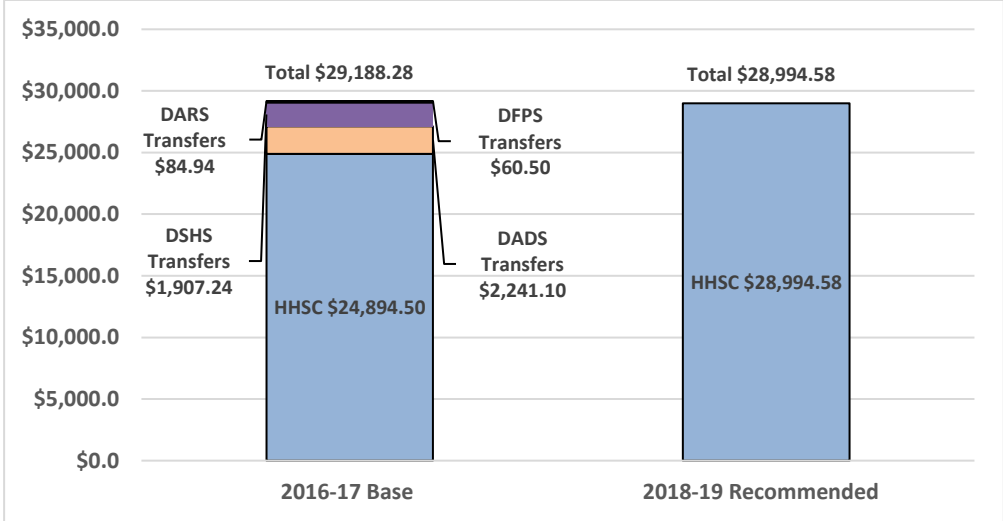
**Agency Budget and Policy Issues and/or Highlights**

The 2016-17 base shown in the table above reflects all DARS, DADS, and HHSC program expenditures in the 2016-17 biennium because, pursuant to SB 200, DARS and DADS were abolished in FY 2017 and FY 2018 respectively. The 2016-17 base does not reflect expenditures for DSHS programs that occurred prior to the transfer of those programs to HHSC.

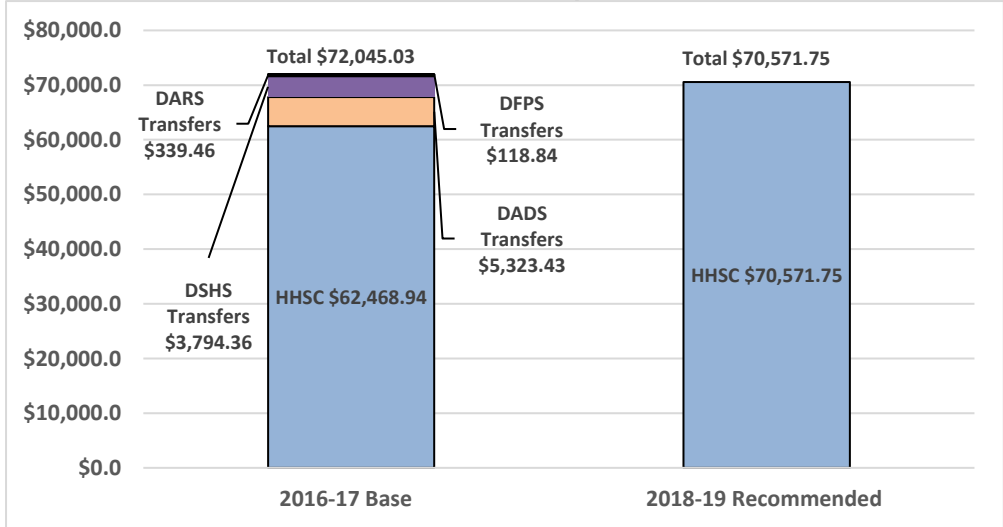
If the 2016-17 base was recast to include all programs at HHSC in 2018-19 then funding levels for the biennium are estimated to be \$193.7 million in General Revenue Related Funds (\$1.5 billion All Funds) below that base. See Selected Fiscal and Policy Issue #2 and the two charts to the right for more information.

The bill pattern for this agency (2018-19 Recommended) represents an estimated 81.1% of the agency's estimated total available funds for the 2018-19 biennium.

**Recast - GR - Related Biennial Comparison (Millions)**



**Recast - All Funds Biennial Comparison (Millions)**



Note: Transfer amounts from DSHS include \$16.5 million in General Revenue (\$27.5 million in All Funds) for administrative activities, some of which are already included in the HHSC All Funds base through IACs.

**Health and Human Services Commission**  
**Summary of Funding Changes and Recommendations - Senate**

**Section 2**

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 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)	Increase of \$1,259.8 million in All Funds for programs transferring from the Department of Family and Protective Services (\$118.8 million in All Funds) and the Department of State Health Services (\$1,141.0 million in All Funds) that are not specifically referenced below and are not included in the 2016-17 Base Spending Levels for the Health and Human Services Commission.	\$793.5	\$10.0	\$409.7	\$46.6	\$1,259.8	20 Strategies
B)	Increase of \$156.3 million in All Funds (decrease of \$9.0 million in General Revenue) for CHIP Client Services based on the Legislative Budget Board forecast.	(\$9.0)	\$0.0	\$165.3	\$0.0	\$156.3	Goal C Strategies
C)	Increase of \$5.5 million in All Funds (\$5.1 million in General Revenue) for costs associated with Early Childhood Intervention (ECI) services caseload growth based on the Legislative Budget Board forecast.	\$5.1	\$0.0	\$0.4	\$0.0	\$5.5	D.1.3
D)	Increase of \$4.9 million in All Funds (\$0.2 million in General Revenue) for Temporary Assistance for Needy Families (TANF) cash assistance caseload and cost growth based on the Legislative Budget Board forecast.	\$0.2	\$0.0	\$4.7	\$0.0	\$4.9	E.1.1
E)	Decrease of \$96.0 million in All Funds (\$39.8 million in General Revenue) for projected caseload decline at the State Supported Living Centers and certain administrative savings.	(\$39.8)	\$0.0	(\$56.1)	(\$0.1)	(\$96.0)	G.1.1
F)	Decrease of \$392.4 million in All Funds (\$43.1 million in General Revenue) for Medicaid and CHIP contracts and certain administrative savings.	(\$43.1)	\$0.0	(\$338.2)	(\$11.0)	(\$392.3)	B.1.1, B.1.2
G)	Decrease of \$100.3 million in All Funds in Refugee Assistance funding related to termination of the state-run program.	\$0.0	\$0.0	(\$100.3)	\$0.0	(\$100.3)	E.1.3, F.3.3, I.1.1, I.3.1, I.3.2, K.1.1, L.1.1., L.1.2, L.2.1, L.2.2
H)	Increase of \$834.5 million in All Funds (\$628.6 million in General Revenue) to reflect the transfer of Mental Health State Hospitals from DSHS to HHSC in fiscal year 2018, including a decrease of \$44.3 million in All Funds (\$42.1 million in General Revenue) from 2016-17 Base Spending Levels and for a one-time capital project appropriation for repairs and renovations.	\$628.6	\$0.0	\$39.9	\$166.0	\$834.5	G.2.1

**Health and Human Services Commission  
Summary of Funding Changes and Recommendations - Senate**

**Section 2**

<b>Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 Base Spending Level (in millions)</b>		<b>General Revenue</b>	<b>GR-Dedicated</b>	<b>Federal Funds</b>	<b>Other Funds</b>	<b>All Funds</b>	<b>Strategy in Appendix A</b>
I)	Decrease of \$148.9 million in All Funds (\$10.8 million in General Revenue) for Community Mental Health Services, including behavioral health Medicaid waiver services, due primarily to the discontinuation of the NorthSTAR program and the carve-in of certain NorthSTAR services into Medicaid managed care in fiscal year 2017, as well as the inclusion of certain mental health services for children in STAR Kids beginning in November 2016. Funding includes an additional \$62.6 million in All Funds (\$54.8 million in General Revenue) to fund the current and projected waiting list for community mental health services.	(\$10.8)	\$0.0	(\$109.7)	(\$28.4)	(\$148.9)	D.2.1, D.2.2, D.2.5
J)	Decrease of \$653.6 million in All Funds (increase of \$1.6 million in General Revenue) related to the direct appropriation of administrative and regulatory funds to HHSC due to consolidation and administrative savings related to Indirect Administration, FTE levels, federal financial participation rates and aligning salary levels with actual amounts expended.	\$1.6	(\$5.1)	(\$466.1)	(\$184.0)	(\$653.6)	H.1.1, I.1.1, I.2.1, L.1.1, L.1.2, L.2.1, L.2.2
K)	Increase of \$0.6 million in All Funds (decrease of \$20.6 million in General Revenue) for the Texas Integrated Eligibility Redesign System (TIERS) capital project and system support staff to maintain overall funding levels for capital projects and align with federal financial participation rates.	(\$20.6)	\$0.0	\$21.2	\$0.0	\$0.6	I.3.1, I.3.2
L)	Decrease of \$5.6 million in All Funds (\$0.6 million in General Revenue) related to the transfer of the Office of Border Affairs to DSHS in fiscal year 2017, and to reflect no funding for the Center for Elimination of Disproportionality and Disparity for the 2018-19 biennium.	(\$0.6)	\$0.0	(\$1.2)	(\$3.8)	(\$5.6)	F.3.3
M)	Increase of \$31.0 million in All Funds (\$30.5 million in General Revenue) in Women's Health Programs related to the transfer of certain Women's Health Programs from DSHS to HHSC.	\$30.5	\$0.0	\$1.3	(\$0.8)	\$31.0	D.1.1
N)	Increase of \$1,625.5 million in All Funds (\$449.9 million in General Revenue Related Funds) to reflect the Women, Infants, and Children (WIC) program transferring from DSHS to HHSC in fiscal year 2018, and an increase of \$3.3 million in All Funds (\$9.7 million in General Revenue Related Funds offset by decreases in Federal Funds) to reflect an increase in rebate revenue.	\$0.0	\$449.9	\$1,127.6	\$48.0	\$1,625.5	E.1.2
O)	Decrease of \$31.9 million in All Funds in Non-Medicaid Services, Family Violence Services, Regulation, and Administration pursuant to the four percent reduction.	(\$15.9)	(\$10.1)	(\$9.4)	\$3.5	(\$31.9)	7 Strategies

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

Funding Changes and Recommendations for the 2018-19 Biennium compared to the 2016-17 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):							
P)	Decrease of \$333.5 million in All Funds for miscellaneous items (programs transferred to other agencies, disaster funding, reduced federal financial participation rate for Information Technology and other projects, etc.).	(\$43.3)	(\$1.1)	(\$251.8)	(\$37.5)	(\$333.7)	25 Strategies
TOTAL SIGNIFICANT & OTHER Funding Changes and Recommendations (in millions)		\$1,276.4	\$443.6	\$437.3	(\$1.5)	\$2,155.9	As Listed
SIGNIFICANT & OTHER Funding Increases		\$1,459.5	\$459.9	\$1,770.1	\$264.1	\$3,918.1	As Listed
SIGNIFICANT & OTHER Funding Decreases		(\$183.1)	(\$16.3)	(\$1,332.8)	(\$265.6)	(\$1,762.3)	As Listed

NOTE: Totals may not sum due to rounding.

**Health and Human Services Commission  
Selected Fiscal and Policy Issues - Senate**

1. **General Revenue/General Revenue-Dedicated (GR/GR-D) Limit and Four Percent Reductions.** The Health and Human Services Commission's (HHSC) four percent reduction determined by the Legislative Budget Board (LBB) and Office of the Governor was \$262.9 million in GR/GR-D. HHSC's Legislative Appropriation Request (LAR) included a reduction of \$179.9 million in GR/GR-D, which exceeded the established Limit for 2018-19 by \$83.0 million in GR/GR-D. The agency was required to identify where they would further reduce their LAR request by \$83.0 million in GR/GR-D and HHSC identified reductions in Medicaid Long-term Care Waivers, TANF Cash Assistance, Family Violence Services, Regulation, and Administration.

The four percent reduction items provided by the agency are shown in the table below:

<b>Four Percent Reduction Items Provided by HHSC</b>	<b>GR/GR-D Amounts in Millions</b>
Medicaid Long-term Care Non-entitlement (HHSC estimate)	\$55.3
Medicaid & CHIP Contracts and Administration	\$8.2
TANF Cash Assistance (HHSC estimate)	\$4.0
Family Violence Prevention Services	\$0.2
Regulatory Services	\$0.7
Eligibility Determination	\$13.3
Office of Inspector General	\$0.4
System Oversight and Program Support	\$0.9
In-Home Family Support Program	\$10.0
Lifespan Respite Program	\$1.0
Elimination of Relocation Specialist Functions	\$5.0
Child Care Licensing and Adult Protective Services Investigations	\$1.7
Blindness, Education, Screening, and Treatment (BEST) and Comprehensive Rehabilitation Services (CRS)	\$3.0
Administrative Areas	\$51.0
Indigent Health Care Reimbursement	\$9.8
WIC Program Formula Rebates	\$18.0
Converting to Cash Basis Accounting for Medicaid Client Services (HHSC estimate)	\$54.0
Reduce Provider Rates for Medicaid and CHIP Dental Programs	\$26.4
<b>Total</b>	<b>\$262.9</b>

Source: Legislative Budget Board; Health and Human Services Commission

The Introduced Bill does not include HHSC identified reductions in Medicaid Long-term Care Waivers, TANF Cash Assistance, WIC program formula rebates, and certain administrative areas. Recommendations maintain Medicaid Long-term Care Waivers at the 2016-17 appropriated level (see Selected Fiscal and Policy Item #4). Recommendations provide funding for TANF Cash Assistance based on LBB projected increases in caseload and grant per recipient (see Selected Fiscal and Policy Item #11). Recommendations restore HHSC identified reductions in WIC program formula rebates with offsetting administrative savings (see Selected Fiscal and Policy Item #26).

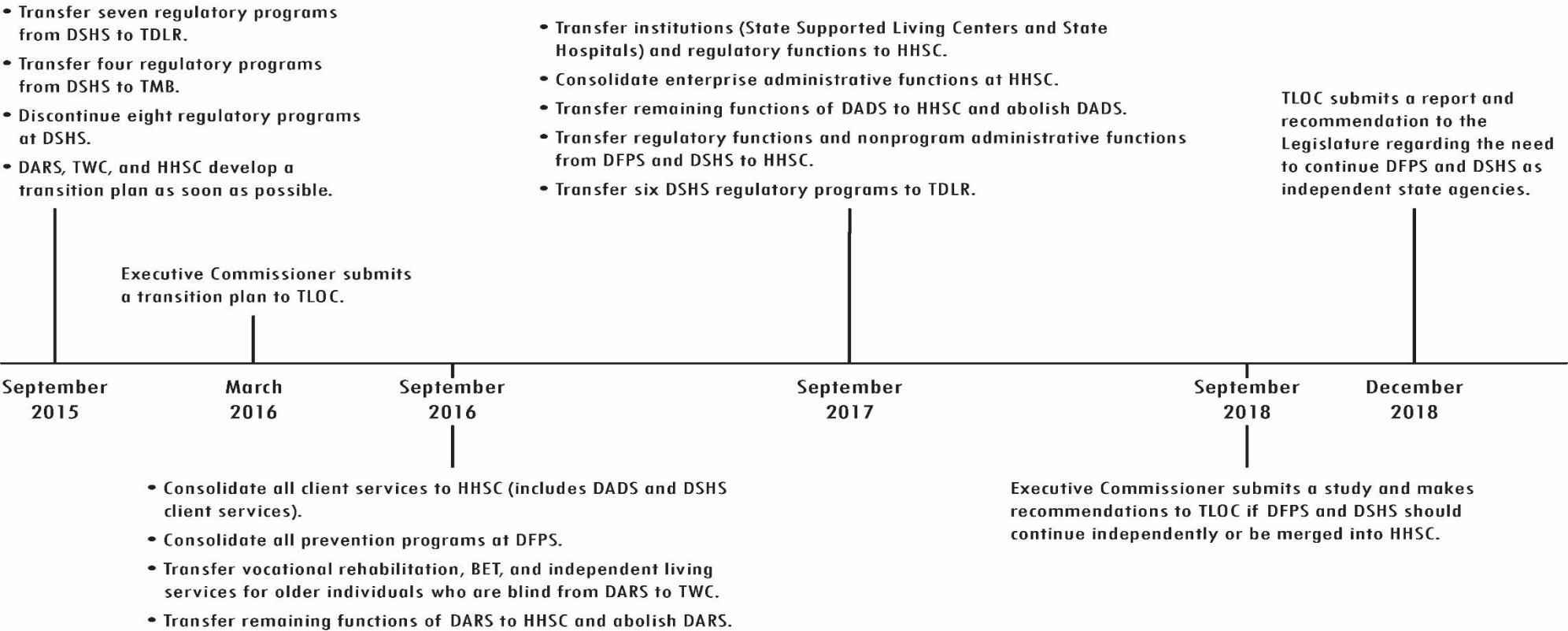
2. **Eighty-fourth Legislature, Agency Consolidation Update.** Senate Bill 200, Eighty-fourth Legislature, 2015, the agencies' Sunset bill, significantly reorganizes and consolidates the five legacy agencies into three agencies—Health and Human Services Commission (HHSC), Department of Family and Protective Services (DFPS), and Department of State Health Services (DSHS)—by September 1, 2017. The Sunset Advisory Commission identified problems in the health and human services system, including program fragmentation, organizational misalignments, and unclear accountability. The goal of restructuring the agencies is to achieve greater efficiencies and coordination across all programs. Similar programs are combined, and administration is consolidated into HHSC. Pursuant to the bill, DFPS and DSHS are authorized to continue as independent agencies with Sunset dates each of September 1, 2023, and the consolidated HHSC is authorized to continue with a Sunset date of September 1, 2027.

Senate Bill 200 established a Transition Legislative Oversight Committee (TLOC) and required the Executive Commissioner to submit a transition plan by March 1, 2016, to the TLOC, the Governor, and the Legislative Budget Board (LBB). The plan submitted in March was revised to address concerns of the TLOC that administrative activities were still too spread out among programs, and that client services were not consolidated fully, and submitted again in August 2016.

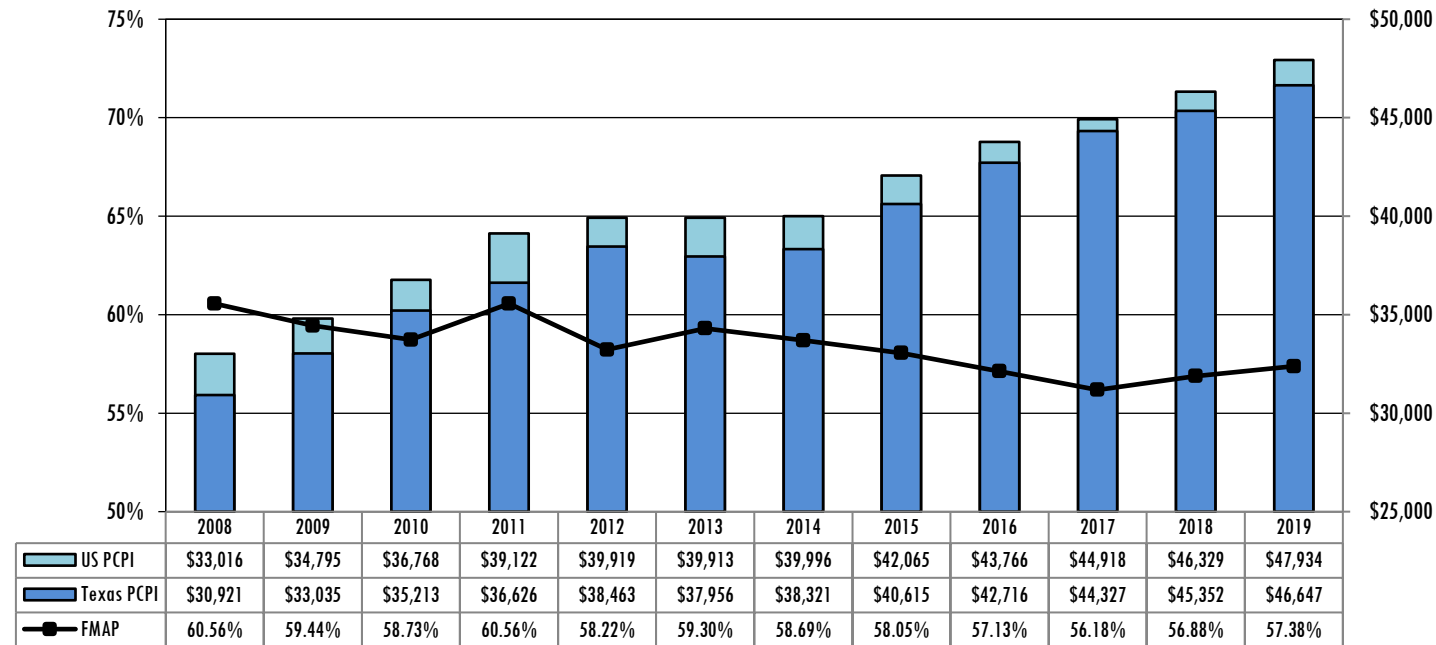
Senate Bill 208, Eighty-fourth Legislature, 2015, transfers the Vocational Rehabilitation (including the Criss Cole Rehabilitation Center), Business Enterprises of Texas, and Independent Living Services for Older Persons Who Are Blind programs from the Department of Assistive and Rehabilitative Services to the Texas Workforce Commission as of September 1, 2016.

Program consolidations have proceeded according to the transition plan. Client services programs were consolidated at HHSC by September 1, 2016 (fiscal year 2017), and the transfer of institutional and regulatory services is planned to occur by September 1, 2017 (fiscal year 2018). However, on January 9th, DSHS informed the LBB that the Texas Center for Infectious Disease (TCID) would remain at DSHS instead of transferring to HHSC. Health and Safety Code Sec. 531.02041 requires the executive commissioner to submit a report to TLOC detailing any substantial organizational changes to the initial transition plan. A revised plan, indicating TCID would remain at DSHS, has not been submitted to TLOC. Current recommendations align with the August 2016 Health and Human Services System Transition Plan, which transfers TCID to HHSC.

The figure below is a timeline of the planned consolidation activities.



**3. Medicaid and CHIP Program Financing.** Financing of the Medicaid and CHIP programs is based on an array of matching rates that determine the amount of state funds (General Revenue, General Revenue-Dedicated, and Other Funds) and the amount of Federal Funds. The primary matching rate for Medicaid client services is the Federal Medical Assistance Percentage (FMAP). Each state has a different FMAP, ranging from 50 to 83 percent, based on its per capita personal income (PCPI) relative to the nation's PCPI. The chart below shows Texas FMAPs for federal fiscal years 2008 to 2019, which were used as the basis for budget recommendations affected by FMAP except in Goal A, Medicaid Client Services (see Selected Fiscal and Policy Issue #4). Federal fiscal year 2019 FMAP is an estimate developed by the LBB; final federal fiscal year 2019 FMAP will not be available until the fall of 2017.



The CHIP program (client services and administrative services) is matched at the Enhanced Federal Medical Assistance Percentage (EFMAP), a more favorable rate with a state share that is a 30 percent reduction to the state share under FMAP. Additionally, under provisions of the Affordable Care Act, a 23 percentage point increase to EFMAP became available for federal fiscal years 2016 to 2019. The increase applies 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 23 percentage point increase. The following table shows EFMAPs for 2015 to 2019 (and the effect of the 23 percentage point increase), which were assumed in budget recommendations except in Goal A, Medicaid Client Services (see Selected Fiscal and Policy Issue #4).

	2015	2016	2017	2018	2019 (Estimated)
Federal Fiscal Year EFMAP	70.64%	69.99%	69.33%	69.82%	70.17%
With 23 Percentage Point Adjustment		92.99%	92.33%	92.82%	93.17%

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

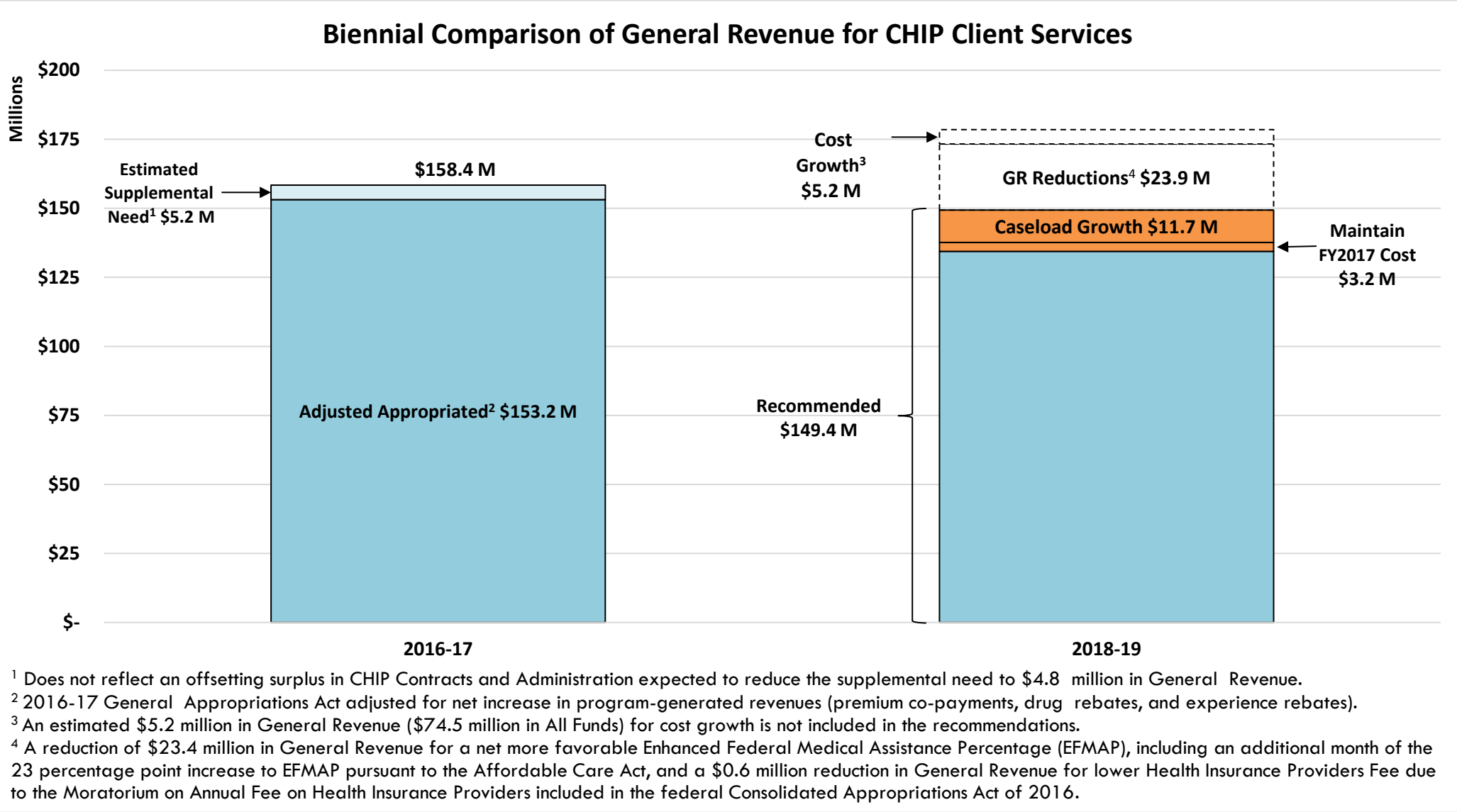


4. **Medicaid Client Services.** The Eighty-fourth Legislature, 2015, passed Senate Bill 200, which, among other items, consolidates Medicaid client services provided by the Department of Aging and Disability Services (DADS) into the Health and Human Services Commission (HHSC). In 2018-19, Goal A, Medicaid Client Services, includes funding for client services formerly provided by DADS and those historically provided by HHSC. Recommendations include \$56.4 billion in All Funds, including \$23.0 billion in General Revenue Funds, for these client services, maintaining them at the 2016-17 appropriated level. Because 2016-17 appropriations were maintained at the method-of-financing level, recommendations do not reflect actual anticipated matching rates or expected changes in revenues.

2016-17 amounts do not assume supplemental funding for fiscal year 2017. Current LBB projections anticipate a cost in 2016-17 above appropriations of \$2.5 billion in All Funds (\$1.2 billion in General Revenue Funds). This does not represent the amount that will need to be provided in a supplemental bill due to adjustments related to transfers and the agency's authority to expend certain revenues in excess of appropriations.

2018-19 amounts do not include funding to support projected caseload growth, maintain fiscal year 2017 average costs, or fund anticipated increases in cost due to medical inflation, higher utilization, or increased acuity. The projected cost to fully fund client services in 2018-19 is \$62.3 billion in All Funds (\$25.7 billion in General Revenue Funds). Fully funding this projected level would require an additional \$5.9 billion in All Funds (\$2.6 billion in General Revenue Funds) above 2018-19 recommendations.

5. **Children’s Health Insurance Program (CHIP).** Recommendations include \$1,970.4 million in All Funds (\$149.4 million in General Revenue Funds) for CHIP Client Services, a decrease of \$9.0 million in General Revenue Funds (an increase of \$156.3 million in All Funds) from the projected 2016-17 biennial level. Increases in All Funds are associated with caseload growth and maintaining fiscal year 2017 premiums, offset by a reduction to the Health Insurance Providers Fee. A net more favorable Enhanced Federal Medical Assistance Percentage (EFMAP) and the reduction in the Health Insurance Providers Fee offset increases in caseload and cost at the General Revenue level. A biennial comparison of General Revenue Funds appropriated and recommended for CHIP is displayed below:



- a. *Caseload.* Following significant declines in the 2014-15 biennium, primarily associated with the transition of certain children from CHIP to Medicaid pursuant to the Affordable Care Act, caseloads returned to growth in 2016-17 and are projected to continue growing throughout the 2018-19 biennium. CHIP Perinatal caseloads, which declined slightly in fiscal years 2014 through 2016 are assumed to remain flat in fiscal years 2017 through 2019. Recommendations include \$11.7 million in General Revenue (\$127.2 million in All Funds) in 2018-19 for caseload growth.
- b. *Premiums.* Recommendations maintain fiscal year 2017 average costs in the 2018-19 biennium. Maintaining the higher fiscal year 2017 average costs for two years results in increased costs of \$3.2 million in General Revenue (\$37.3 million in All Funds). The recommendations do not include funding for cost growth in the 2018-19 biennium, estimated to be \$5.2 million in General Revenue Funds (\$74.5 million in All Funds).

Most services in the CHIP program are provided through managed care with monthly premiums paid to managed care organizations (MCOs). Services provided outside of the monthly premiums include delivery supplemental payments made to the MCOs and payments for vaccines and newborn screening made to the Department of State Health Services. Proposed fiscal year 2017 premiums included significant growth, particularly for pharmacy and dental services. The proposed premiums were partially disapproved by the LBB. Fiscal year 2017 LBB projections assume a reduction to these premiums and these lower premiums are maintained in 2018-19 recommendations. Cost growth estimates assume fiscal year 2018-19 premiums will grow from this lower base.

- c. *EFMAP.* The EFMAP, which is the matching rate for the CHIP program, will be less favorable in federal fiscal year 2018 than federal fiscal year 2016 but is projected to be more favorable in federal fiscal year 2019 than federal fiscal year 2017. Additionally, the Affordable Care Act included a 23 percentage point increase to EFMAP for most services from October 1, 2015 until September 30, 2019. All months in the 2018-19 biennium are matched at the increased percentage, compared to 23 months in the 2016-17 biennium. The net effect is more favorable matching rates in the 2018-19 biennium than in the 2016-17 biennium, resulting in a reduction of \$23.4 million in General Revenue Funds and an equal increase in Federal Funds. The federal fiscal year 2018 EFMAP is final. Federal fiscal year 2019 EFMAP will not be finalized until the fall of 2017.
- d. *CHIP Reauthorization.* The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) extends funding for CHIP through federal fiscal year 2017. The Affordable Care Act prohibits states from restricting CHIP eligibility standards, methodologies, or procedures from enactment until September 30, 2019 (maintenance-of-effort requirement). Under current law, states will receive their final federal CHIP allotments in three installments, with the final installment made on April 1, 2017. In prior years, states were required to spend their allotments within two years; however, under MACRA, a state may only carry two-thirds of unspent federal fiscal year 2017 funds into federal fiscal year 2018.

Without federal budgetary action, all states will likely exhaust their federal CHIP allotments at some point in federal fiscal year 2018. The 23 percentage point increase in EFMAP and the ability to apply EFMAP to certain Medicaid expenditures if federal CHIP funds are used both contribute to increases in the rate at which federal CHIP funds are expected to be expended. Because Texas is operating a separate CHIP program (rather than a Medicaid-expansion CHIP program), the state would not be obligated to continue funding the CHIP program once federal funds run out, despite the maintenance-of-effort requirement.

Recommendations assume new federal funds will become available to continue the program in 2018-19.

- e. *Health Insurance Providers Fee.* Recommendations assume a reduction to General Revenue Funds of \$0.6 million (\$8.4 million in All Funds) related to payment of the Health Insurance Providers Fee and associated taxes. The federal Consolidated Appropriations Act of 2016 included a moratorium on payments for fee year 2017, which would have been reimbursed by the state during fiscal year 2018. Although the amount of the fee to be paid in fiscal year 2019 is higher than fiscal years 2016 and 2017, there is a net reduction due to only making one year's payment. Recommendations include \$1.0 million in General Revenue Funds (\$15.3 million in All Funds) for payment of the fee in fiscal year 2019.

- 6. Medicaid and CHIP Contracts and Administration.** The Health and Human Services Commission (HHSC) performs administrative functions for Medicaid through a claims administrator and Medicaid Management Information Systems (MMIS) contract with vendors collectively known as the Texas Medicaid and Healthcare Partnership (TMHP). As managed care in Medicaid expanded, managed care organizations have taken on certain functions, such as claims adjudication and prior authorization for claims originating from their clients. TMHP still adjudicates claims for fee-for-service (FFS), processes encounter data for both FFS and managed care, and perform certain other claims administrator functions. Costs for maintaining and upgrading the Medicaid Management Information System (MMIS), which automates many of the claims administrator functions, are fixed and not reduced in proportion to the number of clients in FFS.

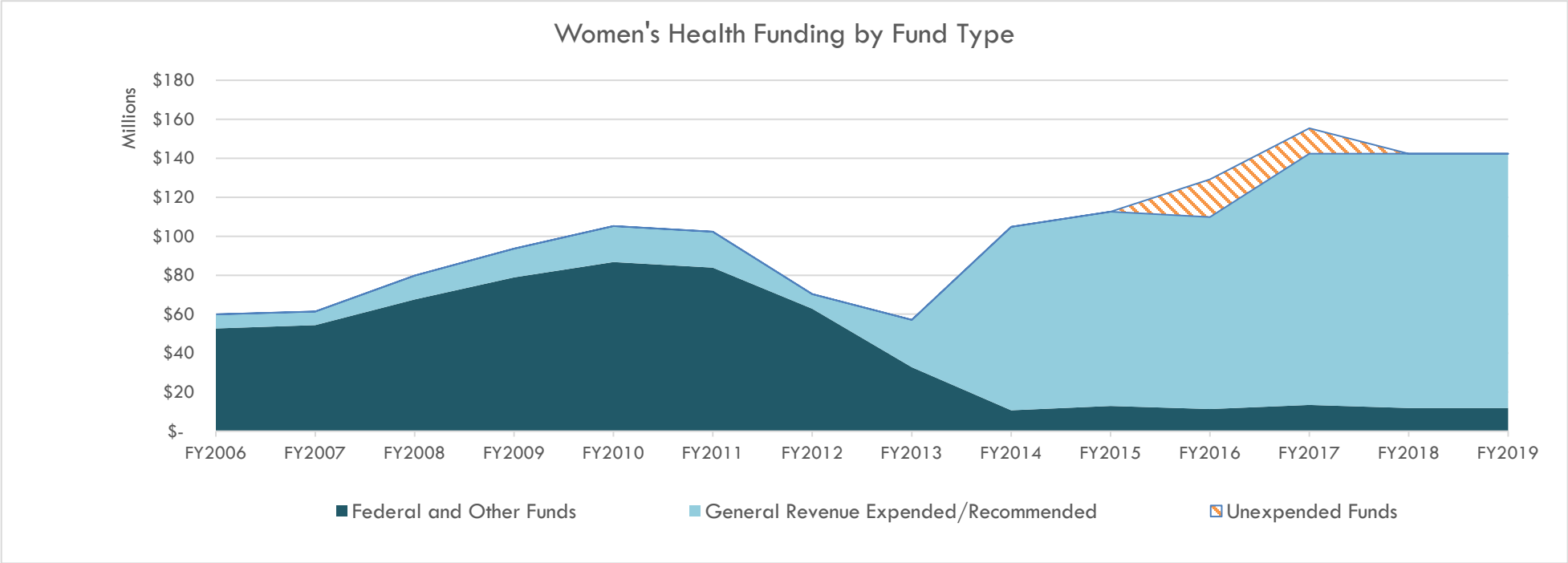
In the Summer of 2014, Accenture became the primary contractor for TMHP by signing an emergency contract with HHSC after the previous contract with Xerox was terminated. Xerox is currently being sued by the Texas Attorney General for improper prior authorizations related to dental services, but continues to manage pharmacy claims and rebates for the agency under a separate contract. The emergency contract with Accenture and ongoing expenditures with Xerox resulted in increasing costs for the TMHP contract. HHSC, generally, elected to utilize budget flexibility provided in the 2014-15 and 2016-17 General Appropriations Acts to transfer funds from Medicaid client services to pay for the increasing cost of the TMHP contract, thereby creating a supplemental need in entitlement services. The commission did not avail itself of the supplemental appropriation process for the increasing cost of the TMHP contract directly or submit Exceptional Items in Legislative Appropriation Requests to address the TMHP contract that would have allowed for full legislative consideration of the increased cost of the contract.

Contract oversight of previous vendors including Xerox was found to be ineffective by HHSC internal audits. HHSC has since reorganized and strengthened contract oversight processes, though no new audits have assessed how well the new processes are working. In order to further strengthen the contract oversight process, recommendations include removing the budget flexibility provided in the 2014-15 and 2016-17 General Appropriations Acts that allowed the agency to transfer funds from Medicaid client services to pay for increasing Medicaid-related contract costs. (See Rider 130, Transfers: Authority and Limitations, and Rider 174, Limitation on Transfer Authority – Medicaid & CHIP Contracts and Administration)

Recommendations also include a new budget rider to require HHSC to form an Executive Steering Committee, including the Quality Assurance Team, that would provide additional oversight for the TMHP contract, report any budget overruns to the Legislative Budget Board, and seek approval from the Legislative Budget Board and the Governor prior to expending appropriations on cost overruns. (See Rider 172, Texas Medicaid and Healthcare Partnership (TMHP))

The TMHP contract is currently being re-bid and the request for proposal (RFP) issued by HHSC allows for the contract to be broken apart by functional areas to provide more oversight, but it is not known when the process will be completed and if the contract will be broken apart. As HHSC requests proposals, it faces a concentrated market of a few vendors. Of states and territories who contract out this function, 85.4 percent contract primarily with one of three companies: Hewlett Packard Enterprise, Xerox, or Molina Medicaid Solutions.

**7. Women’s Health Funding.** Recommendations include \$284.6 million in All Funds (\$260.9 million in General Revenue) for the 2018-19 biennium. This includes funding recommendations for the Breast and Cervical Cancer Services (BCCS) Program that transferred from the Department of State Health Services (DSHS) in fiscal year 2017. When including historical funding for Women’s Health Programs at DSHS and HHSC, recommendations provide an increase of \$30.9 million in All Funds (\$30.4 million in General Revenue Funds) above 2016-17 spending levels. HHSC reported that actual program expenditures for fiscal year 2016 totaled \$99.6 million in All Funds, and administrative and outreach expenditures totaled to over \$10.3 million for fiscal year 2016. Estimates for the 2016-17 biennium hold fiscal year 2016 to actual program expenditures, and adjusts fiscal year 2017 All Funds to 89.8 percent of appropriations based on the percent of appropriations expended in fiscal year 2016. Estimates of the 2016-17 biennium also assume the approved distribution of HHSC’s fiscal year 2016 request to expend \$50.0 million in General Revenue pursuant to former HHSC Rider 76, Women’s Health Programs (\$12.0 million in General Revenue for fiscal year 2016 and \$38.0 million in General Revenue for fiscal year 2017). Recommendations maintain fiscal year 2017 funding for both fiscal years of the 2018-19 biennium. Women’s Health Expenditures by fund type is shown below:



Source: Legislative Budget Board; Health and Human Services Commission

On July 1, 2016, HHSC consolidated the Expanded Primary Health Care Program (EPHC) and the Texas Women’s Health Program (TWHP) into the Healthy Texas Women Program to serve women between the ages of 15 to 44 who are at or below 200 percent of the federal poverty level (FPL). HHSC reported 114,026 Healthy Texas Women recipients as of December 2016. The agency projects an average of 231,480 Healthy Texas Women recipients each month for fiscal year 2018 and an average of 232,670 Healthy Texas Women recipients each month for fiscal year 2019. The Family Planning Program transferred to HHSC from DSHS, and was reconfigured to offer additional services to Texas residents under the age of 64 who are at or below 250 percent of the FPL. HHSC reported serving 23,484 clients in the Family Planning Program as of January 2017.

**8. Early Childhood Intervention (ECI) Services.** Recommendations for the 2018-19 biennium include \$282.4 million in All Funds (\$60.7 million in General Revenue Funds) for Early Childhood Intervention (ECI) services, an increase of \$5.5 million in All Funds (\$5.1 million in General Revenue) over 2016-17 spending levels, in order to fund projected caseload growth. Caseloads grew 3.7 percent in fiscal year 2016, the highest rate of growth since eligibility changes were made in fiscal year 2012. Projections assume similar growth in fiscal year 2017 and growth for the 2018-19 biennium based on population projections. Average cost for the 2018-19 biennium is forecasted at the fiscal year 2017 level. Average monthly service hours of 2.87 per child in fiscal year 2016 are maintained through fiscal year 2019. The table below illustrates projections for ECI caseload:

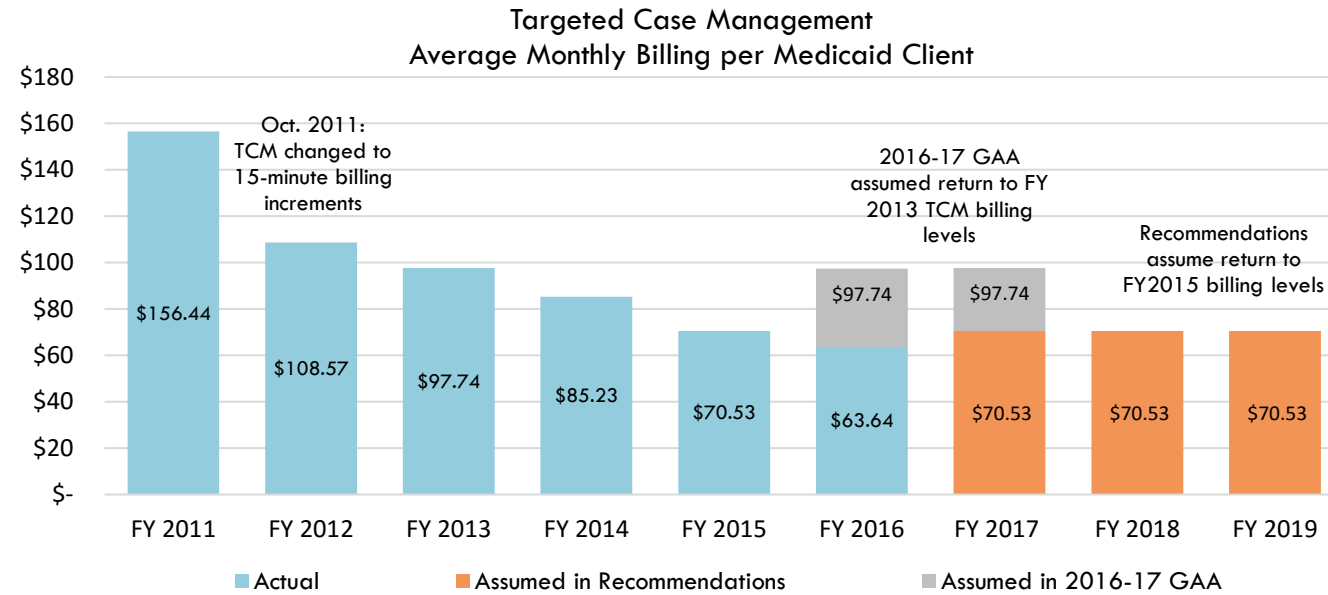
	FY 2015	FY 2016	Trend	FY 2017	Trend	FY 2018	Trend	FY 2019	Trend
<b>Average Monthly Number of Children Served in Comprehensive Services</b>									
Recommendations	26,258	27,223	3.7%	28,281	3.9%	28,516	0.8%	28,761	0.9%

- a. *ECI Provider Contracts:* HHSC works with contractors to provide ECI services for the state. The Department of Assistive and Rehabilitative Services (DARS) worked with a total of 49 contractors in fiscal year 2016 and HHSC worked with 47 contractors in fiscal year 2017 to provide ECI services. In fiscal year 2016, three contractors gave notice of intent to terminate their contracts with HHSC to provide ECI services. Two current contractors assumed caseloads for regions in West Texas and East Texas counties, and HHSC secured a new contract with a contractor to assume caseloads for regions in North Texas. In December 2016, one contractor from the Texoma region provided notice of intent to terminate for fiscal year 2017. HHSC reports it does not have a new contractor for the Texoma region as of January 2017, and is working with current contractors to determine interest in assuming the caseload for the region.

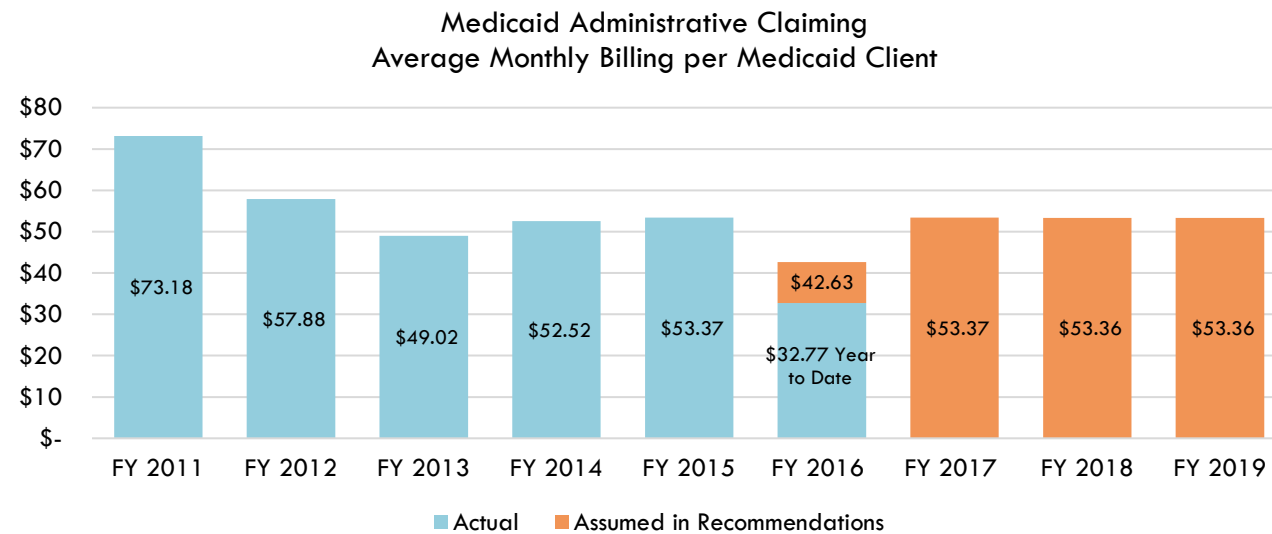
The general provisions of each ECI contract require the contractor to assist with the transition of families and children to other appropriate ECI programs in the event that the contract is terminated, without specifying how long the assistance will take place for after contract termination. Recommendations modify former DARS Rider 8, Reporting on Early Childhood Intervention, to require HHSC, in the event that a contract is terminated, to submit a report to the Legislative Budget Board and the Governor’s Office that details termination plans. The report would include the final date that the contractor is expected to provide assistance for clients transitioning into another contractor’s caseload.

- b. *Medicaid Billing:* Included in each ECI provider’s contract is a maximum amount to be reimbursed by HHSC, and an amount to be collected by the provider from Medicaid billings for Targeted Case Management (TCM), Specialized Skills Training (SST) services, and Medicaid Administrative Claiming (MAC) costs. TCM activities assist children and their families in receiving medical, social, educational, developmental, and other appropriate services, and include activities like referrals and development of a care plan. SST services may include physical and occupational therapy and audiological services. MAC includes costs related to administering activities that support the ECI program. The Texas Medicaid plan changed TCM billing procedures in fiscal year 2012 and providers could only bill in 15-minute increments instead of billing by the hour, causing an expected decline in TCM collections. However, TCM collections continue to decline six years later despite no further policy changes, resulting in the agency using additional IDEA Part C Federal Funds to make up the difference between projected and actual TCM collections. HHSC indicated that they expect a further decline in average monthly TCM collections per Medicaid child, but are not able to provide clear reasons for the continuing decline. Additionally, fiscal year 2016 MAC billings through March are showing a 38.6 percent decline over the prior year. The agency is also not able to provide a clear reason for the emerging decline in MAC billing.

Recommendations hold TCM collections and MAC billing to fiscal year 2015 levels in fiscal years 2017 through 2019. Recommendations also assume the level of fiscal year 2016 collections for SST in fiscal years 2017 through 2019. Recommendations revise former DARS Rider 8, Reporting on Early Childhood Intervention to require HHSC to submit a report on provider revenue for Medicaid billings. Recommendations also introduce a new rider to require HHSC to provide technical assistance to providers on TCM billing procedures, and to amend the state Medicaid plan to bill for pooled increments (lower than 15 minutes) of TCM. See Rider 69, Early Childhood Intervention (ECI) Services: Medicaid Billing. Recommendations have accounted for the decline in TCM billings, but ECI service providers continue to bill at significantly lower levels each fiscal year. The decline in TCM billings and the decline in MAC collections since fiscal year 2011 are detailed in the charts below:



Source: Legislative Budget Board; Health and Human Services Commission



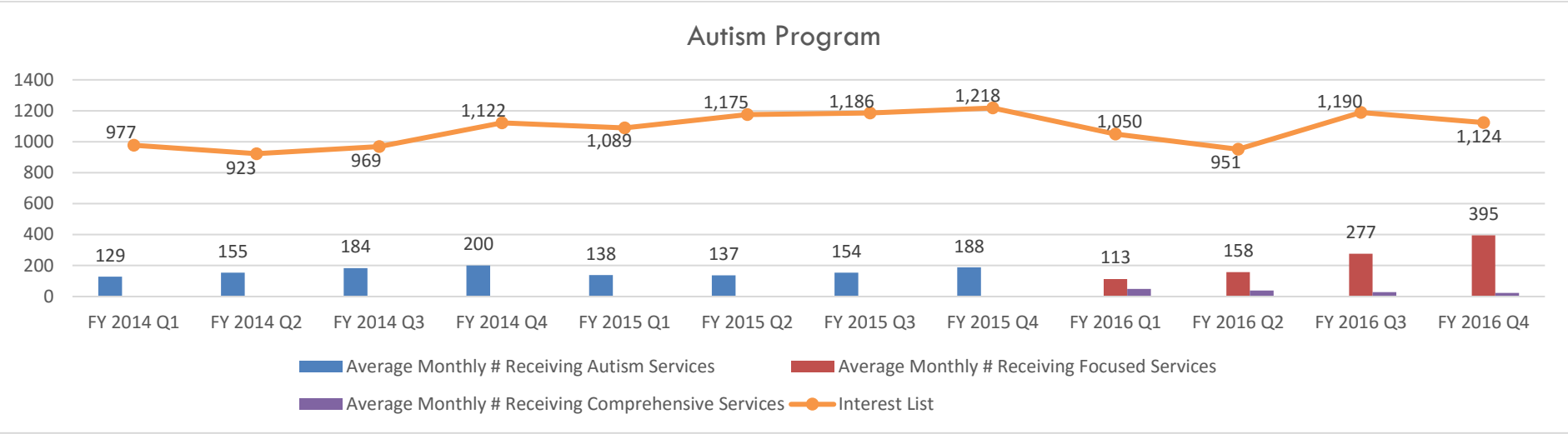
Note: MAC data lag by 6-9 months. Actual MAC data available through March 2016.

Source: Legislative Budget Board; Health and Human Services Commission

- c. *State Office Expenditures:* HHSC reported in previous fiscal years that they were unable to draw down matching funds for operating expenses related to providing ECI services. The United States Code of Federal Regulations provides a 50 percent match for ECI activities that are for the proper and efficient administration of the state plan (42 CFR §433.15(a)), including costs associated with staff salary, fringe benefits, and travel-related expenses. A 75 percent match is also available for using an approved Medicaid Management Information System (MMIS) for processing monthly contractor billings. Recommendations move state office expenditures out of Strategy D.1.3, ECI Services, into Strategy D.1.4, ECI Respite and Quality Assurance, in order to separate state office expenditures from client services expenditures. Recommendations assume a change to the method of finance for state office expenditures, and include a new rider requiring HHSC to bill for all eligible operating expenses. See Rider 69, Early Childhood Intervention (ECI) Services: Medicaid Billing.
  - d. *Maintenance of Effort (MOE) Requirements:* In order to receive Individuals with Disabilities Education Act Part C Federal Funds, the state's non-federal expenditures for the ECI program must equal, at a minimum, non-federal expenditures from the most recent preceding year for which complete data are available. Recommendations include funding to meet the MOE requirement of \$48.3 million in General Revenue and Other Funds in fiscal year 2018. Because General Revenue increased in fiscal year 2019 above the 2017 level, the MOE will increase in the 2020-21 biennium. The need for additional General Revenue was reduced by including an additional \$5.0 million in TANF Federal Funds in each fiscal year of the 2018-19 biennium.
9. **Autism Program.** Recommendations include \$14.2 million in All Funds (\$14.2 million in General Revenue Funds) for the 2018-19 biennium. Recommendations revise former DARS Rider 28, Autism Program Provisions, to remove language regarding comprehensive services. Comprehensive Applied Behavior Analysis (ABA) treatment services, which are used to treat multiple challenging behaviors, will discontinue on August 31, 2017. As of the start of fiscal year 2016, children eligible to receive services were enrolled into Focused ABA treatment services only, which is used to treat a specific challenging behavior. Recommendations also include deleting former DARS Rider 27, Unexpended Balances within the Biennium: Autism Program. The Autism Program's contracts are considered grants, and as long as the grants are awarded before the end of the appropriation year, the awards may be expended for up to an additional two fiscal years for their intended purpose.

Autism services are provided by 21 contractors, and are available in 10 of 11 Health and Human Services regions. As of November 2016, two of the new contractors were still building capacity, and two contractors are in the process of opening secondary sites in their service areas to serve additional children. The graph below illustrates the number of children served through the Autism program and the number of children on the interest list for the program from fiscal years 2014 to 2016. Contractors keep an interest list of children who are eligible for services but are unable to be enrolled in the program at the time services are requested. The interest list is maintained according to date of request for services. Families whose children are receiving services through other programs may either request to be removed from the interest list or choose to remain on the list while receiving other services. The projected number of children on the interest list is 1,178 for the end of fiscal year 2018 and 1,237 for fiscal year 2019. The agency expects to serve an average of 577 children per month in the 2018-19 biennium.





Source: Legislative Budget Board; Health and Human Services Commission

10. **Community-Based and Client Services Programs with Waiting and Interest Lists.** Medicaid waiver and non-Medicaid community-based programs administered by HHSC keep an interest list of individuals who have identified an interest in receiving services, but have not yet been determined eligible to receive services. Individuals who have been on the interest list the longest, and who have been determined eligible to receive services, take priority for enrollment into services. The number of applicants on interest lists for community-based programs as of November 2016 is shown below:

	November 2016 Interest List Counts
Community Living Assistance and Support Services	58,049
Deaf Blind with Multiple Disabilities	206
Home and Community-based Services	81,678
Medically Dependent Children’s Program	19,561 <sup>1</sup>
STAR+PLUS	19,880
Texas Home Living	60,912

Note: List management policy allows for individuals to sign on to multiple interest lists. The unduplicated count across all interest lists is 132,371.

Source: Health and Human Services Commission

<sup>1</sup>The Medically Dependent Children’s Program waiver services are provided through STARKids as of November 2016. There will continue to be an interest list to receive MDCP-like services in STARKids.

Several client services programs administered by HHSC keep waiting lists consisting of individuals with a completed service plan. Individuals are removed from the waiting list and enter into services when other individuals in the program no longer require services and if funding for the program is still available. In most cases, individuals who are on the waiting list have not yet

received services. The Comprehensive Rehabilitation Services (CRS) program provides limited services to individuals on the waiting list, including diagnostic and evaluation services. Waitlist projections as of November 2016 for the end of fiscal year 2017 are shown below:

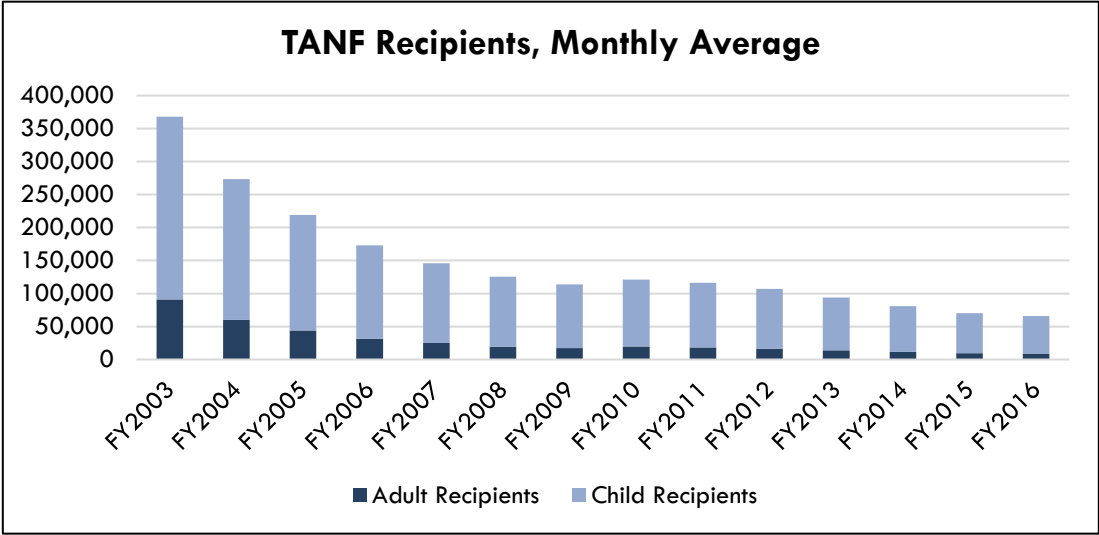
	Fiscal Year 2017 Projected Waitlists (as of November 2016)
Children with Special Health Care Needs	525
Independent Living Contracted Services	354
Blindness Education, Screening, and Treatment	58
Comprehensive Rehabilitation Services	156

Source: Legislative Budget Board; Health and Human Services Commission

See also Selected Fiscal and Policy Issues #15, Community Mental Health Services for Adults Waiting List, and #16, Community Mental Health for Children Waiting List.

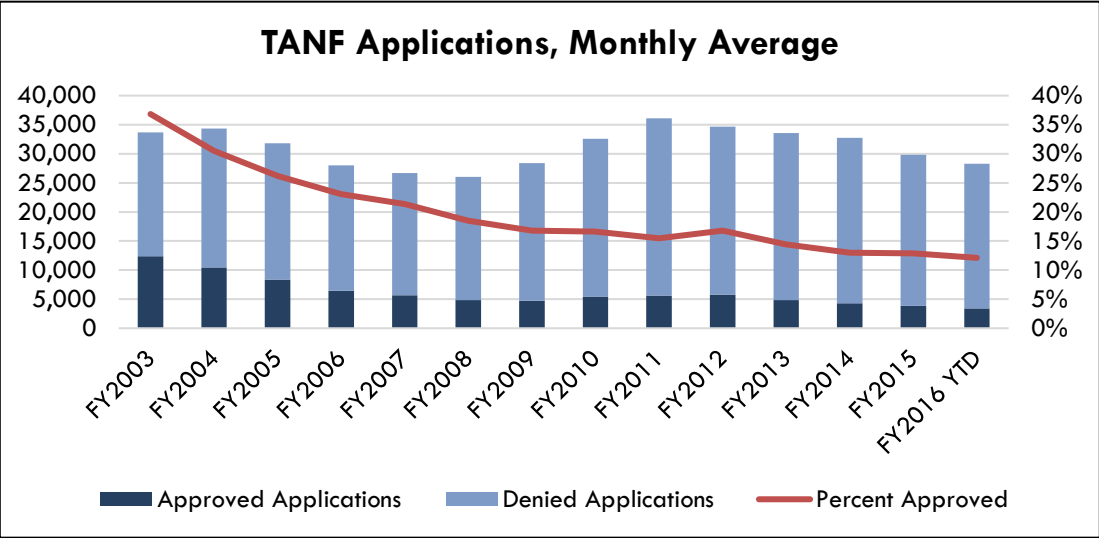
11. **Temporary Assistance for Needy Families (TANF) Cash Assistance.** Recommendations provide an increase of \$4.9 million in All Funds (\$0.2 million in General Revenue; \$4.7 million in TANF Federal Funds) above 2016-17 spending levels for the TANF Cash Assistance program to fund projected increases in caseload and grant per recipient. Caseloads in the TANF Cash Assistance programs have mostly declined since fiscal year 2004. Projections assume 1.0 percent caseload growth in fiscal years 2017 through 2019 in the TANF program, the TANF State Program for two-parent families, and the One-Time Payments for Children. Recommendations include continued funding for the Maintenance of Effort (MOE) level of \$48.3 million in General Revenue for TANF annually. Grant per recipient historically increases each year because the maximum grant is tied to the Federal Poverty Level (FPL), which in turn is tied to the Consumer Price Index. Projections assume an increase in the grant per recipient amount of 1.0 percent for fiscal year 2018 and 2.1 percent for fiscal year 2019 based on projected growth in the FPL. Recommendations maintain the eligibility for TANF at 17 percent of FPL. The decline in TANF caseload is discussed on the following page:

Following the enactment of House Bill 2292, Seventy-eighth Legislative Session, 2003, Regular Session, Texas instituted several changes to the Temporary Assistance for Needy Families (TANF) program, including full-family sanctions, in which a violation of the Personal Responsibility Agreement (PRA) results in all adults and children in the household losing all TANF payments for at least one month. Repeat violations result in program disqualification. These changes led to steep declines in TANF enrollment. However, the 2003 policy changes do not fully explain the continued decrease in TANF participation.



In September 2003, the first month of reform implementation, the number of average monthly TANF recipients declined by 17.6 percent. With the exception of a small recession-related uptick in FY 2010, the number of TANF recipients continues to decline 13 years later. The average monthly number of TANF recipients declined by 302,000 (-82.1 percent) between fiscal year 2003 and fiscal year 2016. Adult recipients declined from 91,000 to 9,000 average monthly recipients (-90.1 percent) and child recipients declined from 277,000 to 57,000 (-79.5 percent). Between fiscal year 2010 and fiscal year 2016 year-to-date, the number of average monthly TANF recipients declined by 45.8 percent. Similarly, TANF one-time payments have fallen from 523 average payments monthly in fiscal year 2007 to 111 payments monthly in fiscal year 2016.

This trend is not unique to Texas. TANF caseload has fallen by 17 percent nationwide since its peak in 2010. To some degree, this decline may be due to state-level policy changes. However, many states are experiencing caseload decreases in the absence of specific policy change.



Total TANF applications remain near the 2003 level, but approval rates have steadily declined. The primary reason for disapproval reported by the agency is “client action,” generally related to failure to submit required paperwork or comply with program requirements.

The high number of denials due to client action suggests that these individuals may not find the program worthwhile given the requirements, or may find it logistically difficult to comply with application requirements. The average monthly grant per recipient is \$74.05 in fiscal year 2016, up from \$56.17 in fiscal year 2000.

Income eligibility standards vary widely by state, and is approximately 11.0 percent of the federal poverty level in Texas. Based on data provided by HHSC, 3.6 percent of Texans in poverty received TANF in 2014, compared to 23.0 percent of individuals in poverty nationwide.

Note: Recommendations for the Health and Human Services system for the 2018-19 biennium do not factor in the use of the TANF block grant used for the Department of Family and Protective Services' (DFPS) critical needs request. The critical needs request approved by the Governor's Office and the Legislative Budget Board provides \$72.5 million in additional TANF federal funds in fiscal year 2017 for non-staff expenditures and allocates General Revenue from non-staff expenditures into the Child Protective Services Direct Delivery Staff Program. A shortfall of \$27.4 million in TANF federal funds is estimated in fiscal year 2019.

- 12. The Office of Immigration and Refugee Affairs (OIRA).** Recommendations reflect a decrease of \$100.3 million in Federal Funds, and 15.0 FTEs, from 2016-17 spending levels. The state-run Refugee Assistance program is expected to stop providing services on January 31, 2017. The program is primarily federally funded. House Bill 432, Eighty-third Legislature, Regular Session, 2013 established the Health and Human Services Commission (HHSC) as a charitable organization for the purpose of administering a grant program for donations received by state employees. Contributions collected are awarded as grants to public and nonprofit organizations that provide assistance to domestic victims of human trafficking.

On September 21, 2016, the State Refugee Coordinator from HHSC informed the Office of Refugee Resettlement (ORR) that, if the amended state plan was not approved, HHSC would be unable to certify its state plan and would thus exit the Refugee Resettlement Program. The plan was not approved by the ORR, and the program's notice of termination began on October 1, 2016. State-provided services are expected to end as of January 31, 2017. ORR has not yet announced what non-profit entity will assume responsibility for the program. HHSC and ORR are in discussions to determine who will be responsible for covering expenses after the termination date.

- 13. Statewide Behavioral Health Strategic Plan and Coordinated Expenditure Proposal.** Recommendations amend Article IX Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditure Proposal to: 1) require annual updates to the strategic plan, inventory of behavioral health programs, and the coordinated expenditure proposal; 2) require a breakout of the methods of financing; 3) provide an estimate of Medicaid behavioral health expenditures; 4) add the Texas Education Agency, Texas Workforce Commission, and the Department of Housing and Community Affairs to the provision; and 5) update the informational listing of appropriations for behavioral health programs included in the recommendations. Agencies included in the informational listing of appropriations are required to designate an individual to serve as a member of the behavioral health coordinating council.

**14. Behavioral Health.**

- a. Community Mental Health Services.** Recommendations include an overall increase of \$31.0 million in General Revenue Related Funds (decrease of \$12.0 million in All Funds) in Strategy D.2.1, Community Mental Health Services for Adults, and a decrease of \$21.5 million in General Revenue Related Funds (\$51.5 million in All Funds) in Strategy D.2.2, Community Mental Health Services for Children, from 2016-17 spending levels. Recommendations for Strategy D.2.5, Behavioral Health Waivers, maintain 2016-17 appropriations for the YES Waiver and for the Home and Community Based Services-Adult Mental Health (HCBS-AMH) program.

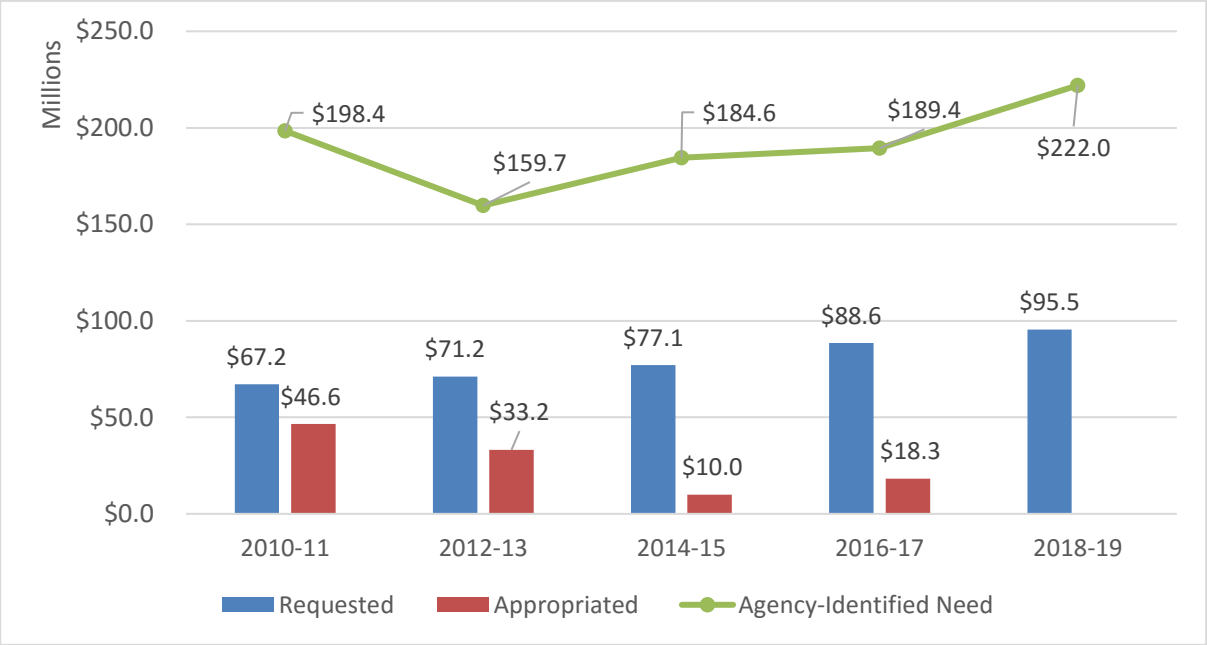
- Recommendations reflect the transition of clients into STAR Kids beginning November 1, 2016. Projected fiscal year 2017 expenditures have been reduced by \$3.8 million in General Revenue Match for Medicaid (\$8.7 million All Funds) from Strategy D.2.1, Community Mental Health Services for Adults, and \$1.2 million in General Revenue Match for Medicaid (\$2.6 million All Funds) from Strategy D.2.2, Community Mental Health Services for Children, to reflect this transition.
- Recommendations reflect fiscal year 2017 appropriated levels with adjustments to remove:
  - 1) \$17.0 million in General Revenue Related Funds (\$43.1 million All Funds) per fiscal year for the NorthSTAR program, which was discontinued January 1, 2017;
  - 2) \$8.6 million in General Revenue per fiscal year for one-time transition funding to the Local Mental Health Authorities that are expected to provide community services to certain former NorthSTAR clients; and
  - 3) Approximately \$5.9 million in General Revenue Related Funds (\$13.7 million All Funds) expenditures for STAR Kids indicated above.

Recommendations include \$32.0 million in General Revenue (\$38.6 million All Funds) each fiscal year to biennialize funding for non-Medicaid community behavioral health services that were previously available through the NorthSTAR program, and \$54.8 million in General Revenue Funds (\$62.6 million All Funds) to address the waiting list for community mental health services for adults and children. **See Selected Fiscal and Policy Issue #15 and #16.**

**b. State Hospitals.** Recommendations include a decrease of \$21.0 million in General Revenue for one-time capital projects at the state mental health facilities, including \$18.3 million in General Revenue for the one-time repair and renovation of state hospitals, \$1.7 million in General Revenue for critical IT projects and \$1.0 million General Revenue for state hospital cameras. HHSC is requesting an exceptional item for repair and renovation of state facilities, which includes \$95.5 million in General Obligation Bond Proceeds for the state hospitals. (see Section 5, Items not Included in Recommendations, Exceptional Item 19). The agency has also submitted a placeholder exceptional item for new construction at state hospitals (see Section 5, Items not Included in Recommendations, Exceptional Item 22). The graph below shows historical requests and appropriations for repairs and renovations of state hospitals.

There is no General Obligation bond authority available for appropriation in the 2018-19 biennium. See Article IX, Sec. 17.10, Improving State Hospital Facilities, and Other State Facility Needs, for intent language to appropriate funds to address critical capital needs in the 2018-19 Biennium.

**Repairs and Renovations at the State Hospitals.**



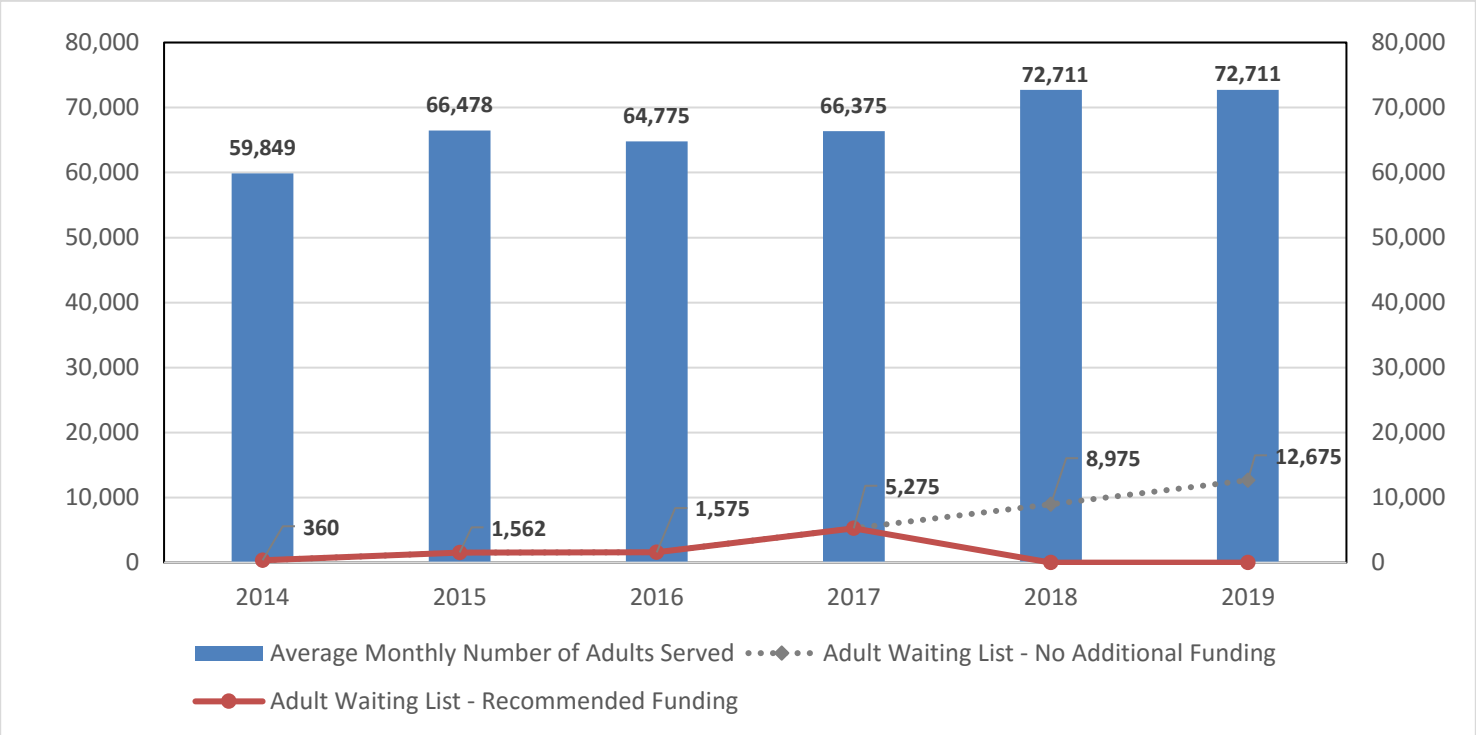
Note: Agency indicated need reflects the cost of construction projects that each state hospital determined to be the highest priority in the Legislative Appropriation Request for each biennium. The estimated deferred maintenance cost for state hospitals was \$145.1 million as of March 16, 2016, with a total project cost of \$222.0 million if all deferred maintenance items were turned into projects. Project cost includes costs for construction, management, surveying and testing, administration fees, environmental abatement, construction contingencies, etc.

State psychiatric facilities must maintain accreditation by the Joint Commission in order to receive federal reimbursement. To maintain accreditation, hospitals must comply with environment of care standards which require buildings to be maintained in a safe and therapeutic manner that is conducive to clients' recovery. State psychiatric facilities must also comply with the minimum requirements of National Fire Protection Association 101 Life Safety Code and associated codes and standards, which include fire sprinkler systems, fire alarms, firewalls, smoke barriers, emergency power and lighting, and other requirements necessary to protect building occupants from danger caused by smoke, fire, and toxic fumes.

**15. Community Mental Health Services for Adults Waiting List.** The graph below illustrates the number of adults served through community mental health programs and the number of individuals on the waiting list for these services at the end of each fiscal year. The Department of State Health Services was appropriated \$46.1 million in General Revenue in the 2014-15 biennium for the purpose of eliminating the adult waiting list for services. The number of adults on the waiting list decreased from 4,197 in September 2013 to 360 in August 2014. The Department received \$9.4 million to serve an estimated 960 individuals on the waiting list as of May 1, 2015 in the 2016-17 biennium. The current adult waiting list is 1,575 as of August 31, 2016.

Recommendations include \$54.4 million in General Revenue (\$62.2 million in All Funds) to address the waiting list for community mental health services for adults. Recommendations assume an average cost to remove one adult on the waiting list of \$4,908, and estimate that the waiting list at the end of the 2018-19 biennium would be 12,675 adults based on current population growth if no additional funding was provided.

**Community Mental Health Services – Adults Waiting List.**

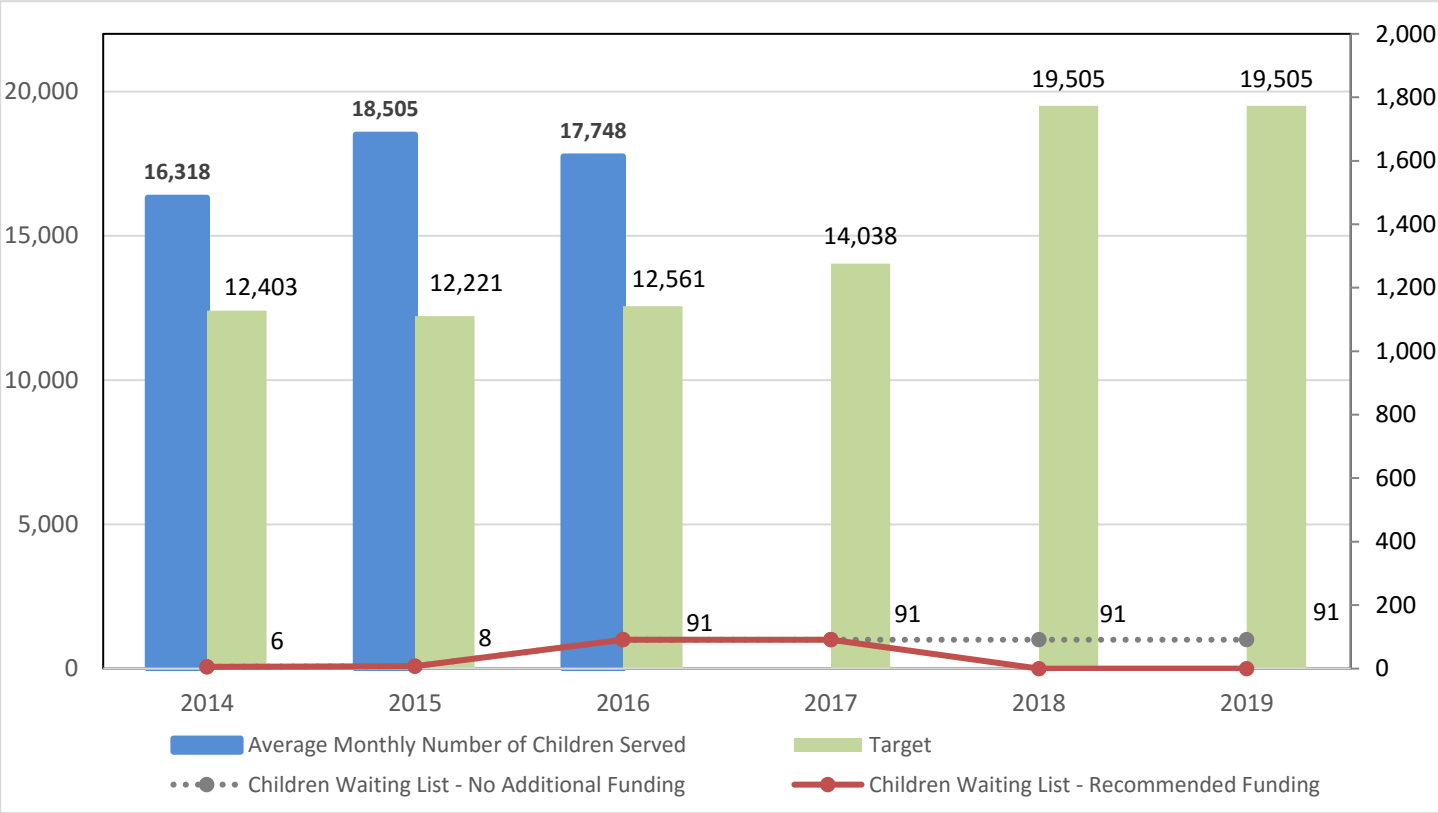


Source: Department of State Health Services; Health and Human Services Commission.

**16. Community Mental Health Services for Children Waiting List.** The graph below illustrates the number of children served through community mental health programs and the number of children on the waiting list for these services. The Department of State Health Services was appropriated \$2.1 million in General Revenue in the 2014-15 biennium to serve children on the waiting list. The current children’s waiting list is 91 as of August 31, 2016. Note that the fiscal year 2017 number of children served is the current target, and that the agency has consistently overserved the target in previous fiscal years.

Recommendations include \$0.4 million in General Revenue Funds (\$0.6 million All Funds) to address the current and projected waiting list for community mental health services for children. Recommendations assume an average cost to remove one child from the waiting list of \$5,100, and estimate the waiting list at 91 children at the end of the 2018-19 biennium if no additional funding was provided. The agency does not anticipate the waiting list would grow significantly from the current waiting list, which is due primarily to a shortage of psychiatrists at the local mental health authority serving the Rio Grande Valley.

**Community Mental Health Services – Children Waiting List.**



Source: Department of State Health Services; Health and Human Services Commission.

- 17. YES waiver.** The Youth Empowerment Services (YES) waiver provides home and community-based mental health services to children and youth between ages 3 and 18 with a mental health disorder of such severity that otherwise they would either need inpatient psychiatric care, threaten the success of their foster care placement, or be relinquished to state custody by their parents. The YES waiver sets aside certain Medicaid eligibility requirements (in this case, it disregards parental income) to provide home and community-based services to kids with a severe emotional disturbance (SED). YES waiver services may include respite care for families and caregivers; specialized therapies, including art, recreational, music, and animal-assisted; minor home modifications; and supportive family-based services to help the family learn healthy interactions.

A waiver amendment approved by CMS in July 2016 expanded YES eligibility to include children and adolescents in the state's conservatorship. The table below shows the total YES waiver enrollment and corresponding appropriations to the Health and Human Services Commission (HHSC).

	Enrollment	General Revenue	Federal Funds	Other Funds	All Funds	Average All Funds Cost per Enrollee
2011	85	\$56,387	\$121,017	\$67,818	\$245,222	\$2,885
2012	121	\$71,090	\$265,412	\$65,787	\$402,289	\$3,325
2013	238	\$80,468	\$443,555	\$255,161	\$779,184	\$3,274
2014	605	\$1,344,498	\$1,658,583	-	\$3,003,081	\$4,964
2015	991	\$5,225,126	\$3,115,535	-	\$8,340,661	\$8,416
2016	2,094	\$3,839,899	\$4,488,493	-	\$8,328,392	\$3,977
2017	-	\$12,187,500	\$17,118,174	-	\$29,305,674	

Source: Health and Human Services Commission

Note: 2017 enrollment projections and explanation for Cost Per Enrollee variance are forthcoming from HHSC.

Recommendations include \$24.4 million in General Revenue Funds (\$58.6 million in All Funds), for the 2018-19 biennium to continue the program at fiscal year 2017 appropriated levels.

- 18. Civil and Forensic Capacity at the State Hospitals.** In fiscal year 2012, a forensic capacity lawsuit (Taylor v. Lakey) found that forensic patients must wait no longer than 21 days to be placed in a state mental health facility. To meet this increased demand, DSHS expanded the number of forensic beds within the state hospitals and contracted with additional community hospitals for civil beds. Forensic patients have, on average, significantly longer lengths of stay (118 days as compared to 42 days for civil patients), and the costs for inpatient services for forensic patients are borne entirely by the state. The longer length of stays associated with forensic patients result in fewer patients per year receiving services and consistent increases in the proportion of forensic patients to non-forensic patients. As of October 24, 2016, there are 285 individuals on the waiting list for Maximum Security Units at North Texas State Hospital Vernon Campus and Rusk State Hospital, including 250 individuals who have been waiting for more than 21 days, and 97 individuals on the waiting list for non-Maximum Security Units, 6 of whom have been waiting for more than 21 days.

In fiscal year 2015, the average daily state hospital census was 2,236 including 1,125 civil patients (50.3 percent) and 1,111 forensic patients (49.7 percent). The percentage of forensic patients has increased by 7.5 percent from fiscal year 2013.

Costs for inpatient forensic patients are funded by the state, whereas civil patients may have third party insurance to fund the cost of inpatient treatment. Third party reimbursement will continue to decrease as the ratio of forensic to civil patients increases. Recommendations include \$21.1 million in Mental Health Appropriated Receipts, a decrease of \$7.8 million from 2016-17 spending levels, due to the decrease in the proportion of civil patients. General Revenue in the amount of \$7.8 million is recommended in place of reduced Mental Health Appropriated Receipts.



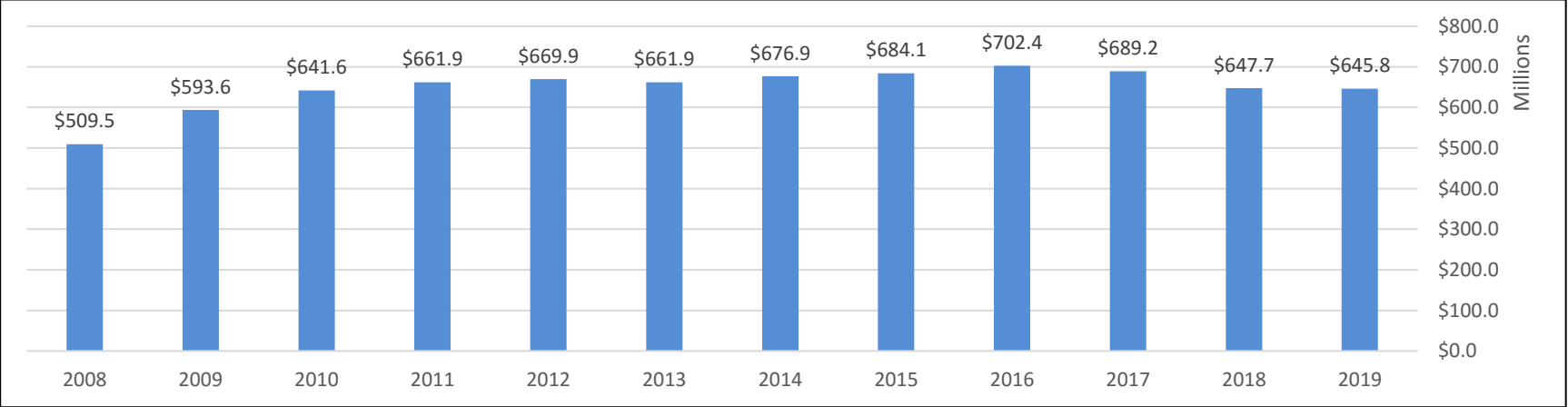
19. **State Supported Living Centers (SSLCs).** Recommendations include \$558.9 million in General Revenue Related Funds (\$1,293.5 million All Funds) in Strategy G.1.1, State Supported Living Centers, to provide services to individuals at the State Supported Living Centers, and include the following:

- A reallocation of \$27.8 million in General Revenue Related Funds (\$70.2 million All Funds) in oversight budget to Strategy L.1.1, Enterprise Oversight and Policy including agency related payroll health insurance and retirement contributions, medical supplies, medications, Quality Assurance Fee payments, food for residents, settlements and judgments, postal services, employee training, and non-capital maintenance. An additional \$4.6 million for MLPP – Utility Savings is reallocated to Strategy G.4.2, Capital Repair and Renovations.
- A decrease of \$0.6 million in General Revenue Related Funds (\$1.3 million All Funds) for the 2018-19 biennium for salary clawback. An additional \$1.7 million in General Revenue Related Funds (\$2.3 million All Funds) were reduced from the 2016-17 base spending levels. See Selected Fiscal and Policy Issue #25 for more information on the salary clawback.
- Recommendations assume 10.0 percent of fiscal year 2017 budgeted expenditures are variable and reduce the variable portion of expenditures by the projected caseload decline of 2.9 percent in each of fiscal years 2018 and 2019. Recommendations include a reduction of \$0.8 million in General Revenue Related Funds (\$1.9 million All Funds) in fiscal year 2018, and \$1.6 million in General Revenue Related Funds (\$3.2 million All Funds) in fiscal year 2019.

Annual expenditures per resident are projected to increase over fiscal year 2017 levels by 2.4 percent in fiscal year 2018 and 5.1 percent in fiscal year 2019. See the graph on the next page for a comparison of costs per resident over time. Appropriations for oversight and for MLPP have been included in this chart for the purposes of making a meaningful comparison to prior fiscal years. See below for a chart comparing overall appropriations for SSLCs over time.

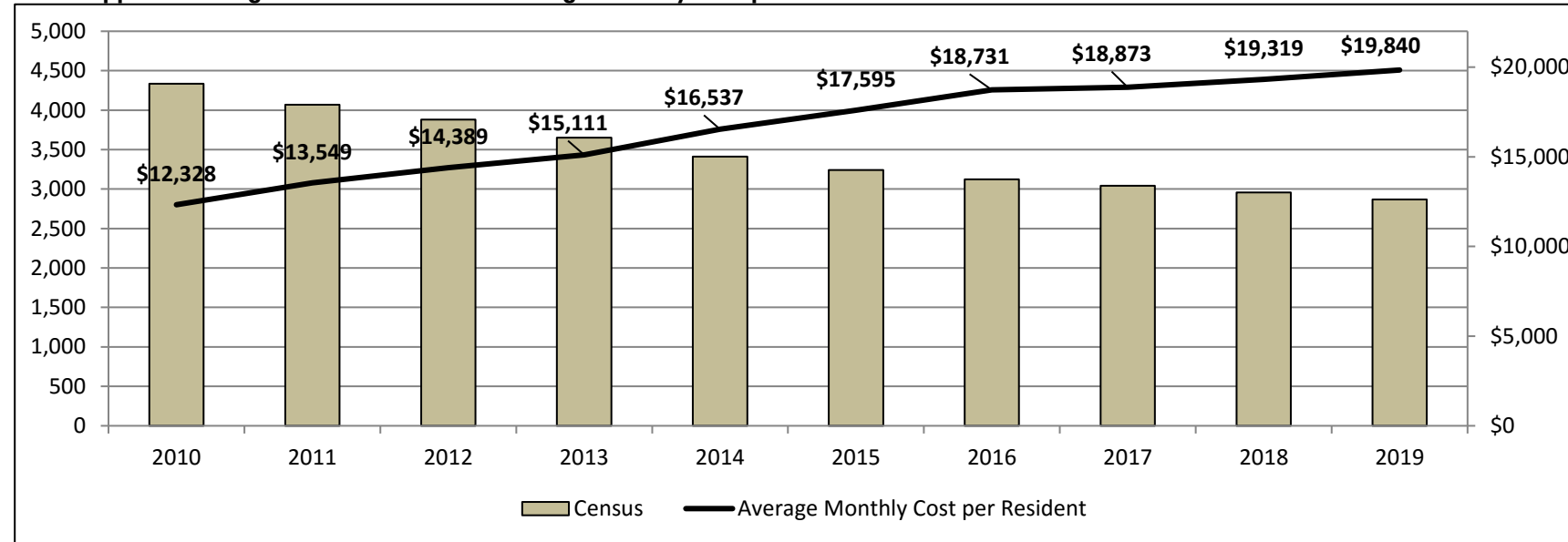
Recommendations modify former DADS Rider 28, State Supported Living Center Oversight, to notwithstand other appropriation and transfer authority in the General Appropriations Act and limit expenditures for SSLCs to appropriations. Expenditures may only exceed appropriations for SSLCs with approval from the LBB and the Governor. The proposed rider language includes a 15 business day auto-approval clock.

State Supported Living Center Expenditures / Appropriations 2008-2019



Note: Amounts for fiscal years 2018 and 2019 reflect recommendations.  
Source: Legislative Budget Board; Department of Aging and Disability Services

State Supported Living Centers Census and Average Monthly Cost per Resident.



Note: Amounts for fiscal years 2018 and 2019 reflect recommendations.

Source: Legislative Budget Board; Department of Aging and Disability Services.

- 20. Indigent Health Care Reimbursement.** Recommendations include \$0.9 million in General Revenue – Dedicated Account No. 5049, State Owned Multicategorical Teaching Account in Strategy D.3.1, Indigent Health Care Reimbursement (UTMB), a biennial reduction of \$8.9 million in General Revenue Related Funds from 2016-17 spending levels, as part of HHSC’s four percent reduction. Funds in this strategy are used to reimburse the University of Texas Medical Branch for indigent health care costs. UTMB indicated that loss of this funding will cause a reduction in the number of patients served but has not provided an estimate.

Funding for this account is comprised of unclaimed lottery prizes. Per Government Code sec. 466.408, of available unclaimed lottery prizes, not more than \$20 million in prize money each year may be deposited to Account 5049 to provide indigent health care services. Not more than \$5 million may be appropriated to HHSC to be used to support the provision of inpatient hospital services along the Texas – Mexico border, and not more than \$5 million shall be deposited to the fund for veterans’ assistance. All prize money not deposited or appropriated for the above purposes must be deposited to the credit of the foundation school fund.

- 21. Department of Justice Settlement Agreement.** In 2009, the state of Texas and the U.S. Department of Justice entered into a settlement agreement regarding services provided to individuals with intellectual disabilities in state-operated facilities as well as the transition of such individuals to the most integrated setting appropriate to meet their needs and preferences. Under the terms of the agreement, independent monitoring reviews are conducted semiannually at each SSLC to determine compliance within each of 20 substantive sections of improvement listed in the settlement agreement. The agency continues to provide updates on each center’s overall compliance ratings and individual campus initiatives to improve compliance with particular sections of the agreement.

- 22. Texas Civil Commitment Office – Administrative Attachment.** Government Code, § 420A.011, establishes the Texas Civil Commitment Office (TCCO) as an independent state agency administratively attached to the Department of State Health Services. SB 200, Eighty-fourth Legislature, 2015, directed the Executive

Commissioner of HHSC to define, identify, and consolidate client services from the health and human services system to the Commission. While TCCO was not identified for transfer in the Transition Plan submitted to the Transition Legislative Oversight Committee, HHSC transferred TCCO as a client service on September 1, 2016. TCCO items of appropriation are reflected in the HHSC budget structure. The Legislature should consider a statutory change to reflect TCCO's administrative attachment to HHSC.

- 23. Texas Civil Commitment Office – Senate Bill 746.** There is no longer a state funding limit to the number of civil commitment trials that can be conducted each fiscal year due to SB 746, Eighty-fourth Legislature, 2015, which shifted jurisdiction for civil commitment trials from the Special Prosecutions Unit (435<sup>th</sup> District Court in Montgomery County), to the individual's last county of conviction for a sexually violent offense. TCCO is statutorily required to provide supervision and treatment to all civilly committed sexually violent predators (SVPs). TCCO projects the number of civilly committed SVPs to be 340 in fiscal year 2018 and 409 in fiscal year 2019. As of October 31, 2016, there are 256 civilly committed SVPs. The cost to treat one SVP per year is approximately \$50,000. TCCO submitted Exceptional Item 60, requesting an additional \$1.2 million in fiscal year 2018 and \$3.9 million in fiscal year 2019 to treat and supervise the projected increase in SVPs.
- 24. Office of Inspector General.** The Office of Inspector General (IG) is administratively attached to the Health and Human Services Commission, and the Inspector General is appointed by the Governor. The IG's primary purpose is to prevent, detect, and investigate fraud, waste, and abuse throughout the entire health and human services system. The IG is currently organized into eight divisions: Investigations, Audit, Inspections, Chief Counsel, Medical and Dental Professionals, External Relations, Data and Technology, and Operations.

During the 2014 Sunset Review, the IG was subjected to its first comprehensive evaluation since inception in 2003. The Sunset Review found that the IG was not focused on its core responsibilities and did not produce fair, defensible, and demonstrated results. Additionally, the former leadership of the IG played a primary role in the mishandling of the 21CT contract that impacted contracting practices throughout the state. The Eighty-fourth Legislature, 2015, passed Senate Bill 207, which required, among other items, the IG to report quarterly on the agency's performance, defines the IG role in managed care investigations and oversight, and establishes prioritization criteria for investigation processes.

The shift from a fee-for-service to a managed care health-care delivery model poses a significant challenge for the IG. According to the Centers for Medicare and Medicaid Services, 78.1 percent of Medicaid enrollees in Texas received their health care through a Managed Care Organization as of July 1, 2014 and it is projected that the percentage of managed care clients will increase during the 2018-19 biennium. The IG is charged with auditing the MCOs and coordinating fraud, waste, and abuse prevention with Special Investigation Units (SIUs) operated by the MCOs. Instead of auditing or coordinating investigations in one system under the fee-for-service model, the IG is responsible for doing so across 23 systems (22 MCOs and the remaining fee-for-service system). The agency is developing and implementing strategies to address this challenge. Recommendations introduce new HHSC Rider 173, Office of Inspector General Report, directing the IG to detail its strategies, the status of implementation efforts, and on-going challenges related to the expansion of managed care. Recommendations also include a new outcome performance measure, Amount of Medicaid Overpayments Identified in collaboration with Special Investigation Units, to monitor the efficiency and effectiveness of its investigative processes related to SIUs.

- 25. Administrative Cost Adjustments.** Recommendations include an increase of \$30.6 million in General Revenue Related Funds (a decrease of \$221.6 million in All Funds) related to several adjustments across the agency for FTE allocations, salaries, and indirect administrative costs. The changes are detailed below:
- *Full Time Equivalent Adjustment*-Recommendations reflect a decrease of \$39.1 million in All Funds (\$21.3 million in General Revenue Related Funds) and 421.7 FTEs in the 2018-19 biennium to align with reported filled positions in fiscal year 2016 and remove persistently vacant FTEs from the agency's cap. Recommendations maintain the commission's requested average cost for an FTE in each affected strategy in each fiscal year of the 2018-19 biennium. The reduction is reflected in Strategies B.1.1, Medicaid Contracts & Administration; B.1.2, CHIP Contracts and Administration; F.1.1, Guardianship; G.2.1, Mental Health State Hospitals; H.1.1, Facility/Community-based Regulation; I.1.1, Integrated Eligibility and Enrollment; I.2.1, Long-Term Care Intake & Access; I.3.1, TIERS & Eligibility Support Tech; L.2.1, Central Program Support; and L.2.2, Regional Program Support.

- *Comptroller of Public Accounts (CPA) Salary Transfer Clawback*-Recommendations provide a \$14.3 million in All Funds (\$6.5 million in General Revenue Related Funds) reduction in the 2016-2017 base and a \$18.8 million in All Funds (\$9.3 million in General Revenue Related Funds) reduction in the 2018-19 biennium to align with actual amounts expended pursuant to Article IX, §18.02, Appropriation for a Salary Increase for General State Employees, 2016-17 General Appropriations Act. Article IX, §18.02 provides authority to increase compensation by 2.5 percent for general state employees to mitigate the increased member contribution rate paid to the Employee Retirement System (ERS). Mitigation of the increased member contribution rate was intended for those employed as of September 1, 2015. The reduction is reflected in Strategies G.1.1, State Supported Living Centers; G.2.1, Mental Health State Hospitals; H.1.1, Facility/Community-based Regulation; I.1.1, Integrated Eligibility and Enrollment; I.2.1, Long-Term Care Intake & Access; and L.1.1, HHS System Supports.
- *Indirect Administrative Cost Adjustment*-Recommendation include \$960.4 million in All Funds (\$319.2 million in General Revenue Related Funds) for indirect administrative cost, representing a 14.6 percent decrease from the 2016-17 base. Included in the 14.6 percent decrease from the 2016-17 base is a 5.35 percent decrease from the commission's baseline request. The recommendations align indirect administrative costs based on consolidation pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015. The base level funding allocated to the Health and Human Services Commission from the former Department of Aging and Disability Services, the former Department of Assistive and Rehabilitative Services, the Department of Family and Protective Services, and the Department of State Health Services is reflected in Goal L, System Oversight & Program Support. The recommendations reallocate the General Revenue-Related savings from the 5.35 percent decrease to Strategy E.1.2, Provide WIC Services, to restore the agency's four percent reduction in General Revenue-Dedicated WIC Rebates Account No. 8027 (See Selected Fiscal and Policy Issue 26).

The Health and Human Services Commission (HHSC) is responsible for the oversight and coordination of all programs and services provided by the agencies comprising the HHS System. Additionally, HHSC is responsible for providing administrative and support functions for the HHS System. The costs incurred by HHSC to support the HHS System are allocated to the commission and the other HHS agencies in accordance with the Public Assistance Cost Allocation Plan (PACAP). The PACAP is a document submitted for approval to the US Department of Health and Human Services and provides a narrative description of the agency's organization and the procedures employed for allocating costs incurred by the HHS System.

26. **Women, Infants, and Children (WIC) Rebates Account No. 8027.** Recommendations include restoration of the agency's four percent reduction in General Revenue—Dedicated WIC Rebates Account No. 8027 by \$17.6 million for the 2018-19 biennium. Recommendations also includes an additional \$9.7 million in General Revenue—Dedicated WIC Rebates Account No. 8027 based on the average percent increase of 2.2 percent in revenue collected from fiscal years 2012 through 2016. This is offset with administrative savings in General Revenue-Related funds, as discussed in Selected Fiscal and Policy Issue 25. These funds, in combination with federal cash grants, fund the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which provides supplemental foods and nutrition education for pregnant, postpartum, and breastfeeding women, and infants and children up to age five who have nutritional-related health problems. WIC State agencies are required by law to competitively bid infant formula rebate contracts with infant formula manufacturers, and receive rebates from the manufacturer for each can of infant formula purchased by a WIC participant. WIC rebates and interest earnings associated with the rebates may only be expended on administration of the WIC program.
27. **The Center for the Elimination of Disproportionality and Disparities.** No funding is included for the Center for Elimination of Disproportionality and Disparities for the 2018-19 biennium, reflecting a decrease of \$4.1 million in All Funds (\$0.4 million in General Revenue Funds) from 2016-17 spending levels and 25.9 FTEs per fiscal year.
28. **Capital Needs and Projects.** Recommendations include the following related to Capital needs and projects:
  - *Vehicle Replacement*-Recommendations include \$0.6 million in General Revenue Funds (a decrease of \$3.0 million from the 2016-17 base) to replace 16 vehicles projected to exceed 150,000 miles in the 2018-19 biennium.
  - *Facilities*- Recommendations include \$4.5 million in General Revenue Related Funds in Strategy G.4.2, Capital Repairs and Renovations, for capital repair and renovation projects at the State Supported Living Centers, and \$7.6 million in General Revenue for MLPP for State Supported Living Centers and the state

hospitals, which includes a reduction of \$23.3 million in General Revenue Related funds (\$49.9 million All Funds, including \$22.6 million in GO Bond Proceeds) for one-time capital repairs and renovations as well as to reflect the end of the Sprinkler System Subsidy for Home and Community-Based Services homes. HHSC included an exceptional item for repair and renovation of state facilities, which includes \$93.0 million in General Obligation Bond Proceeds for the State Supported Living Centers. (see Section 5, Items not Included in Recommendations, Exceptional Item 19. See also Selected Fiscal and Policy Issue 14 for a discussion of capital needs at the state hospitals).

Costs for maintaining buildings include upkeep and repairs to prevent further deterioration, and replacement of any materials, equipment, or fixtures that cannot be repaired in a cost effective manner. The agency projects the total maintenance costs for the State Supported Living Centers at \$144.4 million for the 2018-19 biennium. State Supported Living Centers must comply with the minimum requirements of National Fire Protection Association 101 Life Safety Code and associated codes and standards, which include fire sprinkler systems, fire alarms, firewalls, smoke barriers, emergency power and lighting, and other requirements necessary to protect building occupants from danger caused by smoke, fire, and toxic fumes.

- *Centralized Accounting and Payroll/Personnel System (CAPPS)*-HHSC is one of the hub agencies for the CAPPS. Recommendations reduce base funding for CAPPS by \$0.3 million in All Funds (\$0.1 million in General Revenue Related Funds) for the 2018-19 biennium to align with the estimate provided by the Comptroller of Public Accounts for PeopleSoft licenses. Recommendations also include the corresponding adjustment to capital budget authority.
- *Master Lease Purchase Program (MLPP)*-Recommendations reflect a reduction for the MLPP of \$0.8 million in General Revenue Funds to align with the estimate provided by the Texas Public Finance Authority for energy and water conservation projects at the State Supported Living Centers and State Hospitals. Recommendations also include the corresponding adjustment to capital budget authority.
- *Texas Integrated Eligibility Redesign System (TIERS)*-Recommendations reflect an increase of \$0.6 million in All Funds (a decrease of \$20.6 million in General Revenue Related Funds) for TIERS capital projects and system support to maintain overall funding levels provided by the Eighty-fourth Legislature. The Health and Human Services Commission (HHSC) provides eligibility services to clients for state and federal programs such as SNAP Food Benefits, TANF, CHIP, and Medicaid and TIERS is the eligibility system utilized by HHSC benefits offices throughout Texas. Subsequent to the Eighty-fourth Legislature, HHSC received approval for two Advanced Planning Documents from the Centers for Medicare and Medicaid Services (CMS) that provided enhanced federal financial participation (FFP) rates to certain aspects of the TIERS capital project. HHSC utilized the enhanced FFP rates to leverage the appropriated General Revenue and procure expanded services and projects during the 2016-17 biennium that had not been presented to the Eighty-fourth Legislature. Recommendations also include a Rider 171, Texas Integrated Eligibility Redesign System (TIERS), requiring HHSC to submit quarterly reports to the Legislative Budget Board and the Governor for the TIERS project and restricting the agency's ability to expand the project without approval from the Legislature. Recommendations for Special Provisions Relating to All Health and Human Services Agencies include edits to Section 4, Federal Match Assumptions and Limitations on Use of Available General Revenue Funds, clarifying that the provision applies to all enhancements to federal matches.
- *Enterprise Data Warehouse (EDW) and Enterprise Data Governance (EDG)*-Recommendations include \$13.2 million in All Funds (\$1.8 million in General Revenue Funds) for the EDG project. Recommendations do not include any funding for the EDW project and the commission is projected to lapse \$54.0 million in General Revenue Match for Medicaid for the project in the 2016-17 biennium. Not including funding for EDW in the baseline request was part of its four percent reduction and recommendations reallocate the portions to the EDG project and other administrative functions. Prior to the 2018-19 biennium, the EDW and EDG projects were funded jointly as one project under the EDW umbrella. The EDW project is the consolidation of HHS System data from the Health and Human Services Commission, Department of Family Protective Services, and Department of State Health Services into a single data repository for the purpose of facilitating data analytics and reporting. The EDG project includes assessment of the available HHS System data and the development and establishment of common data definitions, standards, policies, and procedures.

The EDW project began in fiscal year 2008, but HHSC terminated the project on June 28, 2016, due to the complications associated with HHS System consolidation pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015. It is anticipated that HHSC will restart the EDW project at some point after the 2018-19 biennium. Recommendations continue the EDG project to further develop standard data practices for the HHS System. Recommendations also include Rider 170, Enterprise Data Governance, requiring HHSC to submit quarterly reports to the Legislative Budget Board and the Governor on the status of the EDG project.

29. **Healthcare Delivery Model Comparison Report, Article IX Sec. 18.07, HB 1, Eighty-fourth Legislature.** HHSC was directed to collaborate with the Employees Retirement System (ERS), the Teacher Retirement System (TRS), and the Texas Department of Criminal Justice (TDCJ) to analyze potential variations in utilization, cost, reimbursement rates and quality of care among each of the aforementioned healthcare systems, and identify outliers and improvements for efficiency and quality that can be implemented within each system. See Appendix F for a more detailed summary of the report, including a discussion of cost drivers in each healthcare system.

Overall, the analysis found that utilization measures were generally consistent; where differences emerged, they could be explained by the differing population characteristics of the clients served by each system, or by differences in reporting methodology. However, with no common data source, and no centralized actuarial review to adjust for differences in demographics, health acuity, funding, plan design, and data quality, the authors of the report found it difficult to draw reliable conclusions. Additionally, the report does not address the goal of providing improvements for efficiency and quality that could be implemented in each system. Rather, it concludes with “next steps,” including developing a more sophisticated methodology for analyzing different data sets and developing standardized comparative data. To that end, the recommendations include Art IX, Sec. 10.06, Analysis of Certain Healthcare Data, which requires HHSC, ERS, TRS, TDCJ and the Department of State Health Services to develop a plan for an integrated health care information system that can be used to compare data related to their healthcare systems.

30. **Medicaid Cost Containment Update.** HHSC was directed to achieve \$373.0 million in General Revenue savings pursuant to Rider 50, Medicaid Funding Reduction and Cost Containment, in the 2016-17 biennium. The agency’s September 12, 2016 report provides a General Revenue savings estimate projected to be \$137.2 million. The following items and savings estimates were provided:

Item	Estimated General Revenue Savings (in millions)
Increase fraud, waste, and abuse prevention and detection	\$25.8
Changes to premium structure for MCOs and contracting tools to reduce costs and increase efficiency.	\$6.8
Renegotiate more efficient contracts, including reducing the administrative contract profit margin and establish rebate provisions where possible.	\$3.9
Implement fee-for-service payment changes and managed care premium adjustments that incentivize the most appropriate and effective use of services.	\$10.2
Increase efficiencies in the vendor drug program.	\$15.6
Increase third-party recoupments and create a pilot program on motor vehicle subrogation.	\$10.5
Implement additional initiatives identified by HHSC.	\$6.0
Acute care therapies services – rate and policy changes	\$58.4
<b>TOTAL Cost Containment</b>	<b>\$137.2</b>

In November 2016, HHSC provided additional savings initiatives for fiscal year 2017. This includes an enhanced federal match rate related to TIERS eligibility staffing (\$40.0 million in General Revenue), reduced acute care and general hospital imaging fees (\$5.7 million in General Revenue), reform of anesthesia reimbursement (\$2.1 million in General Revenue), Enterprise Data Warehouse lapsing funding (\$4.5 million in General Revenue), and other IT and administrative savings (\$2.7 million in General Revenue). DSHS provided three initiatives totaling \$2.8 million in General Revenue, and DADS provided two initiatives totaling \$4.1 million in General Revenue.

The total for all these additional items is \$62.0 million in General Revenue and \$63.4 million in All Funds. While these additional savings are not assumed in the fiscal year 2016-17 base, we are monitoring.

**31. Earned Federal Funds.** Recommendations increase the projected Earned Federal Funds (EFF) for HHSC and reduce the projected EFF for Article II overall in fiscal years 2018 and 2019 to reflect HHS System consolidation pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015, and the historical trend of decreasing EFF over time (see table below). Earned Federal Funds are dollars received in connection with a federal program, but by governing agreement are not required to be spent on federal programming. The most common examples of EFF are 1) interagency contracts paid from another agency’s federal funds; 2) depository interest earned on federal funds; and 3) sale of fixed assets purchased with federal funds. The increase at HHSC reflects the consolidation of the Department of Aging and Disability Services, the Department of Assistive and Rehabilitative Services, and programs from the Department of State Health Services and the Department of Family and Protective Services into HHSC. Agencies are provided General Revenue and are required to collect EFF at the level established in Article IX, Sec. 13.11, Definition, Appropriation, Reporting and Audit of Earned Federal Funds, or return General Revenue to the treasury in the amount equal to that not collected.

Fiscal Year	EFF
2014	\$12,300,000
2015	\$12,300,000
2016, estimated	\$12,300,000
2017, projected	\$12,300,000
2018, recommended	\$16,007,017
2019, recommended	\$16,007,017

**32. Reporting Requirements and Agency Compliance.** To assist in legislative oversight, the 2016-17 General Appropriations Act contains several reporting requirements in the HHSC bill pattern, Article II Special Provisions, and Article IX General Provisions. The following chart shows the status of over 100 discrete reporting requirements in Article II for the 2016-17 biennium.

Article II, Health and Human Services  
Reporting Requirements - Senate

Citation of Reporting Requirement	Required Report Content	Required Biennial Frequency	Late in 2016-17?
<b>Rider Reports</b>			
HHSC Rider 11, Disposition of Appropriation Transfers from State-owned Hospitals	Schedule of projected transfers and payments from state-owned hospitals to the Comptroller of Public Accounts.	2	Yes
HHSC Rider 21, High Performance Bonuses for Administration of the Supplemental Nutritional Assistance Program (SNAP)	Summarize the commission’s progress in implementing a SNAP outreach program.	2	Yes
HHSC Rider 23, Performance Reporting for the Prescription Drug Rebate Program	Outstanding prescription drug rebate balance for Medicaid, CHIP, Kidney Health, and Children with Special Health Care Needs.	2	No
HHSC Rider 27, Other Reporting Requirements	State Plan Amendments for Medicaid, CHIP, Waivers, TANF, and other federal grants requiring a state plan.	Variable	No
	Monthly Financial Report.	24	Yes
	Monthly enrollment totals for all programs with performance measure targets for the commission.	24	Yes
HHSC Rider 29, Prohibition on Abortion	Audit to ensure no appropriated funds were used to pay direct or indirect costs for individuals, entities, or contractor that provide abortion procedures.	2	—
HHSC Rider 35, Hospital Uncompensated Care	Uncompensated care costs with impacts of patient specific and lump sum funding to offset uncompensated costs.	1	No
HHSC Rider 41, Texas Women’s Health Plan: Savings and Performance Reporting	Enrollment levels of targeted low-income women and service utilization by geographic region, delivery system, and age; savings and expenditures in the Medicaid program attributable to enrollment levels; outreach activities undertaken; total number of providers enrolled; and average and median numbers of clients per provider.	4	Yes
HHSC Rider 43, Unexpended Balances: Social Services Block Grant Funds	Actual amount of federal Social Services Block Grant funds expended and unexpended balances.	2	No
HHSC Rider 44, Medicaid Substance Abuse Treatment	Progress of substance use disorder treatment services and a methodology to evaluate and improve the services.	2	Yes



HHSC Rider 45, Medication Therapy Management	Effectiveness of the medication therapy management program in reducing adverse drug events for Medicaid clients.	1	Yes
HHSC Rider 46, Quality-Based Payment and Delivery Reforms in the Medicaid and Children's Health Insurance Program	Quality-based outcomes and process measures developed, the progress of implementation, the outcome and process measures by region, and cost-effectiveness of quality-based payment systems.	2	Yes
HHSC Rider 48, Supplemental Payments	Findings of an independent audit of the Supplemental Payment Program.	2	No
HHSC Rider 50, Medicaid Funding Reduction and Cost Containment	Allocation plan for funding reductions and cost containment by Strategy.	1	No
HHSC Rider 53, Medicaid In-Office Diagnostic Ancillary Services	In-office ancillary services in the Medicaid including implementation strategies to reduce unnecessary diagnostic ancillary services.	1	No
HHSC Rider 56, Contact Management and Oversight	Findings and recommendations from a review of the commission's contract management for Medicaid and CHIP.	1	Yes
HHSC Rider 66, Network Access Improvement Program Report	Report each time a new round or Network Access Improvement Program Report (NAIP) proposals are approved.	Variable	No
HHSC Rider 67, Report on Pay for Quality Measures	Evaluation of Medicaid providers (including MCOs) use of pay for quality measures to improve delivery and outcomes.	1	Yes
HHSC Rider 68, Mental Health for Veterans Grant Program	Effectiveness of the veteran grant program and the number of awards and number of veterans served.	1	Yes
HHSC Rider 70, Contingency for Child Advocacy Center and Court Appointed Special Advocate Grants	Detailing expenditures on Child Advocacy Centers and Court Appointed Special Advocates to demonstrate continuity of service.	2	No
HHSC Rider 73, Enterprise Data Warehouse	Actual expenditures and accomplishments for the Enterprise Data Warehouse capital project and a detailed plan for the remainder of the biennium.	8	No
HHSC Rider 80, 1115 Medicaid Transformation Waiver Distribution Public Reporting	Recipients of all state funds distributed for Uncompensated Care and Delivery System Reform Incentive Payments under the 1115 Waiver.	Variable	No
HHSC Rider 81, Medicaid Managed Care Organization Network Adequacy Action Report	Number of final disciplinary orders or corrective action plans imposed for the last five years for violations of the network adequacy requirements.	1	Yes
HHSC Rider 82, Assessment of Single Case Agreements	Number of single care agreements between Medicaid and CHIP managed care organizations and providers for the last five years.	1	Yes
HHSC Rider 83, Report on Vendor Drug Programs	Evaluation of new delivery models for cost-effectiveness, competition, health outcomes.	1	Yes
HHSC Rider 84, Texas Medicaid and Texas Diabetes Council – Coordination and Repot	Results of coordinating efforts with the Texas Diabetes Council and recommendations to further coordination.	1	Yes

HHSC Rider 87, Family Planning Affiliate Requirements	Audit finding and recommendations to improve the audit and verification process.	2	Yes
HHSC Rider 92, Report on STAR+PLUS Program Expenditures	Specific and projected program expenditures for STAR+PLUS.	2	Yes
DARS Rider 6, Other Reporting Requirements	State Plan Amendments for Vocational Rehabilitation, Early Childhood Intervention, Specialized Skills Training, and other federal grants requiring a state plan.	Variable	No
	Monthly Financial Report.	24	No
DARS Rider 7, Maintenance of Effort (MOE) and Matching Funds Reporting Requirement	State funds used for match and maintenance of effort for Vocational Rehabilitation and Special Education Grants for Infants and Families with Disabilities.	8	No
DARS Rider 8, Reporting on Early Childhood Intervention	Number of children receiving follow along services, number of children receiving comprehensive services, and number of service hours delivered by service type.	2	No
DARS Rider 10, Education Funding	Copy of Memorandum of Understanding with the Texas Education Agency .	2	No
DARS Rider 18, Appropriation: GR-Dedicated Business Enterprise Program Trust Fund Account No. 5043	Deposits and expenditures for GR-Dedicated Business Enterprise Program Trust Fund Account No. 5043.	8	No
	Management of the Business Enterprises of Texas Trust Fund.	2	
DARS Rider 22, Performance Reporting for the Business Enterprises of Texas Program	Satisfaction survey results for state host agencies and the cost for operating the BET cafeterias.	2	No
DARS Rider 23, Blind Endowment Trust Fund Reporting	Donations to the Blind Endowment Trust Fund.	2	Yes
<i>Note: All DARS programs transferred to HHSC or TWC on Sep. 1, 2016</i>			
DADS Rider 8, Other Reporting Requirements	State Plan Amendments for Long-term Care Services and Supports and other federal grants requiring a state plan.	Variable	No
	Monthly Financial Report.	24	Yes
DADS Rider 12, State Supported Living Centers: Proportionality of Funds	Distribution of revenue from Intermediate Care Facilities for Individuals Intellectual Disabilities to other state agencies.	8	No
DADS Rider 19, Canteen Services and Sheltered Workshops	Operations at agency canteens and sheltered workshops.	1	No

DADS Rider 21, Cost Comparison Report	Cost comparison for Home and Community-based Services (HCS), Texas Home Living, and Intermediate Care Facilities for Individuals with Intellectual Disabilities and Related Conditions (ICF-IID/RC).	1	Yes
DADS Rider 28, State Supported Living Center Oversight	Compliance with DOJ settlement agreement, monthly expenditures at SSLCs, staffing trends, and plans to remain within appropriations.	2	No
DADS Rider 31, Informational Listing: Expansion of Community-based Services	Enrollment data for long-term care waivers and appropriations.	24	No
<i>Note: All DADS programs, with the exception of State Supported Living Centers (SSLCs) transferred to HHSC on Sep. 1, 2016. SSLCs transfer to HHSC on Sep. 1, 2017.</i>			
DFPS Rider 7, Other Reporting Requirements	Monthly Financial Report.	24	Yes
	Quarterly caseload updates - Foster Care & Adoption Subsidy and Permanency Care Assistance.	8	Yes
DFPS Rider 9, Human Resources Management Plan	Employee retention.	4	No
DFPS Rider 15, Minority Child Removals	Minority child removals by county.	2	Yes
DFPS Rider 25, Foster Care Redesign	Foster Care Redesign performance trends.	4	Yes
DFPS Rider 36, Parental Child Safety Placement	Parental Child Safety Placement program outcomes.	1	Yes
DFPS Rider 37, CASA Family Finding Collaboration	CASA Family Finding Collaboration program outcomes.	1	No
DFPS Rider 38, Prevention Outcomes	Prevention and Early Intervention program outcomes.	1	No
DFPS Rider 39, Abusive Head Trauma Prevention	Abusive Head Trauma Prevention program outcomes.	1	—
DFPS Rider 41, Compensation Effectiveness	Merit salary increases, overtime payment, and mentor stipend effectiveness.	1	Yes
DFPS Art IX, Sec. 17.07, Agency Coordination for Youth Prevention and Intervention Services	Juvenile delinquency prevention and intervention outcomes.	2	No
DSHS Rider 4, Other Reporting Requirements	Copies of each report submitted to the federal government relating to the Maternal and Child Health Block Grant, the Special Supplemental Food Program for Women, Infants, and Children, and the Substance Abuse Treatment and Prevention Block Grant.	Varies	?

	Substance Abuse Prevention and Treatment (SAPT) Maintenance of Effort Calculation.	2	Yes
	Monthly Financial Report (MFR).	24	Yes
DSHS Rider 8, Unexpended Construction Balances	Actual expenditures for fiscal years 2014 and 2015 on construction, repair, and renovation of mental health state hospitals.	1	Yes
	Actual expenditures by project/mental health state hospital for the previous six months.	4	No
	<i>Note: Mental health state hospitals transfer to HHSC on Sep. 1, 2017.</i>		
DSHS Rider 12, Appropriations Limited to Revenue Collections	Review of all fee schedules within the agency's authority.	2	No
DSHS Rider 13, Revolving Fund Services: Canteen Services and Sheltered Workshops	Information on revenues, balances, contracts, and profits related to canteen services and sheltered workshops in mental health state hospitals.	4	Yes
	<i>Note: Mental health state hospitals transfer to HHSC on Sep. 1, 2017.</i>		
DSHS Rider 25, Performance Reporting for Texas Center for Infectious Disease and Rio Grande State Center	Information regarding facility performance, including: revenue collections, by payer mix; direct and non-direct patient care expenditures; number of inpatient patients served on a monthly basis, by type of service provided; and number of outpatient patients served on a monthly basis, by type of service provided.	2	Yes
	<i>Note: TCID and the Rio Grande State Center transfer to HHSC on Sep. 1, 2017.</i>		
DSHS Rider 31, Children with Special Health Care Needs	Demographics of clients served by the program, including income levels, insured status, and citizenship.	2	Yes
	<i>Note: The health care services portion of the CSHCN program transferred to HHSC on Sep. 1, 2016.</i>		
	Caseload and prescription drug data, and related expenditure data specific to forecast projections for the 36-month period beginning with the first month after the report is due and expenditure amount for at least the preceding 36 months.	8	Yes
	<i>Note: The health care services portion of the CSHCN program transferred to HHSC on Sep. 1, 2016.</i>		

DSHS Rider 35, Mentally Ill Offender Screening	Efforts to facilitate the exchange of information between agencies pursuant to Health and Safety Code § 614.017. The report shall include: the manner in which information is exchanged between agencies; the frequency with which information is exchanged; the type of information most frequently exchanged; and the agencies most frequently involved in the exchange of information.  <i>Note: Note: Community-based mental health services transferred to HHSC on Sep. 1, 2016. Remaining mental health services transfer to HHSC on Sep. 1, 2017.</i>	2	No
DSHS Rider 46, Limitation: Reclassification of General Revenue Associated with Maintenance of Effort	Annual reports associated with Maintenance of Effort (MOE) requirements for the Community Mental Health Services, Maternal and Child Health Services, and Substance Abuse Treatment and Prevention block grants.  <i>Note: The Community Mental Health Services Block Grant transferred to HHSC on Sep. 1, 2016. The majority of the Substance Abuse Treatment and Prevention Block Grant transferred to HHSC on Sep. 1, 2016; the remainder of the grant will transfer to HHSC on Sep. 1, 2017.</i>	6	?
DSHS Rider 53, Funding for Abstinence Sexual Education	Contractor compliance issues related to components A-H of Section 510(b)(2) of the Social Security Act (42 U.S.C. Section 710(b)).  <i>Note: Abstinence education transferred to HHSC on Sep. 1, 2016.</i>	2	Yes
DSHS Rider 59, Mental Health Appropriations and the 1115 Medicaid Transformation Waiver	Efforts to leverage federal funds through the 1115 transformation waiver or other federal matching opportunities.  <i>Note: Community-based mental health services transferred to HHSC on Sep. 1, 2016. Remaining mental health services transfer to HHSC on Sep. 1, 2017.</i>	2	Yes
DSHS Rider 61, Home and Community-Based Services	Information about the projected expansion of the 1915(i) waiver program, including: an estimate of the total population served; projected costs, including average monthly cost per recipient; and potential cost-sharing opportunities with local entities that benefit from lower jail and emergency room admissions.  <i>Note: Community-based mental health services transferred to HHSC on Sep. 1, 2016. Remaining mental health services transfer to HHSC on Sep. 1, 2017.</i>	1	Yes
DSHS Rider 62, Mental Health Program for Veterans	Description of the activities of the program in the preceding year, including: a description of how the program is operated; the number of veterans served; the number of peers and volunteer coordinators trained; a summary of the contracts issued and services provided through those contracts; and recommendations for program improvements.	2	Yes

<p><i>Note: Community-based mental health services transferred to HHSC on Sep. 1, 2016. Remaining mental health services transfer to HHSC on Sep. 1, 2017.</i></p>				
DSHS Rider 64, Health Community Collaboratives	Amount and type of expenditure and progress of the project.	1	Yes	
DSHS Rider 65, Collection of Emergency Room Data	Potentially preventable emergency room visits, including potentially preventable mental health and substance abuse emergency room visits.	1	No	
DSHS Rider 70, Jail-Based Competency Restoration Pilot Program	Interim progress reports.	8	Yes	
<p><i>Note: Community-based mental health services transferred to HHSC on Sep. 1, 2016. Remaining mental health services transfer to HHSC on Sep. 1, 2017.</i></p>				
DSHS Rider 73, Mental Health Peer Support Re-entry Pilot	Projected program information including an estimate of the total population to be served and client outcome measures.	1	No	
	Status report on the above factors.	1	Yes	
<p><i>Note: Community-based mental health services transferred to HHSC on Sep. 1, 2016. Remaining mental health services transfer to HHSC on Sep. 1, 2017.</i></p>				
DSHS Rider 80, Community-Based Crisis and Treatment Facilities Review	Summary of activities related to the review, and recommendations for any changes to statutes or regulatory requirements needed to ensure the safe, effective, and efficient treatment of persons with mental health disorders, substance abuse disorders, or co-occurring mental health and substance abuse disorders in community settings.	1	Yes	
<p><i>Note: Community-based mental health services transferred to HHSC on Sep. 1, 2016. Remaining mental health services transfer to HHSC on Sep. 1, 2017.</i></p>				
DSHS Rider 81, Public Health System Inventory and Action Plan	Comprehensive inventory of the roles, responsibilities, and capacity relating to public health services delivered by DSHS and local health entities and authorities.	1	Yes	
DSHS Rider 82, Behavioral Health Services Provider Contracts Review	Findings relating to a review conducted to identify improvements to performance measurement, contract processing, and payment mechanisms for behavioral health services contracts with DSHS, including: identification of performance measures and other requirements not necessary by a state or federal requirement that could be eliminated from contracts; review of the metrics and methodology associated with the withholding of allocations made under DSHS Rider 58, Mental Health Outcomes and Accountability; consideration of performance measures and contracting strategies similar to those used for managed care organizations; consideration of best practices in performance measurement and contracting, including incentive payments and financial sanctions that are aligned with models used by HHSC for purchasing health care services; and a	1	Yes	

	proposal for a publically available web-based dashboard to compare performance of behavioral health service providers contracted with DSHS.  <i>Note: Community-based mental health services transferred to HHSC on Sep. 1, 2016. Remaining mental health services transfer to HHSC on Sep. 1, 2017.</i>		
DSHS Rider 85, Transition of the NorthSTAR Behavioral Health Services Model	Progress of North Texas Behavioral Health Authority (NTBHA) and the Local Mental Health Authority (LMHA) serving Collin County, separately, as they transition from the current NorthSTAR model to the new models.	1	No
	NTBHA's and Collin County's plans to access additional funds, which may include local funds, Medicaid funds, and other sources, in addition to a projection of funds anticipated in fiscal year 2018 and fiscal year 2019.  <i>Note: NorthSTAR transferred to HHSC on Sep. 1, 2019.</i>	1	—
DSHS Rider 86, State Hospital System Improvement	Evaluation of the benefits of a university health related institution or institutions operating a state hospital, to include: administrative, legal, and financial considerations as well as a timeline for the transition and a progress report on the expansion of efforts to increase academic partnerships.	1	No
Special Provisions Sec. 7, Federal Match Assumptions and Limitations on Use of Available General Revenue Funds	Monthly number of clients receiving services with an enhanced federal match and the amount of expenditures subject to the enhanced match.  Affected Agencies: All HHS agencies that receive enhanced federal match	24	Yes
Special Provisions Sec. 23, Enterprise Support Services	Annual assessment of enterprise services provided by HHSC for the Article II agencies.  Annual expenditures for enterprise services provided by HHSC for Article II agencies.  Affected Agencies: HHSC	2  2	No
Special Provisions Sec. 42, Waiver Program Cost Limits	Number of clients exceeding cost limits and amount of associated unmatched General Revenue.  Affected Agencies: HHSC and DADS	2	Yes
Special Provisions Sec. 43, Rate Limitations and Reporting Requirements	Changes in provider reimbursement rates and the fiscal impact of those changes.  Affected Agencies: HHSC	Variable	Yes

Special Provisions Sec. 44, Program for All-inclusive Care for the Elderly (PACE)	Funding for additional PACE sites and participants.  Affected Agencies: HHSC and DADS	Variable	No
Special Provision Sec. 45, Early Elective Deliveries	Evaluation of the effectiveness of strategies to reduce early elective deliveries.  Affected Agencies: DSHS and HHSC	1	Yes
Special Provisions Sec. 49, Enterprise Staff Retention Report	Effectiveness of staff retention efforts undertaken by certain Article II agencies.  Affected Agencies: DADS, DSHS, and HHSC	1	No
Special Provisions Sec. 52, Cost of Preadmission Screening and Resident Review (PASRR)	Costs of complying with Preadmission Screening and Resident Review federal requirements.  Affected Agencies: DADS and DSHS	1	Yes
Special Provisions Sec. 54, Postpartum Depression Screening and Treatment Report	Postpartum depression screening and treatment efforts undertaken by Article II agencies.  Affected Agencies: DSHS and HHSC	1	No
<b>Budget and Other Submissions</b>			
HHSC Contract Reporting Compliance	HHSC is responsible for reporting contracts to the LBB for all HHS agencies. Through November, 2016, HHSC has reported approximately 7,800 contracts but has testified that the agency oversees more than 100,000 active contracts. HHSC reports it will not be fully compliant with contract reporting until they implement CAPPS on 9/1/17.	Variable	Yes
DFPS FY 2017 Critical Needs Reporting	As a requirement included in the December 1, 2016 approval of the DFPS fiscal year 2017 Critical Needs Request to Exceed (RTE 804), the agency is required to submit weekly performance and expenditure data to track use and impact of the funds received.	39	**
Legislative Appropriations Request (LAR)	DFPS, DSHS, and HHSC were required to submit LARs for the 2018-19 biennium. All three agencies submitted LARs after established deadlines.	1	Yes
Strategic Fiscal Review (SFR)	Both DFPS and DSHS were under Strategic Fiscal Review during the 2016-17 biennium. Both agencies submitted work products after established deadlines.	1	Yes



<b>DADS Statute Requirements</b>				
Health and Safety Code, § 103.013(e)-103.013(g)	Report on Implementation of the State Diabetes Plan.	1	Yes	
Human Resources Code, §§ 161.079(g) and (h)	Report on Informal Caregiver Services.	1	Yes	
Government Code, § 531.0998(e)	Report on the Public Assistance Reporting Information System.	2	Yes	
Human Resources Code, § 101A.107	Report on Unit Cost of Services.	4	No	
<b>HHSC Statute Requirements</b>				
Health and Safety Code, § 103.013(e),(f), (g)	Report on Implementation of the State Diabetes Plan.	1	No	
Government Code, § 531.108(e)	Report on Fraud Prevention.	2	Yes	
Human Resources Code, § 51.006	Report on Family Violence Centers.	1	No	
Human Resources Code, § 22.0292(d)	Report on the Information Matching System Relating to Immigrants and Foreign Visitors.	2	Yes	
Acts 2015, 84th Leg., R.S., Chapter 1282, § 13, HB 2	Report on Medicaid Health Insurance Providers Fee and Associated Federal Income Tax.	Variable	—	
Government Code, § 531.0998(e)	Report on the Public Assistance Reporting Information System.	2	Yes	
Human Resources Code, § 22.0252(b)	Report on the Telephone Collection Program.	2	Yes	
Family Code, § 264.608	Report on Volunteer Advocate Programs.	2	Yes	
Government Code, § 531.02492(b)	Report on the Delivery of Health and Human Services to Young Texans.	1	No	
Government Code, § 531.026	Report on Consolidated Health and Human Services Budget Recommendations	1	No	
Human Resources Code, § 101A.107	Report on Aging Unit Cost of Services	2	No	
Acts 2015, 84 <sup>th</sup> Leg., R.S., Chapter 264G, § 608, SB 354	Report on Children’s Advocacy Programs	2	Yes	
Government Code, § 2101.0115	Report of Nonfinancial Data	2	No	
Acts 2015, 84 <sup>th</sup> Leg., R.S., Chapter 74A, § 2(f), HB 2641	Report on the Health and Human Services agencies’ information systems’ interoperability	1	Yes	

<b>DFPS Statute Requirements</b>				
Human Resources Code, § 48.212	Pilot Program to Provide Protective Services to Persons At-Risk of Future Harm.	1	—	
<b>DSHS Statute Requirements</b>				
Health and Safety Code, § 103.013(e)-103.013(g)	Report on the Implementation of the State Diabetes Plan.	1	Yes	
Health and Safety Code, § 161.0074	Immunization Registry and Rate Information.	1	Yes	
Health and Safety Code, § 534.068(a),(f)	Local Mental Health Authority Audit Report.	2	Yes	
	<i>Note: Community-based mental health services transferred to HHSC on Sep. 1, 2016.</i>			
Health and Safety Code, § 104.026	Report on Cost Data to Implement the State Health Plan.	1	Yes	
<b>Note:</b> 1) List does not include reports required of all agencies or reports contingent on specific events. 2) Reports listed “—” have submission deadlines after January 12, 2017 or no set submission deadline. 3) Reports listed “?” have deadlines set by the federal government; submission dates unconfirmed. 4) Structure for DFPS FY 2017 Critical Needs Report listed “***” is still being finalized. LBB staff has received some required data, but is in the process of working with CPA and DFPS to ensure that, moving forward, all required information is captures and reported appropriately. 5) Total reports refers to report types and does not account for required submission frequency.				
			<b>Total Reports</b>	<b>118</b>
		Total Reports with Established Deadlines Prior to January 12, 2017		112
		Late Reports as of Noon, January 12, 2017		66

**Health and Human Services Commission**  
**Supplemental Schedule 1: Statewide Behavioral Health Expenditures - Senate**

Agency	2016-17 Biennium		2018-19 Biennium	
	Estimated / Budgeted		Recommended	
	General Revenue Related	All Funds	General Revenue Related	All Funds
Office of the Governor	\$ 6,832,314	\$ 15,298,365	\$ 7,000,000	\$ 14,800,000
Texas Veterans Commission	\$ -	\$ 7,210,000	\$ -	\$ 6,983,021
<b>Article I Subtotal</b>	<b>\$ 6,832,314</b>	<b>\$ 22,508,365</b>	<b>\$ 7,000,000</b>	<b>\$ 21,783,021</b>
Department of Family and Protective Services	\$ 29,609,538	\$ 54,481,464	\$ 26,809,128	\$ 52,846,472
Department of State Health Services	\$ 1,334,513,026	\$ 1,912,081,683	\$ -	\$ -
Health and Human Services Commission	\$ 33,477,516	\$ 77,640,742	\$ 24,067,140	\$ 32,378,664
HHSC, Legacy Department of Aging and Disability Services	\$ 18,316,945	\$ 18,633,889	\$ 18,316,946	\$ 18,950,834
HHSC, Legacy Department of State Health Services	\$ 656,849,044	\$ 937,565,618	\$ 1,917,637,806	\$ 2,620,127,653
Texas Civil Commitment Office	\$ 309,222	\$ 309,222	\$ 309,222	\$ 309,222
<b>Article II Subtotal</b>	<b>\$ 2,073,075,291</b>	<b>\$ 3,000,712,618</b>	<b>\$ 1,987,140,242</b>	<b>\$ 2,724,612,845</b>
University of Texas - Health Science Center at Houston	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
University of Texas - Health Science Center at Tyler	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Texas Tech University Health Sciences Center	\$ -	\$ 1,275,008	\$ -	\$ -
<b>Article III Subtotal</b>	<b>\$ 20,000,000</b>	<b>\$ 21,275,008</b>	<b>\$ 20,000,000</b>	<b>\$ 20,000,000</b>
Texas Department of Criminal Justice	\$ 496,664,928	\$ 501,775,520	\$ 496,664,928	\$ 501,775,520
Texas Juvenile Justice Department	\$ 172,164,632	\$ 175,787,186	\$ 171,486,663	\$ 175,108,307
Texas Military Department	\$ 1,276,600	\$ 1,276,600	\$ 1,276,600	\$ 1,276,600
<b>Article V Subtotal</b>	<b>\$ 670,106,160</b>	<b>\$ 678,839,306</b>	<b>\$ 669,428,191</b>	<b>\$ 678,160,427</b>
Texas State Board of Dental Examiners	\$ 248,500	\$ 248,500	\$ 248,500	\$ 248,500
Texas State Board of Pharmacy	\$ 467,325	\$ 467,325	\$ 467,325	\$ 467,325
Texas Board of Veterinary Medical Examiners	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Texas Optometry Board	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000
Texas Board of Nursing	\$ 1,747,116	\$ 1,747,116	\$ 1,747,116	\$ 1,747,116
Texas Medical Board	\$ 1,086,111	\$ 1,086,111	\$ 1,084,984	\$ 1,084,984
<b>Article VIII Subtotal</b>	<b>\$ 3,681,052</b>	<b>\$ 3,681,052</b>	<b>\$ 3,679,925</b>	<b>\$ 3,679,925</b>
<b>Cross Article Total</b>	<b>\$ 2,773,694,817</b>	<b>\$ 3,727,016,349</b>	<b>\$ 2,687,248,358</b>	<b>\$ 3,448,236,218</b>
Estimated Behavioral Health Related Medicaid Expenditures*		\$ 3,155,365,665		\$ 3,565,706,350
Estimated Behavioral Health Related CHIP Expenditures*		\$ 41,103,239		\$ 47,199,329
<b>Medicaid and CHIP Subtotal</b>		<b>\$ 3,196,468,904</b>		<b>\$ 3,612,905,679</b>
<b>Cross Article Total with Medicaid and CHIP</b>		<b>\$ 6,923,485,253</b>		<b>\$ 7,061,141,897</b>
<b>Percent Change from Previous Biennium</b>				<b>2.0%</b>

Source: Statewide Behavioral Health Coordinating Council Consolidated Behavioral Health Schedule and Exceptional Item Review

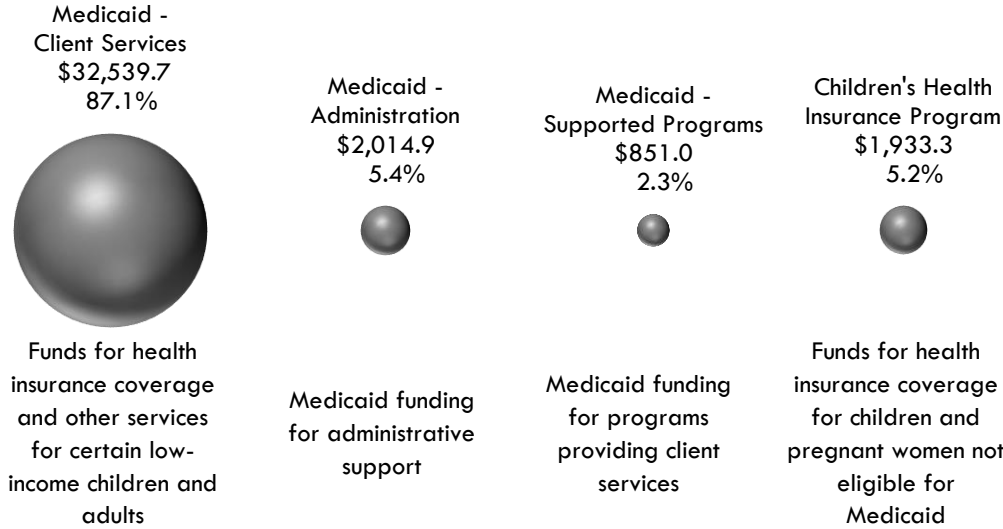
Legislative Budget Board

\*Estimated Medicaid expenditures for behavioral health services include projected caseload and cost growth that is not funded in the Introduced Bill. Estimated CHIP expenditures include projected cost growth that is not funded in the Introduced Bill.

Health and Human Services Commission

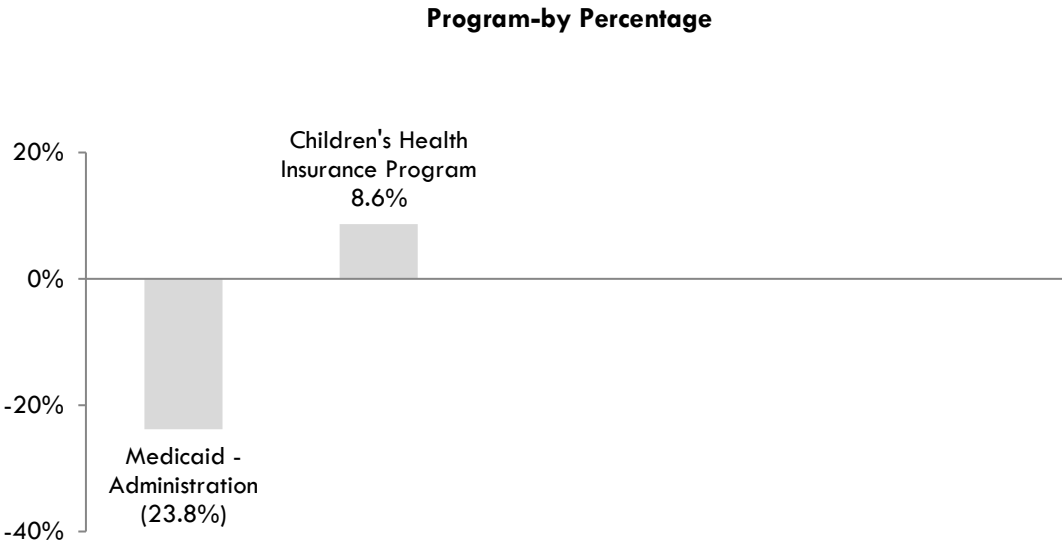
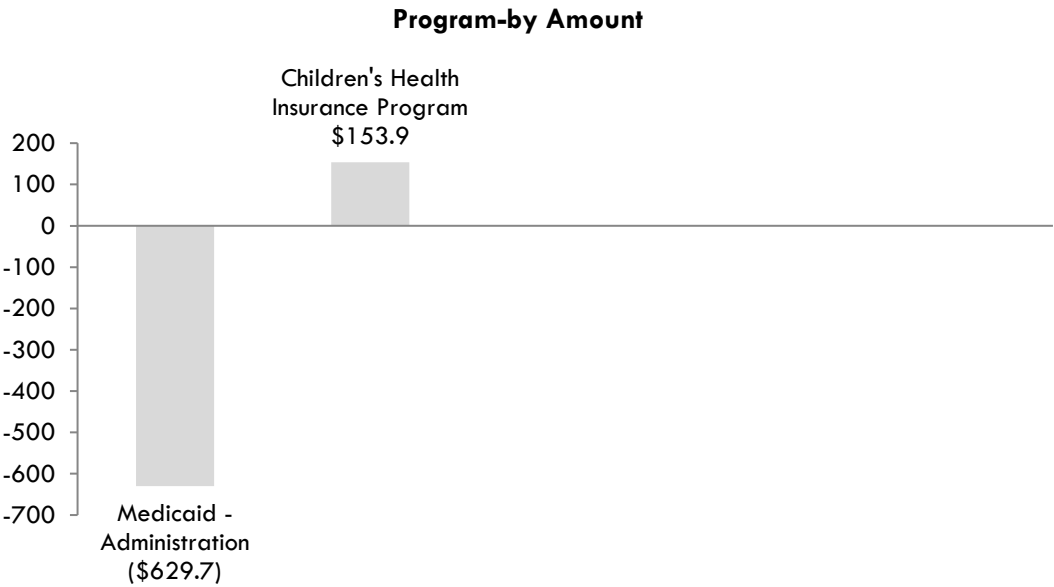
Summary of Federal Funds - Medicaid and CHIP (2018 - 19) - Senate

Total \$37,338.9M



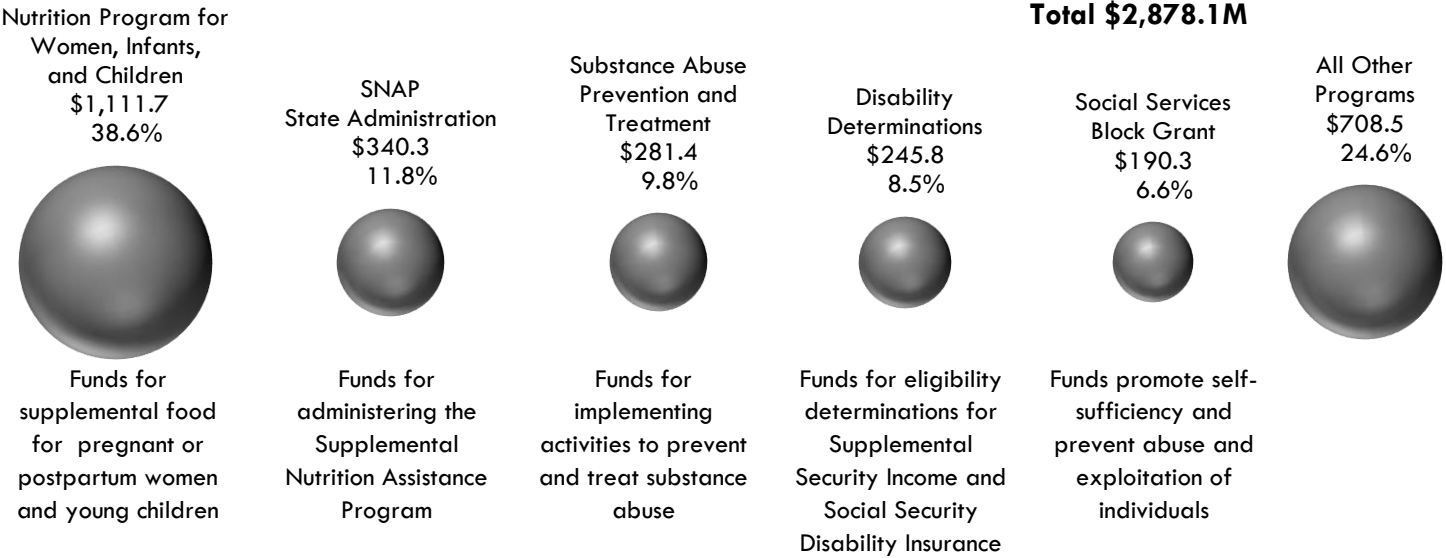
Selected Federal Fiscal and Policy Issues
1. Decrease in Medicaid funding for administrative support primarily related to a reduction in the Texas Medicaid Electronic Health Records Incentive Program and the transition of certain projects to a less favorable federal match rate.
2. Recommendations assume federal funding for CHIP will be available in 2018-19. Increase in expenditures primarily due to caseload growth, maintenance of fiscal year 2017 premiums, and a more favorable federal match rate.

Programs with Significant Federal Funding Changes from 2016 - 17



Health and Human Services Commission

Summary of Federal Funds - Excludes Medicaid and CHIP (2018 - 19) - Senate

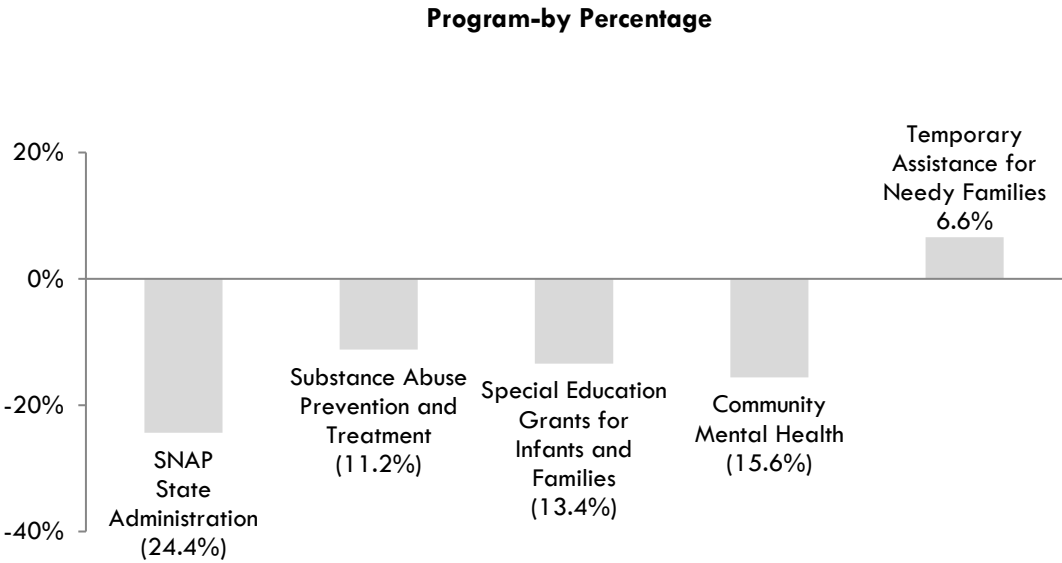
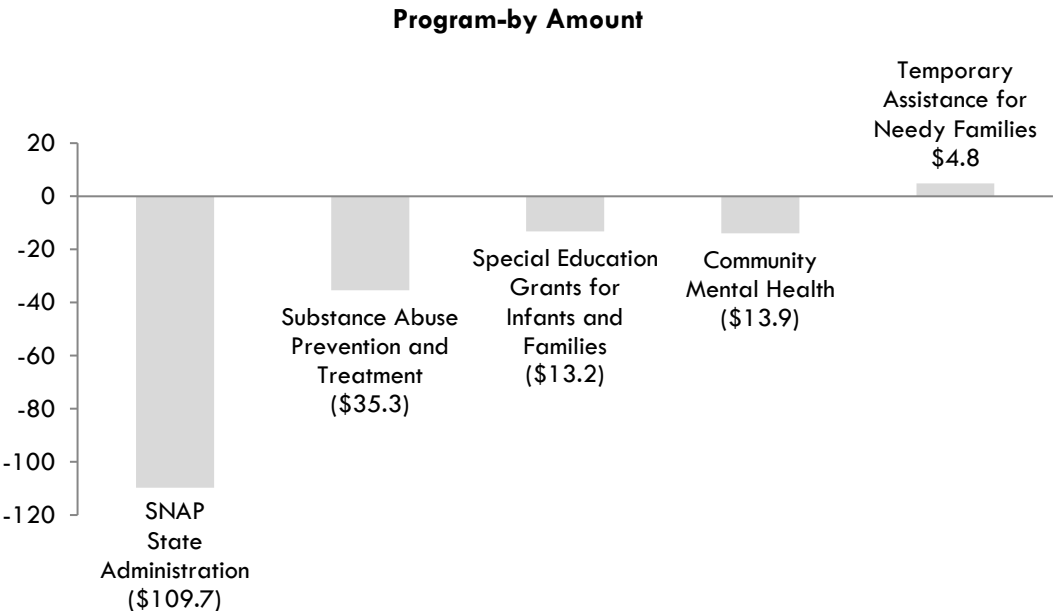


**Selected Federal Fiscal and Policy Issues**

1. In fiscal year 2017, HHSC was approved to expend up to \$2.2 million in Special Education Grants for Infants and Families funding to locate and contract with ECI providers to serve areas of the state without an ECI provider.

2. Due to increased caseload projections and programmatic consolidation, Temporary Assistance for Needy Families program expenditures increased by \$4.8 million in the 2018-19 biennium.

Programs with Significant Federal Funding Changes from the Recast 2016 - 17 Base



## Health and Human Services Agencies\*

### Contracting Highlights - Senate

#### Summary of Contracts Awarded 09/01/2014 to 01/17/2017 and Reported to LBB Contracts Database\*\*

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

	Number	Total Value	Average Value	% of total
<b>Procurement Contracts</b>	5,340	\$ 6,112.7	\$ 1.1	100%

#### Award Method

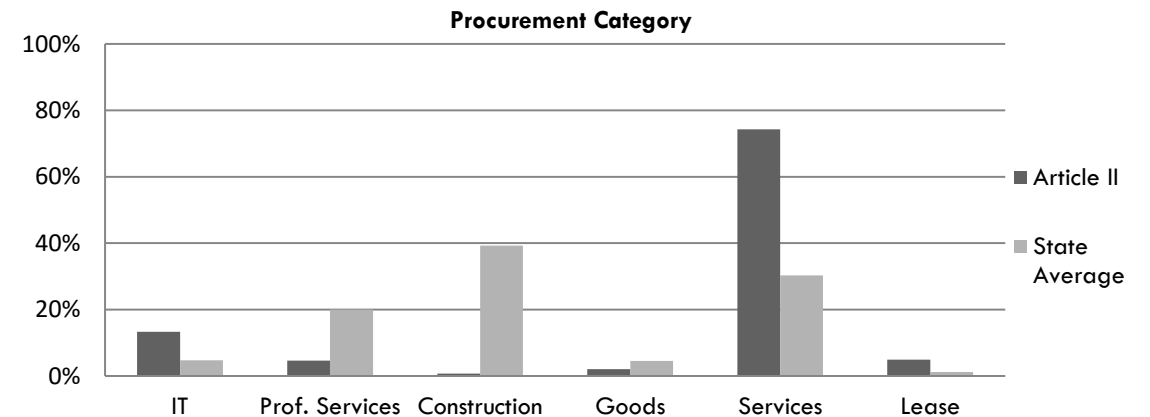
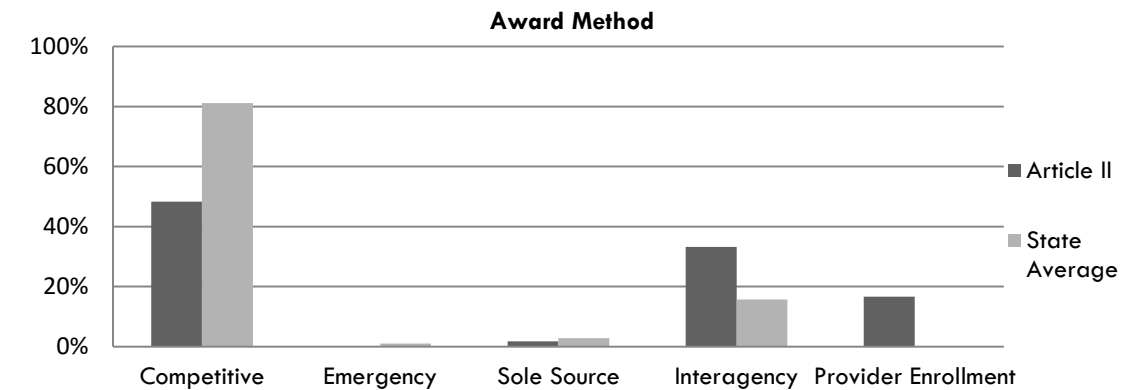
Total Competitive Contracts	3,830	\$ 2,950.8	\$ 0.8	48.3%
Total Non-Competitive	1,510	\$ 3,162.0	\$ 2.1	51.7%
Emergency	40	\$ 5.9	\$ 0.1	0.1%
Sole Source	228	\$ 109.3	\$ 0.5	1.8%
Interagency Agreement	960	\$ 2,028.5	\$ 2.1	33.2%
Provider Enrollment	282	\$ 1018.2	\$ 3.6	16.7%

#### Procurement Category

Information Technology	194	\$ 814.6	\$ 4.2	13.3%
Professional Services	308	\$ 284.2	\$ 0.9	4.6%
Construction	125	\$ 44.7	\$ 0.4	0.7%
Goods	319	\$ 125.4	\$ 0.4	2.1%
Other Services	3,965	\$ 4,541.9	\$ 1.1	74.3%
Lease/Rental	429	\$ 302.0	\$ 0.7	4.9%

<b>Revenue Generating Contracts</b>	14	\$ 345.9	\$ 19.0	6.1%
-------------------------------------	----	----------	---------	------

#### Comparisons with State Averages



\* Includes the Health and Human Services Commission, Dept. of Family and Protective Services, Dept. of State Health Services, Dept. of Aging and Disability Services, and Dept. of Assistive and Rehabilitative Services.

\*\* These figures reflect the total value of reported contracts awarded 09/01/2014 to 01/17/2017 and reported to the LBB contracts database. Values can include planned expenditures for subsequent years and represent the amounts contracted which may include funds from sources other than appropriated or General Revenue Funds.

### Health and Human Services Agencies

Contracting Highlights: Largest Contracts Awarded 09/01/2014 to 01/17/2017 - Senate

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

Health and Humans Services Commission	Award Method	Total Value	% Change*	Award Date	Total Length	Vendor
1 HHSC Eligibility Support Services	Competitive	\$ 535.8	3.0%	12/14/15	6 years	Maximus Inc
2 HHSC Managed Care - STAR+PLUS Managed Care Service	Provider Enrollment	\$ 249.2	670.8%	03/01/15	5 years	Molina Healthcare Inc.
3 HHSC Managed Care - STAR+PLUS Managed Care Service	Provider Enrollment	\$ 208.9	-	03/01/15	5 years	Amerigroup Insurance Company
4 HHSC Managed Care - STAR+PLUS Managed Care Service	Provider Enrollment	\$ 180.9	-	03/14/15	2 years	Amerigroup Insurance Company
5 HHSC STAR+PLUS	Provider Enrollment	\$ 88.8	654.3%	03/01/15	5 years	United Healthcare Community Plan Of Texas LLC
6 Hardware Leasing	Competitive	\$ 68.0	-	09/01/15	4 years	SHI Government Solutions Inc
7 HHSC Network Access Improvement Program (NAIP)	Interagency	\$ 64.4	-	07/30/15	2 years	University of Texas Medical Branch
8 HHSC STAR+PLUS	Provider Enrollment	\$ 48.7	-	03/01/15	4 years	Healthspring Life & Health Insurance Company Inc
9 Voice Communications Services	Competitive	\$ 48.2	36.9%	08/25/15	3 years	Qwest Communication Company LLC
10 HHSC Electronic Benefit Services	Competitive	\$ 47.6	-	07/08/15	4 years	FIS Output Solutions LLC

### Department of Family and Protective Services

1 Interagency Oversight Agreement	Interagency	\$ 105.7	-	09/01/15	1 year	Health and Human Services Commission
2 Enterprise Hardware Leasing	Competitive	\$ 20.0	-	09/01/15	4 years	SHI Government Solutions
3 DBITS IMPACT Modernization Phase I	Competitive	\$ 7.2	-	06/01/15	3 years	Accenture LLP
4 Programming Services	Competitive	\$ 6.2	-	09/01/16	3 years	Technology Consortium LLC
5 Tablet Lease	Competitive	\$ 5.4	-	12/09/14	4 years	Austin Ribbon & Computer Supplies
6 DFPS Preparation for Adult Living - Life Skills Training	Interagency	\$ 5.1	400.0%	09/01/15	5 years	Harris County Children's Protective Services
7 DBITS IMPACT Reporting	Competitive	\$ 3.9	-	03/24/15	2 years	Accenture LLP
8 FY17 Xerox Services	Competitive	\$ 3.8	-	09/01/16	1 year	Xerox Corporation
9 Healthy Outcomes through Prevention and Early Intervention	Competitive	\$ 3.4	-	01/01/16	2 years	United Way of Metropolitan Dallas Inc
10 Enterprise Software Subscription	Competitive	\$ 3.4	-	06/23/15	3 years	SHI Government Solutions

\*Note: The percent change in contract value between initial award amount and the current contract value. Includes contract amendments and renewals.

### Health and Human Services Agencies

Contracting Highlights: Largest Contracts Awarded 09/01/2014 to 01/17/2017 - Senate

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

Department of State Health Services (Transferring to HHSC)	Award Method	Total Value	% Change*	Award Date	Total Length	Vendor
1 Northstar Behavioral Care	Competitive	\$ 280.4	-	9/1/2015	2 years	Value Options of Texas Inc
2 DSHS Local Mental Health Authority	Interagency	\$ 93.2	-	09/01/15	1 year	Harris Center For Mental Health
3 WIC MIS and Other Services	Competitive	\$ 82.4	-	05/28/15	6 years	Vexcel Corporation
4 DSHS Local Mental Health Authority	Interagency	\$ 36.4	-	09/01/15	1 year	MHMR of Tarrant County
5 Forensic Hosptial Services	Competitive	\$ 30.8	-	09/01/15	2 years	Montgomery County
6 DSHS Local Mental Health Authority	Interagency	\$ 30.2	-	09/01/15	1 year	Center For Health Care Services
7 DSHS Local Mental Health Authority	Interagency	\$ 23.2	-	09/01/15	1 year	Tropical Texas Behavioral Health
8 DSHS Local Mental Health Authority	Interagency	\$ 18.0	-	09/01/15	1 year	Austin Travis County MHMR
9 NSS/WIC-Local Agency - Lactation And Training Center	Interagency	\$ 16.6	-	10/01/14	2 years	City of Dallas
10 Women / Infant / Children	Interagency	\$ 15.6	-	10/01/15	2 years	City of Dallas
<b>Department of State Health Services (Staying with DSHS)</b>						
1 NBS Reagents / Equipment / Info Sys Goods Services	Sole Source	\$ 16.3	-	12/01/15	1 year	Perkinelmer Health Sciences Inc
2 Refugee Services	Interagency	\$ 13.6	-	10/01/15	3 years	Harris County Treasurer
3 CDC Vaccines	Competitive	\$ 7.4	-	09/01/15	2 years	Merck Sharp & Dohme Corp
4 Building Renovation	Competitive	\$ 7.2	18.7%	06/11/15	2 years	Anthony Inman Construction Inc
5 Lease Schedule Funding	Competitive	\$ 7.1	137.3%	09/01/15	4 years	CSI Leasing Inc
6 Public Awareness	Competitive	\$ 6.9	-0.4%	03/26/15	4 years	Sherry Matthews Advertising
7 HIV/STD Services	Competitive	\$ 6.5	-	04/01/16	2 years	Houston Regional HIV/AIDS Resource Group Inc
8 Blanket Medical Courier	Competitive	\$ 5.4	-	01/01/15	3 years	LSDP LLC
9 Community Collaborative Projects to Provide Services	Competitive	\$ 5.4	133.8%	09/01/15	2 years	Austin Travis County MHMR
10 Hardware Leasing	Competitive	\$ 5.0	-	09/01/15	4 years	SHI Government Solutions Inc

\*Note: The percent change in contract value between initial award amount and the current contract value. Includes contract amendments and renewals.



### Health and Human Services Agencies

Contracting Highlights: Largest Contracts Awarded 09/01/2014 to 01/17/2017 - Senate

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

<b>Dept. of Assistive and Rehabilitative Services</b> (Transferring to HHSC)	<b>Award Method</b>	<b>Total Value</b>	<b>% Change*</b>	<b>Award Date</b>	<b>Total Length</b>	<b>Vendor</b>
1 HHSC Audit Services	Interagency	\$ 21.8	-	09/01/15	1 year	Health and Human Services Commission
2 DARS Hearing Aid	Competitive	\$ 7.7	-	09/01/14	2 years	Phonak LLC
3 DARS Hearing Aid	Competitive	\$ 5.1	-	09/01/14	2 years	Starkey Laboratories Inc
4 DARS Information Technology	Competitive	\$ 5.0	-	09/01/15	1 year	SHI Government Solutions Inc
5 DARS Hearing Aid	Competitive	\$ 4.8	-	09/01/14	2 years	GN Hearing Care Corporation
6 DARS Other Administrative	Interagency	\$ 3.9	-	01/22/16	1 year	Texas Workforce Commission
7 DARS Hearing Aid	Competitive	\$ 3.1	0.1%	09/01/14	2 years	Oticon Inc
8 Early Childhood Intervention Consumer Service Provider	Competitive	\$ 2.6	6.7%	09/01/14	3 years	Easter Seals East Texas Inc
9 DARS Hearing Aid	Competitive	\$ 2.2	-	09/01/14	2 years	Sivantos Inc
10 Independent Living Program Outsourced Service	Provider Enrollment	\$ 2.1	-	07/01/16	2 years	Heart of Central Texas Living Center
<b>Dept. of Aging and Disability Services</b> (Transferring to HHSC)						
1 Consolidation of Multiple Interagency Agreements	Interagency	\$ 25.1	-	09/01/15	2 years	Department Of State Health Services
2 Staffing Enrollment - State Supported Living Center (SSLCs)	Competitive	\$ 24.0	-	05/27/15	5 years	SHC Services Inc
3 Health Care Services	Provider Enrollment	\$ 13.2	-	11/09/15	5 years	Daybreak Community Services Texas LLC
4 Care Management Program	Competitive	\$ 12.2	-	10/23/15	2 years	Falcon Subsidiary LLC
5 Staffing Enrollment - SSLCs	Competitive	\$ 12.0	-	05/27/15	5 years	Staff Care Inc
6 Area Agencies on Aging	Provider Enrollment	\$ 11.0	-	10/01/15	5 years	City of Houston
7 Health Care Services	Provider Enrollment	\$ 9.1	-	11/09/15	5 years	Daybreak Community Services Texas LLC
8 Staffing Enrollment - SSLCs	Competitive	\$ 8.0	-	05/27/15	5 years	Guardian Healthcare Providers Inc
9 Staffing Enrollment - SSLCs	Competitive	\$ 8.0	-	06/18/15	5 years	Advance Med LLC
10 Staffing Enrollment - SSLCs	Competitive	\$ 8.0	-	06/18/15	5 years	Advance Med LLC

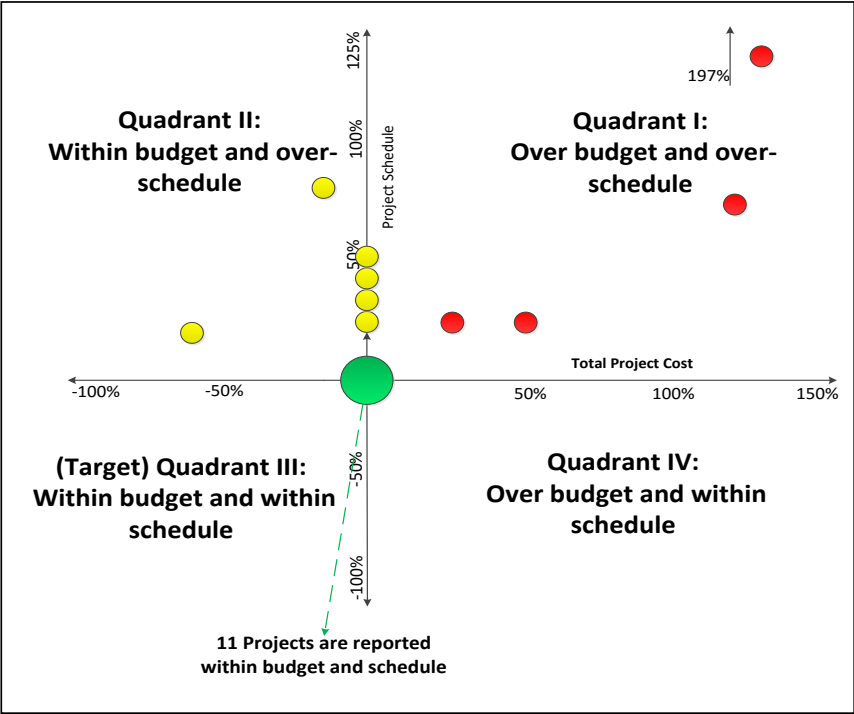
\*Note: The percent change in contract value between initial award amount and the current contract value. Includes contract amendments and renewals.

Health and Human Services Commission  
Quality Assurance Team Highlights

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

	Original Projected Costs	Current Projected Costs	Difference in Costs	Expenditures to Date	Original Timeline in Months	Current Timeline in Months	Difference in Time	% Complete	
Project Name - Health and Human Services Commission (HHSC)									
1 CAPPS Migration to State Data Center/Austin Data Center	\$28.3	\$10.8	(\$17.5)	\$8.4	22	27	5	100%	●
2 Cybersecurity Advancement	\$7.0	\$7.4	\$0.4	\$0.0	22	22	0	33%	●
3 Enterprise Data Warehouse	\$100.0	\$130.0	\$30.0	\$39.3	108	133	25	10%	●
4 CAPPS Financials Upgrade	\$14.2	\$12.9	(\$1.3)	\$4.5	25	25	0	57%	●
5 International Classification of Diseases (ICD) 10	\$30.5	\$37.0	\$6.5	\$27.5	27	34	7	100%	●
Project Name - Transferred from Department of Aging and Disability Services (DADS)									
6 Individuals with an Intellectual Disability (IDD)	\$2.0	\$2.0	\$0.0	\$0.0	17	16	(1)	10%	●
7 LTSS Electronic Interfaces	\$1.5	\$1.5	\$0.0	\$0.1	22	22	0	30%	●
8 Nursing Facility Specialized Services Tracking System	\$4.6	\$4.6	\$0.0	\$2.9	15	21	6	48%	●
9 Protecting People in Regulated Facilities	\$4.6	\$5.5	\$0.9	\$3.9	23	36	13	92%	●
10 Document Management System	\$2.1	\$2.1	\$0.0	\$0.0	23	23	0	9%	●
11 State Supported Living Center Electronic Health Record Electronic Life Record	\$20.0	\$20.0	\$0.0	\$14.1	21	33	12	100%	●
12 State Supported Living Center Electronic Scheduling System	\$1.9	\$1.9	\$0.0	\$0.0	23	23	0	12%	●
13 Information Security Improvements and Application Provisioning	\$2.6	\$2.6	\$0.0	\$1.1	20	20	0	92%	●

Major Information Resources Projects



Legend

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

**Health and Human Services Commission  
Quality Assurance Team Highlights**

Project Name - Transferred from Department of State Health Services (DSHS)									
14	<b>Diagnostic and Statistical Manual of Mental Disorders</b>	\$2.2	\$2.2	\$0.0	\$0.3	20	20	0	16% ●
15	<b>Clinical Data Exchange for Behavioral Health</b>	\$1.4	\$1.2	(\$0.2)	\$0.3	17	29	12	100% ●
16	<b>Contracts Process Improvement</b>	\$1.9	\$1.3	(\$0.6)	\$1.1	23	28	5	100% ●
17	<b>Purchased Health Services Unit &amp; Title V Maternal Child Health System</b>	\$3.6	\$8.7	\$5.1	\$8.2	26	50	24	100% ●
18	<b>Women Infants and Children (WIC), WIC Information Network (WIN)</b>	\$25.0	\$62.1	\$37.1	\$44.2	47	141	94	64% ●
19	<b>Mental Health Integration</b>	\$7.0	\$7.0	\$0.0	\$1.2	22	22	0	33% ●
20	<b>Mental Health Clinical Management for Behavioral Health Services</b>	\$1.9	\$1.9	\$0.0	\$0.2	20	20	0	11% ●
<b>Project Totals (20)</b>		<b>\$262.3</b>	<b>\$322.7</b>	<b>\$60.4</b>	<b>\$157.3</b>				

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

**Related to Projects at HHSC**

- 1 The CAPPS Migration to State Data Center/Austin Data Center project is 62.0 percent under-budget and 9.0 percent over duration. The cost decreased due to removing operating costs the agency erroneously included as part of the development costs. The duration increased due to the delay in signing the contract with the implementation vendor. The project was completed on May 30, 2016.
- 3 The purpose of the Enterprise Data Warehouse (EDW) project was to provide accurate and consistent reporting of Medicaid/Medicare data for Texas. The project, initially designed to collect Medicaid and Medicare data from the health and human services agencies into one main database for a single source of reliable information. The information provided for the health and human service agencies would be used internally to conduct data analysis to detect and prevent fraud and abuse.

The EDW project was canceled in June 2016 by the agency. Potential vendors were notified that the contract would not be executed. According to the agency, the project was halted due to the transformation and reorganization of the Health and Human Services System. QAT requested that Health and Human Services Commission close-out the EDW project while continuing oversight for the EDG program. The EDG governance refers to the overall management of the availability, usability, integrity, and security of the data employed in health and human service enterprise.

- 5 The International Classification of Diseases (ICD) 10 Implementation project is 26.0 percent over-budget and 21.0 percent over duration. The cost and duration increase are both due to the Protecting Access to Medicare Act of 2014 (HR 4302), which creates a one-year correction for the Sustainable Growth Rate (SGR) Medicare physician payment formula. This change created a large number of system changes as the project was approximately 65.0 percent complete at the time of the change. The project was completed on March 31, 2016.

**Related to Projects Transferred from DADS**

- 8 Nursing Facility Specialized Services Tracking System is 38.0 percent over duration. The current estimated project completion date was extended to August 2017 from March 2017. This is based on a revised Texas Medicaid & Healthcare Partnership (TMHP) Project Work Plan was approved by HHSC in their November 2016 report to QAT. HHSC included additional months for post-production verification and project closeout activities.
- 9 The Protecting People in Regulated Facilities project is 21.0 percent over-budget and 52.0 percent over duration. The cost increased due to the implementation of two additional modules for the Waiver Survey and Certification Policy Rules & Curriculum Development databases. The duration increased seven months due to procurement delays, this affected the implementation phase by an additional two months for the project. In the agency's December monitoring report, HHSC extended the completion date from December 30, 2016 to April 28, 2017. The variance in the project end-date is due to a delay in the Vendor signing the HHS Data Usage Agreement (DUA)/Acceptable Use Agreement (AUA) which also increases the duration for end-user testing. This extension will not have an impact to the overall project cost.
- 11 The State Supported Living Center Electronic Health Record Electronic Life Record project was 56.0 percent over duration. The duration increased by twelve months due to the extended procurement activities and contract negotiation timelines for software procurement. The project provides the ability to have a comprehensive view of a resident's health record. The system securely shares the health record and Health Insurance Portability and Accountability Act (HIPAA) data for SSLC residents. The project was completed on August 31, 2016.

**Related to Projects Transferred from DSHS**

- 15 The Clinical Data Exchange for Behavioral Health project is 12.0 percent under-budget and 66.0 percent over duration. The cost decreased due to lower contract costs than the original estimated costs in the project Business Case. The duration increased due to agency procurement process changes that resulted in a key contract not being finalized until later than planned. The project was completed on May 31, 2016.
- 16 The Contracts Process Improvement project is 29.0 percent under-budget and 33.0 percent over duration. The cost decreased due to lower contract costs than the original estimated costs in the project Business Case. The duration increased five months due to the agency adding additional time for testing the Invoice/Payment module. The project was completed on August 31, 2016.
- 17 The Purchased Health Services Unit & Title V Maternal Child Health System project is 138.0 percent over-budget and 92.0 percent over duration. Increases were due to two separate contract amendments that modified the scope of the project to include the procurement of document scanners and additional functionality and development for an electronic web based application for client eligibility determination and billing - Integrated Business Information System (IBIS). IBIS replaced the Automated System for Kidney Health Information Tracking system (ASKIT).

In August of 2012 the available funding and capital was insufficient to award the vendor the entire amount of the proposed project. DSHS entered into the contract with Peak Systems / Denim Group for the available funding, with the intention of awarding the remaining amount of the contract with additional funding in fiscal year 2013. In February 2015, the schedule was extended by one year due to additional software procurement, training provided for system support, and data migration analysis performed.

- 18 The project, authorized to begin in fiscal year 2006 for a duration of 47 months, was appropriated \$7.2 million in All Funds for project development. The project was appropriated \$17.8 million in fiscal year 2008 for completion of the project.

WIC WIN Evolution is a project to replace the current TX WIN (Texas WIC Information Network) management information system. The TX WIN system is outdated and no longer supported. TX WIN will be replaced by TXIN (Texas Integrated Network), which will also serve as the back-end Electronic Benefits Transfer (EBT) processing system. In May 2014, DSHS re-baselined the project which identified estimated development costs of \$60.0 million with a new completion date of March 2017. In August 2015 the project experienced delays in negotiations with vendors and internal approvals for contracts. Once the vendor was hired, it was determined by the agency that the vendor could not complete some deliverables which increased the costs and duration. Final estimated costs are \$62.1 million (Federal Funds) with a estimated completion date of April 20, 2018.

Health and Human Services Commission  
Quality Assurance Team Highlights

Significant Project Highlights - HHSC

**1 CAPPS Migration to State Data Center and Austin Data Center**

This project was authorized to begin in fiscal year 2013 as a 22 month project and was appropriated \$1.6 million in All Funds for project development (Strategy A.1.2 - Integrated Eligibility and Enrollment).

The purpose for this project is to migrate the Centralized Accounting and Payroll/Personnel System (CAPPS) application environment from the CPA Data Center to State Data Center and Austin Data Center, enabling HHSC to become a HUB agency. (Note: A HUB agency is one that utilizes CAPPS within a decentralized processing model that reports to the statewide systems and whose transactional data interfaces with the CPA). HHSC's existing contracted vendor, NorthGate Arinso (NGA), performs day-to-day HR and payroll business operations functions for the HHS Enterprise, will provide additional contracted services for specific IT and User Acceptance Test project-related functions.

**2 Cybersecurity Advancement**

This project was authorized to begin in fiscal year 2016 as a 22 month project and was appropriated \$9.9 million in All Funds for project development.

The Cybersecurity Advancement project would focus on protecting computers, networks, programs and data from unintended or unauthorized access, change, or destruction. Repeated security intrusion attempts into critical systems and infrastructure demonstrate the need for improved security.

<sup>1</sup>The 2016-17 base amount of \$11.4 million in the chart reflects the combined Cybersecurity projects at HHSC, DADS and DSHS.

\* Note: Requested amounts for 2018-19 include all baseline and exceptional item funding requested by the agency. Recommended amounts for 2018-19 include baseline funding only.

QAT Budget Highlights for HHSC (in millions)

Project Name	2016-17 Base	2018-19 Requested	2018-19 Recommended
1 CAPPS Migration to State Data Center/Austin Data Center	\$0.0	\$0.0	\$0.0
2 Cybersecurity Advancement <sup>1</sup>	\$11.4	\$8.6	\$3.9
3 Enterprise Data Governance	\$78.0	\$13.2	\$13.2
4 CAPPS Financials Upgrade	\$13.0	\$3.9	\$3.9
5 International Classification of Diseases (ICD) 10	\$2.2	\$0.0	\$0.0
6 IDD	\$2.0	\$0.0	\$0.0
7 LTSS Electronic Interfaces	\$1.5	\$0.0	\$0.0
8 Nursing Facility Specialized Services Tracking System	\$4.0	\$0.0	\$0.0
9 Protecting People in Regulated Facilities	\$4.3	\$4.3	\$4.3
10 SSLC Document Management System	\$1.9	\$0.0	\$0.0
11 SSLC Electronic Health Record Electronic Life Record	\$1.3	\$0.0	\$0.0
12 SSLC Electronic Scheduling System	\$1.9	\$0.0	\$0.0
13 Implement Information Security Improvements and Application Provisioning Enhancements	\$2.6	\$0.0	\$0.0
14 CMBHS - DSM 5	\$2.0	\$0.0	\$0.0
15 Info Sys Improvements	\$1.4	\$0.0	\$0.0
16 Contracts Process Improvement	\$0.0	\$0.0	\$0.0
17 Purchased Health Services Unit & Title V MCHS	\$0.0	\$0.0	\$0.0
18 WIC WIN	\$15.1	\$7.1	\$7.1
19 Mental Health Integration	\$6.8	\$6.8	\$6.8
20 Mental Health Clinical Management for Behavioral Health Services	\$1.9	\$1.9	\$1.9
<b>Total</b>	<b>\$151.3</b>	<b>\$45.8</b>	<b>\$41.1</b>

**3 Enterprise Data Warehouse (EDW) / Enterprise Data Governance**

This project was authorized to begin in fiscal year 2010 as a 108 month project and was appropriated \$11.1 million in All Funds for project development. The original project name was Information and Asset Management.

The purpose of the Enterprise Data Warehouse (EDW) project was to provide accurate and consistent reporting of Medicaid/Medicare data for Texas. The project, initially designed to collect Medicaid and Medicare data from the health and human services agencies into one main database for a single source of reliable information. The information provided for the health and human service agencies would be used internally to conduct data analysis to detect and prevent fraud and abuse.

The EDW project was canceled in June 2016 by the agency. Potential vendors were notified that the contract would not be executed. According to the agency, the project was halted due to the transformation and reorganization of the Health and Human Services System. QAT requested that Health and Human Services Commission close-out the EDW project while continuing oversight for the EDG program. The EDG governance refers to the overall management and standardization of the availability, usability, integrity, and security of the data employed in health and human service enterprise. Current expended costs to date for the EDG Project is \$15.6 million while final close-out expenditures to date for the EDW portion are \$26.5 million. QAT requested that these cost numbers need to be updated as part of a revised Business Case, Project Plan and the EDW Project Close-Out Report. These are currently in development and are expected to be sent to QAT for review and approval.

**4 CAPPS Financials Upgrade**

This project was authorized to begin in fiscal year 2016 as a 24 month project and was appropriated \$13.0 million in All Funds for project development.

The new HHSC CAPPS Financials System will be implemented as a participating HUB agency system, hosted at the State Data Centers located in the San Angelo Data Center (SDC) and Austin Data Center (ADC). HHSC as a participating HUB agency, uses CAPPS Financials as a stand alone system within the decentralized processing model that reports to the Uniform Statewide Accounting System (USAS) and whose transactional data interfaces with the data warehouse which resides at the Comptroller of Public Accounts.

**5 International Classification of Diseases (ICD) 10 Implementation - Compliance with Federal HIPAA**

This project was authorized to begin in fiscal year 2014 as a 39 month project and was appropriated \$5.0 million in All Funds for project development.

The International Classification of Diseases (ICD) is a system for coding diseases, signs, symptoms, abnormal findings, complaints, social circumstances, and external causes of injury or diseases. The ICD coding system is used worldwide for morbidity and mortality statistics, reimbursement systems, and automated decision support in health care. The ICD code set has been revised from ICD-9 to ICD-10 to allow for an expansion in the number of conditions that can be captured (almost twice as many) and support more comprehensive analysis.

**Significant Project Highlights - Transferred from Department of Aging and Disability Services**

**6 Individuals with an Intellectual Disability (IDD)**

This project was authorized to begin in fiscal year 2016 as a 17 month project and was appropriated \$2.0 million in All Funds for project development.

The goal for this project is to design a uniform assessment program that maintains federal compliance and ensures that clinical assessments are administered systematically, independently, and transparently. The system is intended to track and provide reporting on a wide range of variables and to deliver accurate assessment data to ensure Individual Support Plans (ISPs) are fair, equitable, and based on objective need of individuals with an Intellectual Disability.

**7 Long Term Services and Supports (LTSS) Electronic Interfaces**

This project was authorized to begin in fiscal year 2016 as a 22 month project and was appropriated \$1.5 million in All Funds for project development.

The Long Term Services and Supports (LTSS) System was developed as part of the Balancing Incentive Program (BIP) project during the 2014-15 biennium. HHSC designed and developed the LTSS screening tool and the data sharing web services. This is intended to share LTSS data with Local Intellectual and Developmental Disability Authorities (LIDDA) as well as with Aging and Disabled Resource Centers (ADRC) including development of benchmarks for appropriate care, setting payment rates, and identifying strategies that promote better use of state and federal resources.

**8 Nursing Facility Specialized Services Tracking System**

This project was authorized to begin in fiscal year 2016 as a 15 month project and was appropriated \$4.0 million in All Funds for project development.

This project would modify the Long Term Care (LTC) Online Portal, of the Texas Medicaid Management Information System (MMIS). This system would create a electronic request processing and tracking process that will allow Nursing Facilities to make online requests for authorization to deliver recommended specialized services and electronically file the appropriate assessments and certifications for the service requests as part of the Preadmission Screening and Resident Review program.

**9 Protecting People in Regulated Facilities**

This project was authorized to begin in fiscal year 2014 as a 23 month project and was appropriated \$4.6 million in All Funds for project development.

DADS used a Deliverables-Based Information Technology Services (DBITS) Vendor to perform application development, maintenance and support services. This project when complete, will provide a consolidated database system to replace the current disparate Regulatory Services applications. The project end-date was changed from 08/31/2016 to 12/30/2016 to provide time to design and implement the Waiver Survey and Certification and Policy, Rules and Curriculum systems.



**10 State Supported Living Centers (SSLC) Document Management System**

This project was authorized to begin in fiscal year 2016 as a 23 month project and was appropriated \$1.9 million in All Funds for project development.

The document management system (DMS) will integrate directly with the Electronic Health Record (EHR) system. The DMS will help ensure that the EHR system provides a full view of a resident's health record, images of paper records, and medical information. The implementation of a DMS will assist HHSC/DADS to collect data about health outcomes and to respond accurately on those outcomes to better serve the individuals in SSLCs. Imaging and digitizing paper records for SSLC residents will provide secure and immediate access to client history and client medical information in a secure method and will be designed to reduce administrative functions related to the handling of paper records.

**11 State Supported Living Center Electronic Health Record Electronic Life Record Project**

This project was authorized to begin in fiscal year 2014 as a 21 month project and was appropriated \$19.2 million in All Funds for project development.

One of four Information Technology (IT) projects under the BIP program, the State Supported Living Center (SSLC) Electronic Health Record/Electronic Life Record (EHR/ELR) project is complete and the benefit is to improve technology and information sharing between the agencies that promote client independence and to provide additional community-based service options. The project consists of SSLC Infrastructure Upgrades, Statewide Video Conferencing for SSLCs, and a PC refresh of approximately 2,000 mobile devices to replace existing PC desktop and laptop devices. Included is approximately 800 kiosks running CareTracker software that enables assisted living facilities to eliminate paper documentation.

In June 2015 the agency reported to QAT that the original planned project completion date was extended 10 months due to procurement activities and contract negotiations for the software procurement.

**12 State Supported Living Center Electronic Scheduling System**

This project was authorized to begin in fiscal year 2014 as a 23 month project and was appropriated \$1.9 million in All Funds for project development.

The purpose of this project is to ensure that there is sufficient staff with the required skills to meet residents' needs and to comply with Department of Justice requirements at the SSLCs. The SSLC Electronic Scheduling System (ESS) project automates labor intensive scheduling and timekeeping processes.

**13 Implement Information Security Improvements and Application Provisioning Enhancements**

This project was authorized to begin in fiscal year 2016 as a 24 month project and was appropriated \$2.6 million in All Funds at HHSC for project development. DADS originally initiated an interagency contract with HHSC for this project. Application Provisioning refers to the configuration, deployment and management of Information Technology systems.

The purpose of this project is to implement the IBM Guardium real-time database security and monitoring solution to continuously monitor data access operations in real time to detect unauthorized actions based on detailed contextual information. This project includes remediation of applications that have been identified as having vulnerabilities, and will minimize interruptions to critical business functions.

**Significant Project Highlights - Transferring from Department of State Health Services (DSHS)**

**14 CMBHS - Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5) Modifications to CMBHS**

This project was authorized to begin in fiscal year 2016 for a duration of 20 months, was appropriated \$2.0 million in All Funds for project development.

This project will impact data records in the Clinical Management for Behavioral Health Services (CMBHS) system. DSM IV had minimal information for symptoms to receive a diagnosis. DSM-5 will capture a full range of symptoms for a particular diagnosis, while having the ability to track treatment progress. Additionally, the data collected will be transferable among other state agencies in comparing population data.

**15 Clinical Data Exchange for Behavioral Health**

This project, authorized to begin in fiscal year 2014 for a duration of 17 months, was appropriated \$1.4 million in All Funds for project development (Information System Improvements). The project is under budget due to vendor contracts being negotiated to less than the estimated cost but the duration has extended due to agency procurement delays.

The Clinical Data Exchange for Behavioral Health (CDE4BH) project added functionality to the current state hospitals' Electronic Health Records (EHR) system including:

- Enabling an electronic exchange of Continuity of Care Documents (CCD) between state hospitals.
- Delivering/receiving CCDs to/from the DSHS Health Services Gateway (HSG) to exchange CCDs with the external Electronic Health Record systems such as those utilized by Local Mental Health Authorities (LMHAs), the entities usually responsible for providing care to clients discharged from the state hospitals.

**16 Contracts Process Improvement - eGrants**

The project was initiated through a Biennial Operating Plan amendment and was authorized to begin in fiscal year 2015 for a duration of 23 months. The agency estimated costs of \$1.9 million in All Funds for project development. The cost decreased due to vendor contracts being negotiated to less than estimated cost in the project Business Case. The duration increased due to the agency adding additional time for testing the Invoice/Payment module.

The project implemented a standardized contract process from contract signature/initiation to contract closure for sub-recipient contracts. The project is expected to reduce the contracting cycle time by 25.0 percent. The project is also expected to assist with workflow automation and monitoring and will interface with HHSC accounting and business systems to ensure data standardization.

**17 Purchased Health Services Unit & Title V Maternal Child Health System**

The project was initiated through a Biennial Operating Plan amendment and was authorized to begin in fiscal year 2012 for a duration of 26 months. The agency estimated costs of \$3.6 million in All Funds for project development. Increases were due to two separate contract amendments that modified the scope of the project to include the procurement of document scanners and additional functionality and development for an electronic web based application for client eligibility determination and billing - Integrated Business Information System (IBIS). IBIS replaced the Automated System for Kidney Health Information Tracking system (ASKIT).

The project was designed to create and implement a centralized information management system to replace two existing legacy applications: the Children with Special Health Care Needs Management Information System and the Automated System for Kidney Health Information Tracking. DSHS extended the project end date and increased the budget multiple times due to staff attrition and system failures that have resulted in delays in service to clients and providers.

**18 Women Infants and Children (WIC), WIC Information Network (WIN)**

The Women Infants and Children (WIC), WIC Information Network (WIN) project is 149.0 percent over-budget and 197.0 percent over duration. Originally the project was planned to be completed in two phases over a four year period. The first phase was estimated to be \$7.2 million for WIC to procure a vendor to research system alternatives, conduct a feasibility study and make recommendations for procuring or developing phase two. Phase two was to be developed in accordance to the analysis performed in phase one. The estimated costs for phase two was \$17.8 million for a total cost of \$25 million.

The project direction has changed twice since the project began in fiscal year 2006. Originally, DSHS planned to implement a modified commercial off-the-shelf state agency model (SAM) system. At that time, the SAM system was under development by the USDA. However, due to significant delays in development, DSHS changed direction and hired a vendor to design, develop, and implement a WIC management information system in fiscal year 2010. In September 2013 DSHS realized that the vendor's project director was not actively involved in any onsite interactions to lead and guide crucial areas of the project. According to DSHS, the vendor did not provide an updated schedule as required in the contract. As a result of these actions, DSHS canceled the contract which was mutually agreed upon by both parties. Continuing the project or starting a new project was discussed internally and with the Quality Assurance Team. However, the agency determined that canceling the project would present a significant risk to federal funding. These actions caused changes in the project direction, and a new estimated completion date the project was extended to March 31, 2016.

These changes and delays caused the agency to lapse capital budget authority in the 2014-15 biennium. To continue the project, the agency requires additional authority for fiscal years 2016-17. The agency executed a request to exceed for \$8.3 million in Capital Authority for fiscal year 2017. On November 8, 2016 Capital Authority was provided which allows DSHS to procure a vendor to replace the current Texas WIN System with a new web-based system. This phase will also include the procurement of a Quality Assurance Contractor for Independent Verification and Validation (IV&V) services.

DSHS now anticipates the project will be completed in April 2018 with estimated costs of \$62.1 million.

**19 Mental Health Integration**

The project, authorized to begin in fiscal year 2016 for a duration of 20 months, was appropriated \$6.8 million in All Funds for project development.

The purpose of the project is to upgrade, migrate and transform the mental health functions of the legacy Client Assignment and Registration (CARE) system by converting/migrating legacy applications to new technology. An important outcome is to ensure that the HHS agencies no longer have any direct dependency on mental health (MH) data stored or processed within the CARE application which should reduce and/or eliminate costs associated with information resources supporting mental health programs on the mainframe.

**20 Mental Health Clinical Management for Behavioral Health Services (CMBHS) Complete Roadmap**

The project, authorized to begin in fiscal year 2016 for a duration of 20 months, was appropriated \$1.9 million in All Funds for project development.

The project will modify current mental health and substance abuse functionality within CMBHS for use in reporting performance data for Substance Abuse Recovery Support and the Texas Children Recovering from Trauma. Upgrades include the following: Tracking services and outcomes for additional mental health and substance abuse programs; support third party billing and attestations; eliminate the backlog of application change requests; and interface with the contract management system (eGrants).

**Health and Human Services Commission  
Rider Highlights - Senate**

Pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015, several agency programs were consolidated at the Health and Human Services Commission (HHSC). Riders for HHSC have been organized into ten categories: Medicaid, CHIP, Behavioral Health, Women's Health, Other Client Services, Facilities, Texas Civil Commitment Office, Revenue, Transfers, and Administration. The category is noted with each rider highlighted below. Riders that have been moved from Department of Aging and Disability Services, Department of Assistive and Rehabilitative Services, Department of State Health Services, and Department of Family and Protective Services have a notation in the bill pattern that indicates the former rider location.

**RECOMMENDATIONS FOR MODIFICATION OF EXISTING RIDERS (The rider number refers to the rider number listed in the Introduced General Appropriations Bill, 2018-19 Biennium)** Note: Conforming modifications of riders to update agency and strategy references to reflect the program consolidation pursuant to Senate Bill 200 are not included below.

7. **Cash Basis Expenditures Authorization.** Category-Medicaid. Revise rider to clarify expenditures in Goal A, Medicaid Client Services, including former DADS' long-term-care programs, that may be paid on a cash basis instead of an accrual basis.
10. **Hospital Uncompensated Care.** Category-Medicaid. Revise rider to clarify the reporting requirements related to Hospital Uncompensated Care and provide a due date for the biennial report.
14. **Use of PARIS Data and Appropriations of Savings to the Texas Veterans Commission Realized from the Use of PARIS Data.** Category-Medicaid. Amend rider to remove the requirement that HHSC transfer \$50,000 in General Revenue Funds to the Texas Veterans Commission (TVC) to partially fund 2.0 FTEs. Recommendations for TVC include a direct appropriation of \$50,000 in General Revenue Funds for this purpose.
15. **Supplemental Payments.** Category-Medicaid. Revise rider to change the supplemental payment report due date from March 1 of each fiscal year to June 30 of each fiscal year for completion of the uncompensated care reconciliation.
22. **Report on Pay for Quality Measures.** Category-Medicaid. Revise rider to change the due date for the report and modify the reported items to allow for the implementation of additional pay for quality programs.
24. **1115 Medicaid Transformation Waiver Distribution Public Reporting.** Category-Medicaid. Amend rider to include the Governor's Office, the Legislative Budget Board and the public to the report recipients.
25. **Report on Vendor Drug Program.** Category-Medicaid. Revise rider to require HHSC to include a summary of previously submitted reports related to the Vendor Drug Program with the report due December 1, 2018.
27. **Texas Medicaid and Texas Diabetes Council – Coordination and Report.** Category-Medicaid. Revise rider to require HHSC to include a summary of previously submitted reports related to coordination with the Texas Diabetes Council with the report due August 31, 2018.
28. **Evaluation of Medicaid Data.** Category-Medicaid. Amend rider to remove reference to Medicaid electronic dashboard because the dashboard was implemented in fiscal year 2016.

29. **NAIP, MPAP, and QIPP Payments Reporting.** Category-Medicaid. Revise rider to reflect the on-going review of the Network Access Improvement Program and Quality Incentive Payment Program by the Centers for Medicare and Medicaid Services and require the HHSC to report estimated funding available.
30. **Medicaid Substance Abuse Treatment.** Category-Medicaid. Revise rider to remove the progress report and require a report of evaluation findings due on December 1, 2017.
32. **General Revenue Funds for Medicaid Mental Health and Intellectual Disability Services.** Category-Medicaid. Revise rider to remove references to Rehabilitation Services and Targeted Case Management Services provided by mental health authorities and intellectual disability local authorities, due to the carve in of these services into managed care.
36. **Health and Human Services Cost Containment.** Category-Medicaid. Remove provisions related to the 2016-17 biennium; add direction on cost containment initiatives to be developed for fiscal years 2018 and 2019.
37. **Use of Additional CHIP Experience Rebates.** Category-CHIP. Amend rider to include reference to method of finance General Revenue Fund – Experience Rebates-CHIP No. 8054 and include the reimbursement process for experience rebates in the Monthly Financial Report.
38. **CHIP: Tobacco Settlement Receipts.** Category-CHIP. Amend rider to remove the authority for unexpended balances between biennia and within the biennium. Revisions update the amount of tobacco settlement receipts appropriated to Goal C, CHIP Client Services.
41. **CHIP Premium Co-Pays.** Category-CHIP. Revise rider to include the reimbursement process for CHIP Premium Co-Pays in the Monthly Financial Report.
42. **Contingency for Behavioral Health Funds.** Category-Behavioral Health. Revise rider to extend the requirements to both years of the biennium.
45. **Local Service Area Planning.** Category-Behavioral Health. Remove directive language related to contracting with local authorities because the agency has authority to establish such performance agreements.
47. **Mental Health Appropriations and the 1115 Medicaid Transformation Waiver.** Category-Behavioral Health. Amend rider to remove duplicative language specifying that the rider applies to funds provided to the agency in the current biennium.
51. **Funding for Abstinence Sexual Education.** Category-Women's Health. Revise rider to identify the amount of Federal Funds recommended.
52. **Primary Health Care Program: Providers.** Category-Women's Health. Amend rider to clarify limitations for participation in the Primary Health Care Program pursuant to Texas Health and Safety Code §31.006.
53. **Breast and Cervical Cancer Services Program: Providers.** Category-Women's Health. Amend rider to specify providers that are eligible to receive BCCS funding pursuant to Texas Administrative Code §392.607.

55. **Funding for Medicaid Family Planning and Family Planning Instruction.** Category-Women's Health. Amend rider to specify conditions in which minors and non-parents to minors may consent to treatment without parental consent pursuant to Texas Family Code, §32.
56. **Women's Health Programs: Savings and Performance Reporting.** Category-Women's Health. Revise rider to require reports from both the Healthy Texas Women Program and the Family Planning Program every year. Recommendations also specify the date the reports are due, and require for reporting data to include information since fiscal year 2011 by geographic region, to include the count of women in either program receiving a long-acting reversible contraceptive, and to include comparisons to legacy women's health programs.
58. **Prohibition on Abortions: Healthy Texas Women Program and Family Planning Program.** Category-Women's Health. Revise rider to include the Healthy Texas Women Program and Family Planning Program.
59. **Consent for Family Planning: Women's Health Services.** Category-Women's Health. Amend rider to specify conditions in which minors and non-parents to minors may consent to treatment without parental consent pursuant to Texas Family Code, §32.
63. **Maintenance of Effort (MOE) and Matching Funds Reporting Requirement: ECI Services.** Category-Other Client Services. Revise rider to remove reporting requirements on state funds used for match and maintenance of effort for federal Vocational Rehabilitation (CFDA 84.126) funds. The Vocational Rehabilitation Program and funds associated with the program transferred to the Texas Workforce Commission pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.
64. **Reporting on Early Childhood Intervention.** Category-Other Client Services. Amend rider to require additional reporting information on contractor revenue, including Medicaid Collections for Medicaid Administrative Claiming, Targeted Case Management, and Specialized Skills Training. Recommendations amend rider to require an additional report in the event that notification is given of intent to terminate an ECI contract that details the date that the notice was received, the date the termination is effective, and any termination plans related to the notice.
66. **Education Funding.** Category-Other Client Services. Amend rider to specify what ECI services would be funded with the Special Education Grants for Infants and Families (CFDA 84.027) Federal Funds received from the Texas Education Agency.
71. **State Funding for Assistive Technologies and Devices.** Category-Other Client Services. Amend rider to remove references to the Independent Living Services – Blind Program and Independent Living Services – General Program. These programs were consolidated into a single independent living services program, pursuant to House Bill 2463, Eighty-fourth Legislature, 2015.
72. **Autism Program Provisions.** Category-Other Client Services. Amend rider to remove references to Comprehensive Applied Behavioral Analysis (ABA) services. As of September 1, 2015, children enrolled in the Autism Program were enrolled in Focused ABA services only.
74. **Medically Fragile Children.** Category-Other Client Services. Amend rider to clarify use of appropriations for certain clients.
84. **Funding for Child Advocacy Center Programs and Court Appointed Special Advocate Programs.** Category-Other Client Services. Amend rider to align with provisions established in Texas Family Code, §§264.603 and 264.409. Recommendations remove contingency language pursuant to the enactment of Senate Bill 354, Eighty-fourth Legislature, 2015.

89. **State Supported Living Center Oversight.** Category-Facilities. Amend rider to limit expenditures in Strategy G.2.1, State Supported Living Centers to appropriations. Expenditures above appropriations would require LBB and Governor approval and would be approved if not disapproved 15 business days from when the review is forwarded.
90. **State Health Care Facility Provisions.** Category-Facilities. Amend rider to clarify that appropriated receipts collected by the Rio Grande State Center Outpatient Clinic and the Texas Center for Infectious Disease are appropriated to Strategy G.3.1, Other State Medical Facilities. Both facilities transferred to HHSC from the Department of State Health Services pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.
92. **Texas Center for Infectious Disease Services and Billing.** Category-Facilities. Amend rider to clarify that appropriated receipts collected from county governments related to the provision of tuberculosis services to new county indigent patients served at the Texas Center for Infectious Disease (TCID) shall only be used to provide services at TCID. TCID transferred to HHSC from the Department of State Health Services pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.
103. **Administrative Attachment: Texas Civil Commitment Office.** Category-Texas Civil Commitment Office. Amend rider to reflect that the Texas Civil Commitment Office is administratively attached to the HHSC pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015. Note that this administrative attachment would also require a statutory change to Texas Government Code, §420A.01.
104. **Appropriation: License Plate Trust Fund No. 0802.** Category-Revenue. Amend rider to include license plate revenue from the I Love Texas and Volunteer Advocate Program specialty license plates; unexpended balance authority within the biennium is also provided.
105. **Appropriation: Quality Assurance Fees.** Category-Revenue. Revise to remove language providing revenue generated in excess of amounts in the Biennial Revenue Estimate.
106. **Expenditure of Settlement Funds.** Category-Revenue. Amend rider to clarify the notification period is 30 business days.
107. **Vendor Drug Rebates and Report.** Category-Revenue. Amend rider to include rebate revenue for the Children with Special Health Care Needs Program and Kidney Health Care Program that transferred from the Department of State Health Services pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015. Additionally, the rider includes a reporting requirement for prescription drug rebate programs from former HHSC Rider 23, Performance Reporting for the Prescription Drug Rebate Program (2016-17 GAA).
108. **Subrogation Receipts.** Category-Revenue. Amend rider to include provisions related to Comprehensive Rehabilitation Services Subrogation Receipts transferred from the Department of Assistive and Rehabilitative Services pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.
109. **Federal Provider Enrollment and Screening Fee.** Category-Revenue. Amend rider to clarify that method of finance Appropriated Receipts-Match for Medicaid is an Other Fund.
110. **Budget Authority for Estimated Pass-through Funds.** Category-Revenue. Revise rider to specify that funds, other than General Revenue, would pass through the commission to other governmental entities or service providers.

- 111. **Fees for Community Services at State Supported Living Centers.** Category-Revenue. Revise rider to clarify that the rider does not appropriate funds to make up the difference between appropriated amounts and actual collections, and that actual collections above the estimate are appropriated to the HHSC for the same purpose, subject to revised Rider 89, State Supported Living Center Oversight.
- 112. **Use of Additional Medicaid Program Income.** Category-Revenue. Revise rider to require inclusion of the reimbursement process for Medicaid Program Income in the Monthly Financial Report.
- 113. **Authorization to Receive, Administer, and Disburse Disaster-related Federal Funds.** Category-Revenue. Amend rider to limit the authority to disaster related Federal Funds.
- 114. **Cost Sharing – Medicaid Clients.** Category-Revenue. Amend rider to include references to Strategy A.1.2, Disability Related, the method of finance General Revenue Fund – Cost Sharing-Medicaid Clients No. 8075 and limit HHSC's appropriation authority for revenue identified as General Revenue Fund – Cost Sharing-Medicaid Clients No. 8075.
- 117. **Mental Health (MH) and Intellectual Disability (ID) Collections for Patient Support and Maintenance.** Category-Revenue. Revise rider to specify that the agency must seek approval before expenditure of revenue collected above appropriated levels.
- 118. **Mental Health (MH) and Intellectual Disability (ID) Appropriated Receipts.** Category-Revenue. Revise rider to specify that the agency must seek approval before expenditure of revenue collected above appropriated levels.
- 120. **Mental Health (MH) and Intellectual Disability (ID) Medicare Receipts.** Category-Revenue. Revise rider to specify that the agency must seek approval before expenditure of revenue collected above appropriated levels.
- 127. **Fund Transfers for Funds Consolidation.** Category-Transfers. Amend rider to include reference to Texas Human Resource Code, §22.002.
- 129. **Appropriation Transfers between Fiscal Years.** Category-Transfers. Revise rider to increase the auto-approval period from 15 to 30 business days, and require the commission to make one-time adjustments if the funds carried from fiscal year 2019 to fiscal year 2018 exceed the amount needed for client services, and require notification in either case.
- 130. **Transfers: Authority and Limitations.** Category-Transfers. Revise rider to limit transfers for non-entitlement strategies, clarify that the notification period is 30 business days, permit auto-approval for transfer requests between Medicaid Long-Term Care Waivers and PACE Strategies unless disapproval is issued within 30 business days, and to prevent transfers into or out of strategies within Goal L, System Oversight and Program Support, without prior approval.
- 131. **Unexpended Balance Authority within the Biennium for Eligibility Determination Services and Community Mental Health Crisis Services.** Category-Transfers. Amend rider to incorporate unexpended balance authority for mental health crisis services that existed previously at the Department of State Health Services.
- 132. **Limitation: Transfer Authority for Early Childhood Intervention (ECI) Services.** Category-Transfers. Amend rider to restrict transfers among ECI strategies, as well as to and from appropriations for ECI strategies.



- 137. **Unexpended Construction Balances.** Category-Transfers. Amend rider to clarify existing unexpended balance authority within the 2018-19 biennium for general obligation bond proceeds.
- 139. **Unexpended Balances: Consumer Protection Services.** Category-Transfers. Amend rider to include all of Strategy H.1.2, Health Care Professionals, including programs that transferred from the Department of Aging and Disability Services and the Department of State Health Services (DSHS) pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.
- 140. **State Owned Multicategorical Teaching Hospital Account.** Category-Transfers. Amend rider to reflect revised contingency funding for Indigent Health Care Reimbursement to the University of Texas Medical Branch at Galveston.
- 143. **Estimated Appropriation and Unexpended Balance: Permanent Tobacco Funds.** Category-Transfers. Revise rider to remove references to the Permanent Fund for Health and Tobacco Education and Enforcement, the Permanent Fund for Children and Public Health, and the Permanent Fund for Emergency Medical Services and Trauma Care. All three accounts fund programs that remain at the Department of State Health Services in the 2018-19 biennium.
- 148. **Other Reporting Requirements.** Category-Administration. Amend rider to include programs transferred to the HHSC pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.
- 149. **Reimbursement of Advisory Committee Members.** Category-Administration. Amend rider to include committees transferred to the HHSC pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015, delete committees abolished by the Eighty-fourth Legislature, include new committees, and provide a total reimbursement amount of \$190,000 per fiscal year.
- 150. **Reimbursement of Advisory Council Members.** Category-Administration. Revise rider to reflect the correct statutory citation and name of the Health and Human Services Committee Executive Council.
- 157. **Contract Management and Oversight.** Category-Administration. Amend rider to direct the commission to create contingency plans for when vendors cannot be found, include the effectiveness of the planning process and how deliverables/milestones are tied to payment schedules to contract review, and direct the Executive Commissioner to report contract delays and cost over-runs to the Legislative Budget Board (LBB).
- 159. **Recruitment and Retention Strategies.** Category-Administration. Revise rider to include an annual report on the effectiveness of recruitment and retention strategies for community attendants.
- 163. **Financial Monitoring of Community Centers.** Category – Administration. Amend rider to continue to require HHSC to monitor expenditures by community centers, and removes the requirement for HHSC to enter into a written requirement with DADS and DSHS for this purpose.

#### **RECOMMENDATIONS PROVIDE THE FOLLOWING NEW RIDERS**

- 50. **Quarterly Reporting of Waiting Lists for Mental Health Services.** Category-Behavioral Health. Add rider to require HHSC to post waiting list data on community mental health services for adults, community mental health services for children, forensic state hospital beds, and maximum security forensic state hospital beds on HHSC's website at the end of each fiscal quarter. HHSC is also required to electronically notify members of the Legislature when the information is available.

- 67. **Early Childhood Intervention (ECI) Report on Changes to Improve the Family Cost Share System.** Category-Other Client Services. Add rider to require HHSC to prepare and submit a report to the Legislative Budget Board (LBB) and the Governor's Office on the cost-effectiveness of implementing a monthly participation fee system for the ECI Program in lieu of the current family cost share system. If the report finds the monthly participation fee system to be more cost-effective than the family cost share system, HHSC shall submit a request along with the report to implement the monthly participation fee system. Implementation is contingent upon approval from the LBB and the Governor's Office.
- 69. **Early Childhood Intervention (ECI) Services: Medicaid Billing.** Category-Other Client Services. Add rider to require HHSC to provide technical assistance to ECI providers on Targeted Case Management (TCM) billing, documentation, and best practices. Rider also encourages HHSC to amend the Medicaid state plan in order to receive reimbursement for pooled increments of TCM, and to seek reimbursement for state office expenditures to the maximum extent permissible pursuant to Code of Federal Regulations, §433.15(a), Code of Federal Regulations, §432.50(b)(6), and Code of Federal Regulations, §432.50(B)(2).
- 123. **Appropriation: Contingent Revenue.** Category-Revenue. Add rider to provide for a contingent appropriation for any revenues generated by HHSC above the amounts in the Biennial Revenue Estimate in several programs that transferred from the Department of State Health Services, the Department of Aging and Disability Services, and the Department of Assistive and Rehabilitative Services pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.
- 124. **Appropriations Limited to Revenue Collections.** Category-Revenue. Add rider to require HHSC to collect fees, fines, and other miscellaneous revenue in an amount sufficient to cover appropriations and other direct and indirect costs for several programs that transferred from the Department of State Health Services, the Department of Aging and Disability Services, and the Department of Assistive and Rehabilitative Services pursuant to Senate Bill 200, Eighty-fourth Legislature, 2015.
- 125. **Texas.Gov Authority Appropriation.** Category-Revenue. Add rider concerning the appropriation to the HHSC for Texas.Gov including the amount, additional appropriation authority for revenues collected above appropriated, and a provision reducing the appropriation authority to be within the amount of revenue expected to be available in the event that actual collections are insufficient.
- 146. **Unexpended Balances within the Biennium: Print Shop.** Category-Transfers. Add rider to provide unexpended balance authority for the Health and Human Services Print Shop.
- 170. **Enterprise Data Governance.** Category-Administration. Add rider to require HHSC to submit quarterly reports to the Legislative Budget Board and Governor's office on the development and implementation of the Enterprise Data Governance capital project.
- 171. **Texas Integrated Eligibility Redesign System (TIERS).** Category-Administration. Add rider to require HHSC to submit quarterly reports to the Legislative Budget Board (LBB) and Governor's office on the development and implementation of the TIERS capital project and requiring HHSC to seek LBB and Governor approval to expend funds in excess of the amounts appropriated for the TIERS capital project.
- 172. **Texas Medicaid and Healthcare Partnership (TMHP).** Category-Administration. Add rider to create an Executive Steering Committee for oversight of the TMHP contract and Medicaid Management Information System (MMIS) capital project. The recommendations require HHSC to seek LBB and Governor approval to expend funds in excess of the amounts appropriated for the MMIS capital project.

- 173. **Office of Inspector General Report.** Category-Administration. Add rider to require the Office of Inspector General to submit quarterly reports to the Legislative Budget Board and Governor's office on the collaborative efforts taken with Managed Care Organizations to combat fraud, waste, and abuse.
- 174. **Limitation on Transfer Authority-Medicaid & CHIP Contracts and Administration.** Category-Administration. Add rider to require HHSC to seek approval from the Legislative Budget Board and Governor prior to transferring funds into or out of Strategies B.1.1, Medicaid Contacts and Administration, and B.1.2, CHIP Contracts and Administration.
- 175. **Quality-Based Payments and Delivery Reforms in the Medicaid and Children's Health Insurance Programs.** Category-Administration. Add rider requiring HHSC to develop quality-based outcome and process measures for the Medicaid and CHIP program to implement quality-based payments. Rider also requires HHSC to submit a report to the Legislative Budget Board if the measures are not implemented by January 1, 2018.

**DELETED RIDERS (The rider number refers to the former rider number listed in the General Appropriations Act, 2016-17 Biennium)**

**Recommendations Delete Former HHSC Riders**

- 23. **Performance Reporting for the Prescription Drug Rebate Program.** Delete rider because its provisions were included in Rider 107, Vendor Drug Rebates and Report and would be duplicative.
- 45. **Medication Therapy Management.** Delete rider due to the one-time nature of the pilot program; report is anticipated.
- 46. **Quality-based Payment and Delivery Reforms in the Medicaid and Children's Health Insurance Programs.** Delete rider and replace with new Rider 175, Quality-Based Payments and Delivery Reforms in the Medicaid and Children's Health Insurance Programs.
- 47. **Texas Office for the Prevention of Developmental Disabilities.** Delete rider per Senate Bill 200, Eighty-fourth Legislature, 2015, which abolishes the Office for the Prevention of Developmental Disabilities on August 31, 2017.
- 57. **Texas Home Visiting Program and Nurse Family Partnership.** Delete rider because the Texas Home Visiting Program and Nurse Family Partnership programs transfer to the Department of Family Protective Services in fiscal year 2016.
- 64. **The Center for Elimination of Disproportionality and Disparities.** Delete rider due to the discontinuation of funding for the Center for Elimination of Disproportionality and Disparities for the 2018-19 biennium.
- 69. **Sunset Contingency.** Delete rider due to HHSC being continued by Senate Bill 200, Eighty-fourth Legislature, 2015.
- 71. **Contingency Appropriation of CASA License Plate Receipts.** Delete rider because its provisions are included in rider 104, Appropriation: License Plate Trust Fund No. 0802.
- 72. **Contingency for Behavioral Health Funds.** Delete rider because its provisions are included in Rider 42, Contingency for Behavioral Health Funds.
- 73. **Enterprise Data Warehouse.** Delete rider due to the Enterprise Data Warehouse project being suspended and oversight provisions are included in new rider 170, Enterprise Data Governance.

- 74. **Primary Health Care Program.** Delete rider due to the consolidation of the Expanded Primary Health Care Program into the Healthy Texas Women Program on August 31, 2016.
- 75. **Expanded Primary Health Care Services for Women – Unexpended Balance Authority.** Delete rider due to the consolidation of the Expanded Primary Health Care Program into the Healthy Texas Women Program on August 31, 2016.
- 76. **Women’s Health Programs.** Delete rider due to one-time nature of this funding in the 2016-17 biennium.
- 77. **Funding for Additional Services Provided to Individuals with Intellectual and Developmental Disabilities.** Delete rider due to appropriations not being expended for the intended purpose.
- 79. **Excellence in Mental Health.** Delete rider because the application for the Excellence in Mental Health grant was submitted in fiscal year 2017.
- 81. **Medicaid Managed Care Organization Network Adequacy Action Report.** Delete rider related to a one-time report on network adequacy.
- 82. **Assessment of Single Case Agreements.** Delete rider related to a one-time report on single case agreements.
- 87. **Family Planning Affiliate Requirements.** Delete rider as it is superseded by statute. Family planning providers must meet the eligibility standards of the Healthy Texas Women program that are specified in statute.
- 91. **Claims Administrator Costs.** Delete rider because appropriations described are projected to be expended in fiscal year 2017 and additional rider provisions related to the Claims Administrator contract are included in new rider 172, Texas Medicaid and Healthcare Partnership (TMHP).
- 92. **Report on STAR+PLUS Program Expenditures.** Delete rider related to a one-time report on STAR+PLUS program expenditures.
- 95. **Provider Enrollment Portal.** Delete rider as it was not utilized during the 2016-17 biennium.
- 97. **Nursing Facility Minimum Payment Amounts Program.** Delete rider on the MPAP program; it is assumed to be a one-time requirement.

**Recommendations Delete Former DADS Riders**

13. **Unexpended Balances: ICF/IID Standards.** Delete rider as agency can request carry forward of unexpended balances pursuant to Article IX, §14.05, Unexpended Balance Authority Between Fiscal Years within the Same Biennium.
17. **Reimbursement of Advisory Council Members.** Delete rider as the Council was abolished per agency Sunset legislation.
25. **Appropriation: Medicaid Estate Recovery.** Delete rider to remove the appropriation of revenue above the Biennial Revenue Estimate.
29. **Promoting Community Services for Children.** Delete rider as it is duplicative of program rules.
30. **Sunset Contingency.** Delete rider as the agency is no longer under Sunset review. SB 200, 84th Legislature, 2015, was enacted, related to the continuation of the functions of the Department of Aging and Disability Services, and the agency was abolished.
31. **Informational Listing: Expansion of Community-based Services.** Delete rider as it refers to appropriations specific to the 2016-17 biennium.
32. **Reimbursement for Sprinkler Systems in Home and Community-based Services.** Delete rider as it refers to appropriations specific to the 2016-17 biennium.
33. **Life Safety Repairs at SSLCs.** Delete rider as it refers to appropriations specific to the 2016-17 biennium.
34. **Services Under a 1915(c) Waiver.** Delete rider as it is duplicative of program rules.
35. **Services Under HCS Waiver Program.** Delete rider as it is duplicative of program rules.
39. **Contingency for Rate Increases in the Home and Community-based Services Waiver Program.** Delete rider as the rate increase was made effective on September 1, 2015.
40. **Contingency for Rate Increases for Non-State-Owned Intermediate Care Facilities for Individuals with Intellectual or Developmental Disabilities.** Delete rider as the rate increase was made effective on September 1, 2015.

**Recommendations Delete Former DARS Riders**

4. **Reimbursement of Advisory Council Members.** Delete rider as the Council was abolished September 1, 2016.
5. **Notification of Federal Funds Distribution.** Delete rider as it is no longer needed. The Vocational Rehabilitation program transferred in fiscal year 2017.
18. **Appropriation: GR-Dedicated Business Enterprise Program Trust Fund Account No. 5043.** Delete rider as it is no longer needed. Account No. 5043 transferred in fiscal year 2017.
22. **Performance Reporting for the Business Enterprises of Texas Program.** Delete rider as it is no longer needed. The Business Enterprises of Texas Program transferred in fiscal year 2017.
24. **Sunset Contingency.** Delete rider as the agency is no longer under Sunset review. HB 2463, SB 200, and SB 208 84th Legislature, 2015, were enacted, related to the continuation of the functions of the Department of Assistive and Rehabilitative Services, and the agency was abolished.
25. **ECI Services: Average Monthly Service Hours.** Delete rider as it refers to appropriations specific to the 2016-17 biennium.
27. **Unexpended Balances within the Biennium: Autism Program.** Delete rider as agency can request carry forward of unexpended balances pursuant to Article IX, §14.05, Unexpended Balance Authority Between Fiscal Years within the Same Biennium.

**Health and Human Services Commission**  
**Items Not Included in Recommendations - Senate**

**Section 5**

	2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
	GR & GR-D	All Funds	FTEs			

**Agency Exceptional Items - in Agency Priority Order**

1)	Maintain Medicaid Entitlement Program Growth in FY 2018-19	\$3,142,235,925	\$7,482,020,528	0.0	No	No	\$0
2)	Maintain CHIP Non-Entitlement Program Growth in FY 2018-19	\$14,985,944	\$53,224,324	0.0	No	No	\$0
3)	Additional Funding for CASA and CAC to Increase Capacity	\$8,000,000	\$8,000,000	0.0	No	No	\$8,000,000
4)	Funding for 97.5 FTEs to Comply with Federal Child Care Licensing Requirements	\$13,255,584	\$13,450,927	97.5	No	No	\$12,679,436
5)	Restore Family Violence Services to Base Funding	\$2,508,220	\$2,508,220	0.0	No	No	\$2,505,644
6)	Maintain Early Childhood Intervention Services (ECI) at FY 2017 Service Level. Note: Item funded at LBB-projected level.	\$0	\$19,755,178	0.0	No	No	\$24,523,776
7)	Compliance with New CMS Home and Community-based Services (HCBS) Rules for Community Day Habilitation Programs	\$29,872,474	\$70,024,554	0.0	No	No	\$280,098,216
8)	Additional Funding to Solicit Proposals for Development of a Community Critical Incident Reporting System	\$1,264,000	\$2,528,000	0.0	Yes	Yes	\$0
9)	Enhancements to the Long-term Care Online Portal to Comply with Pre-Admission Screening and Resident Review (PASRR) requirements	\$4,136,250	\$16,545,000	0.0	Yes	No	\$0
10)	Funding to Maintain the Avatar Electronic Health Record System	\$6,088,360	\$6,088,360	0.0	Yes	Yes	\$6,088,360
11)	Social Security Number Removal Initiative (SSNRI)	\$724,580	\$7,146,845	17.0	Yes	Yes	\$0
12)	Expansion of the Mortality Review Process and Quality Improvement to Community IDD Programs	\$1,737,500	\$3,475,000	0.0	No	No	\$2,000,000
13)	Maintain Medicaid Long-term-care Waiver Programs at FY 2017 Service Level (HCS, CLASS, DBMD, TxHmL, and PACE) and Ramp Down State Supported Living Centers.	\$108,784,250	\$256,479,146	676.0	Yes	No	\$282,995,930
14)	Maintain Contingency Funding for Legacy DARS Programs (Senate Bill 208)	\$13,306,786	\$13,306,786	0.0	No	No	\$18,338,154
15)	Community Care Waiver Slots for Diversion and Transition from Institutionalized Settings (3,146 Promoting Independence Slots)	\$49,192,373	\$114,507,479	26.0	No	No	\$229,014,958
16)	Regional Laundry Equipment, Maintenance, and Facility Maintenance and Demolition of Disused Buildings (State Hospitals and State Supported Living Centers)	\$2,843,650	\$2,843,650	0.0	No	No	\$0

**Health and Human Services Commission**  
**Items Not Included in Recommendations - Senate**

**Section 5**

		2018-19 Biennial Total			Information Technology Involved?	Contracting Involved?	Estimated Continued Cost 2020-21
		GR & GR-D	All Funds	FTEs			
17)	Funding for Fleet Operations (Vehicle Replacement, Maintenance, and Repair)	\$7,888,488	\$7,888,488	0.0	No	No	\$0
18)	Additional Staff (12.0) FTEs to Provide Litigation Support & Legal Assistance through the Office of the Attorney General	\$3,084,737	\$3,190,125	12.0	No	No	\$2,781,974
19)	HHS Legal Case Management System and eDiscovery Refresh	\$6,114,264	\$8,302,168	2.0	Yes	Yes	\$3,371,016
20)	Replacement of the ReHabWorks Case Management System	\$3,269,280	\$3,269,280	0.0	Yes	Yes	\$0
21)	Installation and Maintenance of the Avatar Electronic Life Record System at Rio Grande State Center	\$2,000,000	\$2,000,000	0.0	Yes	Yes	\$750,000
22)	Seat Management Services (PCs, Laptops & Servers)	\$6,368,631	\$6,799,157	0.0	Yes	Yes	\$6,707,668
23)	IG - Additional Inspections Staff	\$903,030	\$1,806,060	9.0	No	No	\$1,738,608
24)	IG - Medicaid Fraud & Detection System (MFADS)	\$2,500,000	\$10,000,000	0.0	Yes	Yes	\$10,000,000
25)	IG - New Case Management System	\$2,500,000	\$5,000,000	0.0	Yes	Yes	\$0
26)	TCCO - Caseload Growth	\$5,111,030	\$5,111,030	0.0	No	No	\$7,762,618
27)	TCCO - Offsite Healthcare for Civilly Committed Sexually Violent Predators	\$1,669,874	\$1,669,874	0.0	No	No	\$1,783,590
28)	TCCO - Supported Living Unit	\$1,612,900	\$1,612,900	0.0	No	No	\$1,112,900
<b>TOTAL Items Not Included in Recommendations</b>		<b>\$3,441,958,130</b>	<b>\$8,128,553,079</b>	<b>839.5</b>			<b>\$902,252,848</b>



**Health and Human Services Commission  
Appendices - Senate**

<b>Table of Contents</b>		
<b>Appendix</b>	<b>Appendix Title</b>	<b>Page</b>
<b>A</b>	Funding Changes and Recommendations by Strategy	74
<b>B</b>	Summary of Federal Funds	141
<b>C</b>	FTE Highlights	143
<b>D</b>	Performance Measure Highlights	145
<b>E</b>	Summary of Ten Percent Biennial Base Reduction Options	148
<b>F</b>	LBB Staff Summary of "Report on Variations of Key Healthcare Measures Among State Health Benefit Systems"	153

\* Appendix is not included at this time

\*\* Information is included in the presentation section of the packet

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

GENERAL REVENUE FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
AGED AND MEDICARE-RELATED A.1.1	\$3,580,040,652	\$3,580,040,652	\$0	0.0 %	
DISABILITY-RELATED A.1.2	\$4,923,325,691	\$4,968,918,932	\$45,593,241	0.9 %	
PREGNANT WOMEN A.1.3	\$963,938,797	\$963,938,797	\$0	0.0 %	
OTHER ADULTS A.1.4	\$542,744,384	\$542,744,384	\$0	0.0 %	
CHILDREN A.1.5	\$4,559,903,060	\$4,559,903,060	\$0	0.0 %	
MEDICAID PRESCRIPTION DRUGS A.1.6	\$2,722,009,618	\$2,722,009,618	\$0	0.0 %	
HEALTH STEPS (EPSDT) DENTAL A.1.7	\$1,092,232,964	\$1,092,232,964	\$0	0.0 %	
MEDICAL TRANSPORTATION A.1.8	\$180,671,784	\$180,671,784	\$0	0.0 %	
COMMUNITY ATTENDANT SERVICES A.2.1	\$265,724,226	\$540,255,538	\$274,531,312	103.3 %	
COMMUNITY ATTENDANT SERVICES N.1.1	\$274,531,312	\$0	\$(274,531,312)	(100.0) %	
	\$540,255,538	\$540,255,538	\$0	0.0 %	
PRIMARY HOME CARE A.2.2	\$8,427,487	\$14,450,214	\$6,022,727	71.5 %	
PRIMARY HOME CARE N.1.2	\$6,022,727	\$0	\$(6,022,727)	(100.0) %	
	\$14,450,214	\$14,450,214	\$0	0.0 %	
DAY ACTIVITY & HEALTH SERVICES A.2.3	\$3,180,873	\$6,865,443	\$3,684,570	115.8 %	
DAY ACTIVITY AND HEALTH SERVICES N.1.3	\$3,684,570	\$0	\$(3,684,570)	(100.0) %	
	\$6,865,443	\$6,865,443	\$0	0.0 %	
NURSING FACILITY PAYMENTS A.2.4	\$59,875,140	\$188,347,524	\$128,472,384	214.6 %	
NURSING FACILITY PAYMENTS N.1.4	\$128,472,384	\$0	\$(128,472,384)	(100.0) %	
	\$188,347,524	\$188,347,524	\$0	0.0 %	
MEDICARE SKILLED NURSING FACILITY A.2.5	\$36,541,210	\$59,586,937	\$23,045,727	63.1 %	
MEDICARE SKILLED NURSING FACILITY N.1.5	\$23,045,727	\$0	\$(23,045,727)	(100.0) %	
	\$59,586,937	\$59,586,937	\$0	0.0 %	

**Health and Human Services Commission**  
**Funding Changes and Recommendations - By Fund Type - Senate**  
**(including Transformation Strategies)**

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
<b>GENERAL REVENUE FUNDS</b>					
HOSPICE A.2.6	\$99,495,807	\$208,923,703	\$109,427,896	110.0 %	
HOSPICE N.1.6	\$109,427,896	\$0	\$(109,427,896)	(100.0) %	
	\$208,923,703	\$208,923,703	\$0	0.0 %	
INTERMEDIATE CARE FACILITIES - IID A.2.7	\$62,511,026	\$105,912,400	\$43,401,374	69.4 %	
INTERMEDIATE CARE FACILITIES - IID N.1.7	\$43,401,374	\$0	\$(43,401,374)	(100.0) %	
	\$105,912,400	\$105,912,400	\$0	0.0 %	
HOME AND COMMUNITY-BASED SERVICES A.3.1	\$517,918,587	\$966,489,376	\$448,570,789	86.6 %	
HOME AND COMMUNITY-BASED SERVICES N.1.8	\$448,570,789	\$0	\$(448,570,789)	(100.0) %	
	\$966,489,376	\$966,489,376	\$0	0.0 %	
COMMUNITY LIVING ASSISTANCE (CLASS) A.3.2	\$109,885,679	\$202,088,292	\$92,202,613	83.9 %	
COMMUNITY LIVING ASSISTANCE (CLASS) N.1.9	\$92,202,613	\$0	\$(92,202,613)	(100.0) %	
	\$202,088,292	\$202,088,292	\$0	0.0 %	
DEAF-BLIND MULTIPLE DISABILITIES A.3.3	\$7,021,311	\$11,464,684	\$4,443,373	63.3 %	
DEAF-BLIND MULTIPLE DISABILITIES N.1.10	\$4,443,373	\$0	\$(4,443,373)	(100.0) %	
	\$11,464,684	\$11,464,684	\$0	0.0 %	
TEXAS HOME LIVING WAIVER A.3.4	\$7,699,629	\$54,457,357	\$46,757,728	607.3 %	
TEXAS HOME LIVING WAIVER N.1.11	\$46,757,728	\$0	\$(46,757,728)	(100.0) %	
	\$54,457,357	\$54,457,357	\$0	0.0 %	
ALL-INCLUSIVE CARE - ELDERLY (PACE) A.3.5	\$16,571,559	\$33,307,010	\$16,735,451	101.0 %	
ALL-INCLUSIVE CARE - ELDERLY (PACE) N.1.12	\$16,735,451	\$0	\$(16,735,451)	(100.0) %	
	\$33,307,010	\$33,307,010	\$0	0.0 %	
MEDICALLY DEPENDENT CHILDREN PGM A.3.6	\$6,804,123	\$0	\$(6,804,123)	(100.0) %	
MEDICALLY DEPENDENT CHILDREN PGM N.1.13	\$38,789,118	\$0	\$(38,789,118)	(100.0) %	
	\$45,593,241	\$0	\$(45,593,241)	(100.0) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS						
	NON-FULL BENEFIT PAYMENTS A.4.1	\$381,900,755	\$381,900,755	\$0	0.0 %	
	MEDICARE PAYMENTS A.4.2	\$1,661,928,066	\$1,661,928,066	\$0	0.0 %	
	Total, Goal A, MEDICAID CLIENT SERVICES	\$23,046,437,490	\$23,046,437,490	\$0	0.0 %	Recommendations reflect the 2016-17 appropriated levels in Goal A, Medicaid Client Services.
	MEDICAID CONTRACTS & ADMINISTRATION B.1.1	\$430,704,007	\$387,419,326	\$(43,284,681)	(10.0) %	Recommendations include a decrease of \$43.3 million in General Revenue Funds related to: •\$30.1 million decrease in General Revenue-Match for Medicaid No. 758 to align with FMAP Federal Funds and lower funding for the Texas Medical Electronic Health Records Incentive Program, NorthSTAR carve-in to STAR+PLUS, removal of the amounts above the GR/GR-D Limit, and the agency's four percent reduction; •\$13.2 million decrease in General Revenue to align with lower funding for the Texas Medical Electronic Health Records Incentive Program, NorthSTAR carve-in to STAR+PLUS, removal of the amounts above the GR/GR-D Limit, and the agency's four percent reduction; and •140.8 FTE reduction to align with anticipated staffing needs and allocate into Strategy B.1.2, CHIP Contract & Administration. (See also Selected Fiscal and Policy Issues #1, 6, 14, 25)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

	Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	CHIP CONTRACTS & ADMINISTRATION B.1.2	\$1,934,925	\$2,135,599	\$200,674	10.4 %	Recommendations provide an increase of \$0.2 million in General Revenue-Match of Title XXI (CHIP) No. 8010 to align with EFMAP Federal Funds, adjust the agency's allocation of FTEs (58.7) with Strategy B.1.1, Medicaid Contract & Administration and align with anticipated staffing needs (1.3), removal of the amounts above the GR/GR-D Limit, and to reflect increased support and contract costs for the Enrollment Broker contract with MAXIMUS Inc. (See also Selected Fiscal and Policy Issues #1, 6, 25)
	Total, Goal B, MEDICAID & CHIP SUPPORT	\$432,638,932	\$389,554,925	\$(43,084,007)	(10.0) %	
	CHIP C.1.1	\$85,765,520	\$82,156,401	\$(3,609,119)	(4.2) %	Recommendations reflect a decrease of \$3.6 million in General Revenue Funds to align EFMAP and related to projected caseload and to maintain fiscal year 2017 premiums. (See also Selected Fiscal and Policy Issues #3 & 5)
	CHIP PERINATAL SERVICES C.1.2	\$28,607,413	\$24,836,679	\$(3,770,734)	(13.2) %	Recommendations provide a decrease of \$3.8 million in General Revenue Funds to align EFMAP and related to projected caseload and to maintain fiscal year 2017 premiums. (See also Selected Fiscal and Policy Issues #3 & 5)
	CHIP PRESCRIPTION DRUGS C.1.3	\$26,259,446	\$25,723,131	\$(536,315)	(2.0) %	Recommendations include a decrease of \$0.5 million in General Revenue Funds to align EFMAP and related to projected caseload and to maintain fiscal year 2017 premiums. (See also Selected Fiscal and Policy Issues #3 & 5)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS					
CHIP DENTAL SERVICES C.1.4	\$17,745,215	\$16,656,461	\$(1,088,754)	(6.1) %	Recommendations reflect a decrease of \$1.1 million in General Revenue Funds to align EFMAP and related to projected caseload and to maintain fiscal year 2017 premiums. (See also Selected Fiscal and Policy Issues #3 & 5)
Total, Goal C, CHIP CLIENT SERVICES	\$158,377,594	\$149,372,672	\$(9,004,922)	(5.7) %	
WOMEN'S HEALTH PROGRAM D.1.1	\$225,736,768	\$260,915,378	\$35,178,610	15.6 %	
WOMEN'S HEALTH PROGRAM (DSHS) F.1.5	\$4,730,986	\$0	\$(4,730,986)	(100.0) %	
	\$230,467,754	\$260,915,378	\$30,447,624	13.2 %	Recommendations reflect an increase of \$30.4 million in General Revenue Funds to account for fiscal year 2016 actual expenditures, and to continue fiscal year 2017 appropriated funding levels (including the approval pursuant to Rider 76, Women's Health Programs, to increase Women's Health Funding by \$38.0 million in General Revenue) to each fiscal year of the 2018-19 biennium. (See also Selected Fiscal and Policy Issue #7)
ALTERNATIVES TO ABORTION D.1.2	\$12,300,000	\$12,300,000	\$0	0.0 %	
ECI SERVICES D.1.3	\$23,765,062	\$60,722,999	\$36,957,937	155.5 %	
EARLY CHILDHOOD INTERVENTION SVCS N.2.1	\$31,843,537	\$0	\$(31,843,537)	(100.0) %	
	\$55,608,599	\$60,722,999	\$5,114,400	9.2 %	Recommendations reflect an increase of \$5.1 million in General Revenue Funds related to projected caseload growth in the Early Childhood Intervention program. (See also Selected Fiscal and Policy Issue #8)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

GENERAL REVENUE FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	ECI RESPITE & QUALITY ASSURANCE D.1.4	\$400,000	\$1,900,000	\$1,500,000	375.0 %	Recommendations reflect an increase of \$1.1 million in General Revenue Funds due to moving state office expenditures related to the Early Childhood Intervention program from Strategy D.1.3, ECI Services, to Strategy D.1.4, ECI Respite and Quality Assurance. (See also Selected Fiscal and Policy Issue #8)
	ECI RESPITE & QUALITY ASSURANCE N.2.2	\$400,000	\$0	\$(400,000)	(100.0) %	
		\$800,000	\$1,900,000	\$1,100,000	137.5 %	
	CHILDREN'S BLINDNESS SERVICES D.1.5	\$5,208,374	\$10,010,546	\$4,802,172	92.2 %	Recommendations include a decrease of \$0.4 million in General Revenue to reflect the reallocation of funding for administrative costs and certain capital budget items including DCS and Seat Management to Strategy L.1.2, Information Technology Capital Projects Oversight & Program Support, and Strategy L.1.1, Enterprise Oversight and Policy.
	CHILDREN'S BLINDNESS SERVICES N.2.3	\$5,175,442	\$0	\$(5,175,442)	(100.0) %	
		\$10,383,816	\$10,010,546	\$(373,270)	(3.6) %	
	AUTISM PROGRAM D.1.6	\$6,258,653	\$14,155,310	\$7,896,657	126.2 %	Recommendations reflect a direct appropriation of \$0.1 million in General Revenue due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #9)
	AUTISM PROGRAM N.2.4	\$7,747,115	\$0	\$(7,747,115)	(100.0) %	
		\$14,005,768	\$14,155,310	\$149,542	1.1 %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS					
CHILDREN WITH SPECIAL NEEDS D.1.7	\$24,582,951	\$49,001,633	\$24,418,682	99.3 %	The 2016-17 base does not reflect \$24.6 million in General Revenue that exists in Strategy A.3.3, Children with Special Needs, at DSHS. Considering this funding, there is a \$0.2 million decrease in General Revenue for the program.
KIDNEY HEALTH CARE D.1.9	\$19,039,423	\$37,903,529	\$18,864,106	99.1 %	
KIDNEY HEALTH CARE (DSHS) F.1.2	\$19,074,180	\$0	\$(19,074,180)	(100.0) %	
	\$38,113,603	\$37,903,529	\$(210,074)	(0.6) %	Recommendations include a decrease of \$0.2 million in General Revenue to reflect the transfer of funding for administrative costs and certain capital budget items including DCS and Seat Management to Strategy L.1.2, Information Technology Capital Projects Oversight & Program Support, and Strategy L.1.1, Enterprise Oversight and Policy
ADDITIONAL SPECIALTY CARE D.1.10	\$4,527,696	\$6,811,695	\$2,283,999	50.4 %	
ADDITIONAL SPECIALTY CARE (DSHS) F.1.3	\$2,260,240	\$0	\$(2,260,240)	(100.0) %	
	\$6,787,936	\$6,811,695	\$23,759	0.4 %	Recommendations reflect an increase in costs associated with the Office of e-Health Coordination.
COMMUNITY PRIMARY CARE SERVICES D.1.11	\$11,654,327	\$22,983,664	\$11,329,337	97.2 %	The 2016-17 base does not reflect \$11.5 million in General Revenue that exists in Strategy B.1.2, Community Primary Care Services, at DSHS. Considering this funding, there is a \$0.2 million decrease in General Revenue from 2016-17 spending levels.



Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
	Base	Recommended	Change	Change	
GENERAL REVENUE FUNDS					
ABSTINENCE EDUCATION D.1.12	\$607,281	\$1,014,680	\$407,399	67.1 %	
ABSTINENCE EDUCATION (DSHS) F.1.1	\$521,235	\$0	\$(521,235)	(100.0) %	
	\$1,128,516	\$1,014,680	\$(113,836)	(10.1) %	Recommendations include a decrease of \$0.1 in General Revenue due to increased collections from local and private funding sources used to match Federal Funds for the Title V Abstinence Education Program Grant.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change
GENERAL REVENUE FUNDS				
COMMUNITY MENTAL HEALTH SVCS-ADULTS D.2.1	\$297,066,624	\$590,241,176	\$293,174,552	98.7 %
COMMUNITY MENTAL HLTH SVCS-ADULTS (DSHS) F.1.6	\$262,211,190	\$0	\$(262,211,190)	(100.0) %
	\$559,277,814	\$590,241,176	\$30,963,362	5.5 %

Recommendations for the Community Mental Health Strategies (D.2.1, Community Mental Health - Adults, D.2.2, Community Mental Health - Children, and D.2.5, Behavioral Health Waivers) total \$751.9 million and are based upon fiscal year 2017 appropriations. This funding level is a decrease of \$10.8 million in General Revenue from the 2016-17 base.

- Major changes from 2017 appropriated levels include a decrease of \$18.1 million each fiscal year to reflect the discontinuation of the NorthSTAR program and the transition of NorthSTAR services into Medicaid managed care and community mental health programs in fiscal year 2017, a decrease of \$8.6 million related to one-time transition funding provided to Local Mental Health Authorities to transition the indigent population from the NorthSTAR program into community mental health services, and approximately \$5.9 million per fiscal year to reflect the transition of certain mental health services for children into STAR Kids.
- Recommendations reallocate an additional \$11.9 million in General Revenue funds each fiscal year for the Home and Community Based Services for Adult Mental Health (HCBS - AMH) (1915i) to Strategy D.2.5, Behavioral Health Waivers. Recommendations also include an increase of \$27.2 million per fiscal year to eliminate the waiting list for adult community mental health services.

(See also Selected Fiscal and Policy Issue #14 & 15)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
<b>GENERAL REVENUE FUNDS</b>					
COMMUNITY MENTAL HLTH SVCS-CHILDREN D.2.2	\$73,337,495	\$114,458,784	\$41,121,289	56.1 %	
COMMUNITY MENTAL HLTH SVCS-CHILDREN (DSHS) F.1.7	\$62,629,326	\$0	\$(62,629,326)	(100.0) %	
	\$135,966,821	\$114,458,784	\$(21,508,037)	(15.8) %	See Strategy D.2.1, Community Mental Health Services for Adults, above.
					Recommendations reallocate an additional \$12.2 million in General Revenue each fiscal year for the YES Waiver to Strategy D.2.5, Behavioral Health Waivers beginning in fiscal year 2018. Recommendations also include an increase of \$0.2 million each fiscal year in this strategy to eliminate the waiting list for children's community mental health services. (See also Selected Fiscal and Policy Issue #14 & 16)
COMMUNITY MENTAL HEALTH CRISIS SVCS D.2.3	\$124,229,344	\$249,338,474	\$125,109,130	100.7 %	
COMMUNITY MENTAL HEALTH CRISIS SVCS (DSHS) F.1.8	\$125,598,238	\$0	\$(125,598,238)	(100.0) %	
	\$249,827,582	\$249,338,474	\$(489,108)	(0.2) %	Recommendations include a decrease of \$0.5 million reflecting the transfer of administrative costs and certain capital budget items including DCS and Seat Management to Strategy L.1.2, Information Technology Capital Projects Oversight & Program Support.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS						
	SUBSTANCE ABUSE PREV/INTERV/TREAT D.2.4	\$46,610,463	\$87,448,393	\$40,837,930	87.6 %	
	SUBSTANCE ABUSE PREV/INTERV/TREAT (DSHS) F.1.10	\$41,703,689	\$0	\$(41,703,689)	(100.0) %	
		\$88,314,152	\$87,448,393	\$(865,759)	(1.0) %	Recommendations include a decrease of \$0.9 million in General Revenue Funds and 1.7 FTEs to align with fiscal year 2016 FTEs, and to reflect the transfer of funding for administrative costs and certain capital budget items including DCS and Seat Management to Strategy L.1.2, Information Technology Capital Projects Oversight & Program Support, and Strategy L.1.1, Enterprise Oversight and Policy.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal		2016-17 Base	2018-19 Recommended	Biennial Change	% Change
GENERAL REVENUE FUNDS					
	BEHAVIORAL HEALTH WAIVERS D.2.5	\$18,127,496	\$47,171,760	\$29,044,264	160.2 %
	NORTHSTAR BEHAVIORAL HEALTH WAIVER (DSHS) F.1.9	\$49,276,797	\$0	\$(49,276,797)	(100.0) %
		\$67,404,293	\$47,171,760	\$(20,232,533)	(30.0) %

Recommendations maintain fiscal year 2017 appropriations for the YES Waiver and for the 1915(i) waiver for Home and Community Based Services for Adult Mental Health (HCBS-AMH). Recommendations reflect a reduction of \$20.2 million in General Revenue Funds due the discontinuation of the NorthSTAR program in fiscal year 2017.

**Note:** The 2016-17 base reflects expenditures related to the NorthSTAR program. The 2016-17 base for this Strategy does not include expenditures for the YES waiver and the HCBS-AMH program. These expenditures are included in Strategy D.2.1, Community Mental Health Services for Adults, and D.2.2, Community Mental Health Services for Children in the 2016-17 base and are reallocated to D.2.5, Behavioral Health Waivers, for the 2018-19 biennium.  
(See also Selected Fiscal and Policy Issue #14 and Strategy D.2.1, Community Mental Health Services for Adults and D.2.2, Community Mental Health Services for Children, above)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
<b>GENERAL REVENUE FUNDS</b>					
COUNTY INDIGENT HEALTH CARE SVCS D.3.2	\$588,119	\$1,062,789	\$474,670	80.7 %	Recommendations include a decrease of \$0.1 million in General Revenue and 2.3 FTEs to align with fiscal year 2016 FTEs, and include a decrease of \$0.7 million reflecting the transfer of administrative costs and certain oversight and capital budget items including DCS and Seat Management to Strategy L.1.2, Information Technology Capital Projects Oversight & Program Support. (See also Selected Fiscal and Policy Issue #25)
COUNTY INDIGENT HEALTH CARE SVCS (DSHS) F.1.12	\$587,294	\$0	\$(587,294)	(100.0) %	
	\$1,175,413	\$1,062,789	\$(112,624)	(9.6) %	
<b>Total, Goal D, ADDITIONAL HEALTH-RELATED SERVICES</b>	<b>\$1,507,799,345</b>	<b>\$1,567,440,810</b>	<b>\$59,641,465</b>	<b>4.0 %</b>	
TANF (CASH ASSISTANCE) GRANTS E.1.1	\$101,098,472	\$101,288,508	\$190,036	0.2 %	Recommendations provide an increase of \$0.2 million in General Revenue due to projected caseload growth and grant per recipient for the TANF program, TANF State Program for Two-Parent Families, and One-Time Payments for Children program. (See also Selected Fiscal and Policy Issue #11)
DISASTER ASSISTANCE E.1.4	\$7,174,125	\$0	\$(7,174,125)	(100.0) %	Recommendations reflect a decrease of \$7.2 million in General Revenue for Disaster Assistance. Article IX § 14.04, Disaster Related Transfer Authority, 2016-17 GAA, provides HHSC the authority to transfer funds from Health and Human Services agencies to Strategy E.1.4, Disaster Assistance, contingent upon issuance of an Emergency Disaster Proclamation from the Governor's Office.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS						
Total, Goal E, ENCOURAGE SELF SUFFICIENCY		\$108,272,597	\$101,288,508	\$(6,984,089)	(6.5) %	
GUARDIANSHIP F.1.1		\$1,598,323	\$3,196,646	\$1,598,323	100.0 %	Recommendations provide an increase of \$0.2 million in General Revenue Funds reflecting increased utilization of Guardianship services due to referrals from the Department of Family and Protective Services.
GUARDIANSHIP N.1.14		\$1,420,827	\$0	\$(1,420,827)	(100.0) %	
		\$3,019,150	\$3,196,646	\$177,496	5.9 %	
NON-MEDICAID SERVICES F.1.2		\$30,710,738	\$51,441,664	\$20,730,926	67.5 %	Recommendations reflect a decrease of \$10.0 million in General Revenue Funds related to the elimination of the In-Home and Family Support program as part of the agency's four percent reduction. The program provides direct grants to individuals with disabilities to purchase services that support remaining in their own homes. (See also Selected Fiscal and Policy Issue #1)
NON-MEDICAID SERVICES N.1.15		\$30,710,739	\$0	\$(30,710,739)	(100.0) %	
		\$61,421,477	\$51,441,664	\$(9,979,813)	(16.2) %	
NON-MEDICAID IDD COMMUNITY SVCS F.1.3		\$46,398,921	\$86,797,841	\$40,398,920	87.1 %	
NON-MEDICAID IDD COMMUNITY SVCS N.1.17		\$40,398,920	\$0	\$(40,398,920)	(100.0) %	
		\$86,797,841	\$86,797,841	\$0	0.0 %	
INDEPENDENT LIVING SERVICES F.2.1		\$5,008,424	\$8,894,322	\$3,885,898	77.6 %	
INDEPENDENT LIVING SERVICES N.2.5		\$3,885,898	\$0	\$(3,885,898)	(100.0) %	
		\$8,894,322	\$8,894,322	\$0	0.0 %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS					
BEST PROGRAM F.2.2	\$507,525	\$787,526	\$280,001	55.2 %	Recommendations reflect a decrease of \$0.2 million in General Revenue reflecting the agency's four percent reduction. The reduction will reduce services for 592 consumers each fiscal year (24 consumers for treatment services and 568 consumers for screening services).
BEST PROGRAM N.2.6	\$480,000	\$0	\$(480,000)	(100.0) %	
	\$987,525	\$787,526	\$(199,999)	(20.3) %	
COMPREHENSIVE REHABILITATION (CRS) F.2.3	\$8,248,047	\$15,897,032	\$7,648,985	92.7 %	Recommendations include a decrease in General Revenue for the agency's four percent reduction. The reduction will reduce services for 27 consumers each fiscal year.
COMPREHENSIVE REHABILITATION (CRS) N.2.7	\$7,725,418	\$0	\$(7,725,418)	(100.0) %	
	\$15,973,465	\$15,897,032	\$(76,433)	(0.5) %	
DEAF AND HARD OF HEARING SERVICES F.2.4	\$3,864,824	\$5,506,122	\$1,641,298	42.5 %	Recommendations reflect a decrease of \$0.4 million in General Revenue due to the transfer of vocational rehabilitation services and related program support from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015. The \$0.4 million in General Revenue was used as a match for vocational rehabilitation Federal Funding prior to Senate Bill 208, Eighty-fourth Legislature, 2015.
DEAF AND HARD OF HEARING SERVICES N.2.8	\$2,087,369	\$0	\$(2,087,369)	(100.0) %	
	\$5,952,193	\$5,506,122	\$(446,071)	(7.5) %	



Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	FAMILY VIOLENCE SERVICES F.3.1	\$21,497,562	\$21,279,812	\$(217,750)	(1.0) %	Recommendations reflect a decrease of \$0.2 million in General Revenue Funds related to the removal of amounts above the General Revenue Related limit. (See also Selected Fiscal and Policy Issue #1)
	CHILD ADVOCACY PROGRAMS F.3.2	\$32,139,320	\$32,139,320	\$0	0.0 %	
	ADDITIONAL ADVOCACY PROGRAMS F.3.3	\$1,813,568	\$1,243,469	\$(570,099)	(31.4) %	Recommendations reflect a direct appropriation of \$0.2 million in General Revenue due to HHS system consolidation and a decrease of \$0.3 million related to no funding for the Center for the Elimination of Disproportionality and Disparities. See also Selected Fiscal and Policy Issue #27)
	Total, Goal F, COMMUNITY & IL SVCS & COORDINATION	\$238,496,423	\$227,183,754	\$(11,312,669)	(4.7) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

		2016-17	2018-19	Biennial	%	Comments
Strategy/Goal		Base	Recommended	Change	Change	
GENERAL REVENUE FUNDS	STATE SUPPORTED LIVING CENTERS G.1.1	\$0	\$558,863,066	\$558,863,066	100.0 %	Recommendations include a decrease of \$39.8 million in General Revenue including \$27.8 million reflecting the reallocation of funding for oversight and certain capital budget projects including DCS and Seat Management to Strategy L.1.2, Information Technology Capital Projects Oversight & Program Support, and Strategy L.1.1, Enterprise Oversight and Policy, and a reallocation of \$4.6 million for the Master Lease Payment Program to Strategy G.4.2, Capital Repair and Renovations at SSLCs, State Hospitals, and Other. Recommendations include an additional decrease of \$7.4 million in General Revenue to adjust for projected census decrease, to align salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act and to make other adjustments to align recommendations with fiscal year 2017 expenditures. (See also Selected Fiscal and Policy Issue #19 & 25)
	STATE SUPPORTED LIVING CENTERS N.1.18	\$598,669,269	\$0	\$(598,669,269)	(100.0) %	
		\$598,669,269	\$558,863,066	\$(39,806,203)	(6.6) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change
<b>GENERAL REVENUE FUNDS</b>				
MENTAL HEALTH STATE HOSPITALS G.2.1	\$0	\$628,568,873	\$628,568,873	100.0 %
MENTAL HEALTH STATE HOSPITALS (DSHS) F.1.14	\$670,670,021	\$0	\$(670,670,021)	(100.0) %
	\$670,670,021	\$628,568,873	\$(42,101,148)	(6.3) %
MENTAL HEALTH COMMUNITY HOSPITALS G.2.2	\$99,850,920	\$189,701,841	\$89,850,921	90.0 %
MENTAL HEALTH COMMUNITY HOSPITALS (DSHS) F.1.15	\$89,850,921	\$0	\$(89,850,921)	(100.0) %
	\$189,701,841	\$189,701,841	\$0	0.0 %
OTHER FACILITIES G.3.1	\$0	\$25,287,771	\$25,287,771	100.0 %
OTHER FACILITIES (DSHS) F.1.13	\$27,528,173	\$0	\$(27,528,173)	(100.0) %
	\$27,528,173	\$25,287,771	\$(2,240,402)	(8.1) %

Recommendations reflect a decrease of \$42.1 million in General Revenue Funds, including a decrease of 42.9 FTEs to align with anticipated staffing needs, to align salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act, to reduce General Revenue for one-time capital expenditures at the state hospitals, and for the reallocation of funding for administrative costs and certain capital budget items including DCS and Seat Management to Strategy L.1.2, IT Capital Projects Oversight & Program Support, and Strategy L.1.1, Enterprise Oversight & Program Support. (See also Selected Fiscal and Policy Issues #25 & 28)

Recommendations include a \$2.2 million decrease in General Revenue Funds from 2016-17 spending levels related to a decrease of 35.4 FTEs to align with anticipated staffing needs, and for the reallocation of funding for administrative costs and certain capital budget items including DCS and Seat Management to Strategy L.1.2, IT Capital Projects Oversight & Program Support, and Strategy L.1.1, Enterprise Oversight & Program Support.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS	FACILITY PROGRAM SUPPORT G.4.1	\$0	\$2,751,838	\$2,751,838	100.0 %	Recommendations reflect a direct appropriation of \$2.8 million in General Revenue Related Funds as follows: \$1.7 million in General Revenue, \$0.1 million in General Revenue-Match for Medicaid No. 758, and \$0.9 million in General Revenue-Certified as Match for Medicaid No. 8032. The functions of this strategy were previously funded entirely through IACs with other HHS agencies. Functions are now consolidated at HHSC.
	FACILITY CAPITAL REPAIRS & RENOV G.4.2	\$0	\$13,330,559	\$13,330,559	100.0 %	
	FACILITY CAPITAL REP & RENOV N.1.19	\$12,631,075	\$0	\$(12,631,075)	(100.0) %	
	FACILITY CAPITAL REPAIRS & RENOV (DSHS) F.1.17	\$24,046,914	\$0	\$(24,046,914)	(100.0) %	
		\$36,677,989	\$13,330,559	\$(23,347,430)	(63.7) %	Recommendations include a decrease of \$23.4 million in General Revenue reflecting decreases for one-time capital repair and renovation projects at the State Supported Living Centers and state hospitals, and a decrease for the end of the Sprinkler System Subsidy for Home and Community Based Services homes.
	Total, Goal G, FACILITIES	\$1,523,247,293	\$1,418,503,948	\$(104,743,345)	(6.9) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change
<b>GENERAL REVENUE FUNDS</b>				
FACILITY/COMMUNITY-BASED REGULATION H.1.1	\$0	\$37,675,388	\$37,675,388	100.0 %
FACILITY/COMMUNITY-BASED REGULATION N.1.20	\$13,251,095	\$0	\$(13,251,095)	(100.0) %
APS FACILITY/PROVIDER INVESTIGATION (DFPS) G.1.2	\$12,363,702	\$0	\$(12,363,702)	(100.0) %
FACILITY/COMMUNITY-BASED REGULATION (DSHS) F.1.16	\$7,292,757	\$0	\$(7,292,757)	(100.0) %
	\$32,907,554	\$37,675,388	\$4,767,834	14.5 %
HEALTH CARE PROFESSIONALS & OTHER H.1.2	\$0	\$5,229,154	\$5,229,154	100.0 %
HEALTH CARE PROFESSIONALS & OTHER N.1.21	\$1,875,088	\$0	\$(1,875,088)	(100.0) %
	\$1,875,088	\$5,229,154	\$3,354,066	178.9 %

Recommendations include an increase of \$4.8 million in General Revenue Funds including a decrease of \$2.7 million including a decrease of 94.0 FTEs to align with anticipated staffing needs and to reconcile salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act, offset by an increase in General Revenue for a Method of Finance swap of \$1.6 million in fiscal year 2018 and \$5.8 million in fiscal year 2019 from General Revenue Dedicated Account No. 5018, Home Health Services Account.  
(See also Selected Fiscal and Policy Issue #25)

The 2016-17 base does not reflect \$2.9 million in General Revenue that exists in Strategy C.1.4, Health Care Professionals, at the Department of State Health Services. Considering this funding, there is a \$0.4 million increase from 2016-17 spending levels related to biennializing the fiscal year 2017 FTE count of 78.2 FTEs.  
(See Selected Fiscal and Policy Issue #2)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
<b>GENERAL REVENUE FUNDS</b>					
CHILD CARE REGULATION H.1.3	\$0	\$43,791,630	\$43,791,630	100.0 %	Recommendations reflect a decrease of \$4.3 million in General Revenue and 33.1 FTEs to align with anticipated staffing needs. (See also Selected Fiscal and Policy Issue #25)
CHILD CARE REGULATION (DFPS) G.1.1	\$48,134,733	\$0	\$(48,134,733)	(100.0) %	
	\$48,134,733	\$43,791,630	\$(4,343,103)	(9.0) %	
LTC QUALITY OUTREACH H.1.4	\$0	\$3,499,863	\$3,499,863	100.0 %	Recommendations reflect a decrease of \$0.7 million in General Revenue and 7.8 FTEs to align with anticipated staffing needs. (See also Selected Fiscal and Policy Issue #25)
LTC QUALITY OUTREACH N.1.23	\$4,167,095	\$0	\$(4,167,095)	(100.0) %	
	\$4,167,095	\$3,499,863	\$(667,232)	(16.0) %	
<b>Total, Goal H, CONSUMER PROTECTION SVCS</b>	<b>\$87,084,470</b>	<b>\$90,196,035</b>	<b>\$3,111,565</b>	<b>3.6 %</b>	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

		2016-17	2018-19	Biennial	%	Comments
Strategy/Goal		Base	Recommended	Change	Change	
GENERAL REVENUE FUNDS	INTEGRATED ELIGIBILITY & ENROLLMENT I.1.1	\$568,704,840	\$532,810,386	\$(35,894,454)	(6.3) %	Recommendations include a decrease of \$35.9 million in General Revenue Funds due to the following: • <b>\$6.4 million decrease in General Revenue</b> related to the removal of the amounts above the GR/GR-D Limit, agency's four percent reduction, and a reduction of 16.9 FTEs to align with anticipated staffing needs; • <b>\$50.7 million increase in General Revenue-Match for Medicaid No. 758</b> to align with FMAP Federal Funds, align salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act, removal of the amounts above the GR/GR-D Limit, and reflecting higher Medicaid eligibility determinations; • <b>\$2.9 million decrease in General Revenue-Match for Title XXI (CHIP) No. 8010</b> to align with EFMAP Federal Funds and related to the agency's four percent reduction; and • <b>\$77.3 million decrease in General Revenue-Match for Food Stamp Administration No. 8014</b> related to agency projected SNAP eligibility determinations and removal of the amounts above the GR/GR-D Limit. (See also Selected Fiscal and Policy Issues #1, 25 & 31)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS						
LONG-TERM CARE INTAKE & ACCESS I.2.1		\$146,955,182	\$257,034,893	\$110,079,711	74.9 %	
LONG-TERM CARE ELG & ENROLLMENT N.1.24		\$138,410,163	\$0	\$(138,410,163)	(100.0) %	
		\$285,365,345	\$257,034,893	\$(28,330,452)	(9.9) %	Recommendations provide a decrease of \$28.3 million in General Revenue Funds for a reduction of 37.1 FTEs to align with anticipated staffing needs, align salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act, align with revised Earned Federal Funds targets, and of the transfer of oversight responsibilities to Strategy L.2.1, Central Program Support. (See also Selected Fiscal and Policy Issues #2 & 25)
TIERS & ELIGIBILITY SUPPORT TECH I.3.1		\$89,083,209	\$91,402,284	\$2,319,075	2.6 %	Recommendations include an increase of \$2.3 million in General Revenue Funds related to a reduction of 7.0 FTEs to align with anticipated staffing needs, on-going maintenance and support costs for eligibility Information Technology in Medicaid and SNAP, and to align with FMAP & EFMAP Federal Funds. (See also Selected Fiscal and Policy Issues #25)
TIERS CAPITAL PROJECTS I.3.2		\$53,854,103	\$30,972,468	\$(22,881,635)	(42.5) %	Recommendations reflect a decrease of \$22.9 million in General Revenue Funds to align with FMAP & EFMAP Federal Funds, certain projects transitioning to the maintenance phase, and aligning funding at 2016-17 levels. (See also Selected Fiscal and Policy Issues #25)
Total, Goal I, PGM ELG DETERMINATION & ENROLLMENT		\$997,007,497	\$912,220,031	\$(84,787,466)	(8.5) %	



Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
<b>GENERAL REVENUE FUNDS</b>					
CLIENT AND PROVIDER ACCOUNTABILITY K.1.1	\$40,711,585	\$43,825,392	\$3,113,807	7.6 %	Recommendations include an increase of \$3.1 million in General Revenue Funds to align with FMAP & EFMAP Federal Funds, removal of the amounts above the GR/GR-D Limit, and for additional personnel investigations at the State Hospitals, State Supported Living Centers, and additional Residential Facilities and Medicaid audits. (See also Selected Fiscal and Policy Issue #1 ,12, 24 & 25)
<b>Total, Goal K, OFFICE OF INSPECTOR GENERAL</b>	<b>\$40,711,585</b>	<b>\$43,825,392</b>	<b>\$3,113,807</b>	<b>7.6 %</b>	
HHS SYSTEM SUPPORTS L.1.1	\$53,820,460	\$67,215,592	\$13,395,132	24.9 %	
OTHER PROGRAM SUPPORT - DARS N.2.12	\$1,373,131	\$0	\$(1,373,131)	(100.0) %	
	\$55,193,591	\$67,215,592	\$12,022,001	21.8 %	Recommendation reflect an increase of \$12.0 million in General Revenue Funds to align with FMAP & EFMAP Federal Funds, to align salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act, decrease Indirect Administration to fund WIC at 2016-17 spending levels, removal of the amounts above the GR/GR-D Limit, and the direct appropriation of General Revenue Funds to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issues #1, 2, 25 & 26)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change
<b>GENERAL REVENUE FUNDS</b>				
IT OVERSIGHT & PROGRAM SUPPORT L.1.2	\$105,010,546	\$181,099,089	\$76,088,543	72.5 %
IT OVERSIGHT & PROGRAM SUPPORT-DADS N.1.25	\$30,862,159	\$0	\$(30,862,159)	(100.0) %
IT OVERSIGHT & PROGRAM SUPPORT-DARS N.2.10	\$3,559,607	\$0	\$(3,559,607)	(100.0) %
	\$139,432,312	\$181,099,089	\$41,666,777	29.9 %
CENTRAL PROGRAM SUPPORT L.2.1	\$34,757,312	\$48,038,369	\$13,281,057	38.2 %
CENTRAL PROGRAM SUPPORT - DADS N.1.26	\$17,227,508	\$0	\$(17,227,508)	(100.0) %
CENTRAL PROGRAM SUPPORT - DARS N.2.11	\$3,022,437	\$0	\$(3,022,437)	(100.0) %
	\$55,007,257	\$48,038,369	\$(6,968,888)	(12.7) %

Recommendations include an increase of \$41.7 million in General Revenue Funds to align with FMAP & EFMAP Federal Funds, decrease Indirect Administration to fund WIC at 2016-17 spending levels, removal of the amounts above the GR/GR-D Limit, align CAPPS funding with Comptroller of Public Accounts estimates, and the direct appropriation of General Revenue Funds to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issues #1, 2, & 25)

Recommendations provide a decrease of \$7.0 million in General Revenue Funds to align with FMAP & EFMAP Federal Funds, a reduction of 25.0 FTEs to align with anticipated staffing needs, decrease Indirect Administration to fund WIC at 2016-17 spending levels, removal of the amounts above the GR/GR-D Limit, the direct appropriation of General Revenue Funds to the commission due to HHS system consolidation, and the agency's Public Assistance Cost Allocation Plan. (See also Selected Fiscal and Policy Issues #1, 2, 25 & 26)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
<b>GENERAL REVENUE FUNDS</b>					
REGIONAL PROGRAM SUPPORT L.2.2	\$8,341,533	\$22,666,571	\$14,325,038	171.7 %	Recommendations include an increase of \$14.3 million in General Revenue Funds to align with FMAP & EFMAP Federal Funds, a reduction of 8.5 FTEs to align with anticipated staffing needs, decrease Indirect Administration to fund WIC at 2016-17 spending levels, removal of the amounts above the GR/GR-D Limit, the direct appropriation of General Revenue Funds to the commission due to HHS system consolidation and HHS employee support at offices and facilities across the state (e.g. State Supported Living Centers, Aging and Disability Resource Centers, Local Intellectual and Developmental Disability Authorities), and the agency's Public Assistance Cost Allocation Plan. (See also Selected Fiscal and Policy Issues #1, 2 & 25)
<b>Total, Goal L, SYSTEM OVERSIGHT &amp; PROGRAM SUPPORT</b>	<b>\$257,974,693</b>	<b>\$319,019,621</b>	<b>\$61,044,928</b>	<b>23.7 %</b>	
TEXAS CIVIL COMMITMENT OFFICE M.1.1	\$16,029,977	\$29,846,030	\$13,816,053	86.2 %	
TEXAS CIVIL COMMITMENT OFFICE (DSHS) F.1.18	\$13,816,053	\$0	\$(13,816,053)	(100.0) %	
	\$29,846,030	\$29,846,030	\$0	0.0 %	
<b>Total, Goal M, TEXAS CIVIL COMMITMENT OFFICE</b>	<b>\$29,846,030</b>	<b>\$29,846,030</b>	<b>\$0</b>	<b>0.0 %</b>	
VOCATIONAL REHABILITATION (TWC) N.3.1	\$52,870,268	\$0	\$(52,870,268)	(100.0) %	Recommendations reflect a decrease of \$52.9 million in General Revenue due to the transfer of vocational rehabilitation services and related program support from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GENERAL REVENUE FUNDS					
Total, Goal N, HHS SUNSET LEGIS-HISTORICAL FUNDING	\$52,870,268	\$0	\$(52,870,268)	(100.0) %	
Total, GENERAL REVENUE FUNDS	\$28,480,764,217	\$28,294,889,216	\$(185,875,001)	(0.7) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

GR DEDICATED

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
COMMUNITY ATTENDANT SERVICES A.2.1	\$9,000,000	\$18,000,000	\$9,000,000	100.0 %	
COMMUNITY ATTENDANT SERVICES N.1.1	\$9,000,000	\$0	\$(9,000,000)	(100.0) %	
	\$18,000,000	\$18,000,000	\$0	0.0 %	
INTERMEDIATE CARE FACILITIES - IID A.2.7	\$70,000,000	\$140,000,000	\$70,000,000	100.0 %	
INTERMEDIATE CARE FACILITIES - IID N.1.7	\$70,000,000	\$0	\$(70,000,000)	(100.0) %	
	\$140,000,000	\$140,000,000	\$0	0.0 %	
<b>Total, Goal A, MEDICAID CLIENT SERVICES</b>	<b>\$158,000,000</b>	<b>\$158,000,000</b>	<b>\$0</b>	<b>0.0 %</b>	Recommendations reflect the 2016-17 appropriated levels in Goal A, Medicaid Client Services.
INDIGENT HEALTH CARE REIMBURSEMENT D.3.1	\$4,904,882	\$878,886	\$(4,025,996)	(82.1) %	
INDIGENT HEALTH CARE REIMBURSEMENT (DSHS) F.1.1.1	\$4,904,883	\$0	\$(4,904,883)	(100.0) %	
	\$9,809,765	\$878,886	\$(8,930,879)	(91.0) %	Recommendations include a decrease of \$8.9 million in General Revenue-Dedicated Account No. 5049, State-Owned Multicategorical Teaching Account. Funding from this strategy is used to reimburse indigent health care costs at the University of Texas Medical Branch. (See also Selected Fiscal and Policy Issue #20)
<b>Total, Goal D, ADDITIONAL HEALTH-RELATED SERVICES</b>	<b>\$9,809,765</b>	<b>\$878,886</b>	<b>\$(8,930,879)</b>	<b>(91.0) %</b>	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

GR DEDICATED

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change
PROVIDE WIC SERVICES E.1.2	\$0	\$449,918,022	\$449,918,022	100.0 %
PROVIDE WIC SERVICES (DSHS) F.1.4	\$440,258,746	\$0	\$(440,258,746)	(100.0) %
	\$440,258,746	\$449,918,022	\$9,659,276	2.2 %
<b>Total, Goal E, ENCOURAGE SELF SUFFICIENCY</b>	<b>\$440,258,746</b>	<b>\$449,918,022</b>	<b>\$9,659,276</b>	<b>2.2 %</b>
COMPREHENSIVE REHABILITATION (CRS) F.2.3	\$17,548,000	\$34,035,748	\$16,487,748	94.0 %
COMPREHENSIVE REHABILITATION (CRS) N.2.7	\$17,637,000	\$0	\$(17,637,000)	(100.0) %
	\$35,185,000	\$34,035,748	\$(1,149,252)	(3.3) %
CHILD ADVOCACY PROGRAMS F.3.2	\$20,459,686	\$20,459,686	\$0	0.0 %
<b>Total, Goal F, COMMUNITY &amp; IL SVCS &amp; COORDINATION</b>	<b>\$55,644,686</b>	<b>\$54,495,434</b>	<b>\$(1,149,252)</b>	<b>(2.1) %</b>

Recommendations provide an increase of \$9.7 million in General Revenue-Dedicated WIC Rebates Account No. 8027 to reflect the average percent increase of 2.2 percent in revenue collected from fiscal years 2012 through 2016.  
(See also Selected Fiscal and Policy Issue #26)

Recommendations reflect a decrease of \$1.1 million in General Revenue-Dedicated Comprehensive Rehabilitation Assistance Account No. 107 related to the agency's four percent reduction. The reduction will reduce services for 27 consumers each fiscal year.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

GR DEDICATED

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
OTHER FACILITIES G.3.1	\$0	\$1,944,712	\$1,944,712	100.0 %	
OTHER FACILITIES (DSHS) F.1.13	\$1,944,712	\$0	\$(1,944,712)	(100.0) %	
	\$1,944,712	\$1,944,712	\$0	0.0 %	
FACILITY CAPITAL REPAIRS & RENOV G.4.2	\$0	\$579,604	\$579,604	100.0 %	
FACILITY CAPITAL REP & RENOV N.1.19	\$579,605	\$0	\$(579,605)	(100.0) %	
	\$579,605	\$579,604	\$(1)	(0.0) %	
<b>Total, Goal G, FACILITIES</b>	<b>\$2,524,317</b>	<b>\$2,524,316</b>	<b>\$(1)</b>	<b>(0.0) %</b>	
FACILITY/COMMUNITY-BASED REGULATION H.1.1	\$0	\$33,700,030	\$33,700,030	100.0 %	
FACILITY/COMMUNITY-BASED REGULATION N.1.20	\$35,809,798	\$0	\$(35,809,798)	(100.0) %	
FACILITY/COMMUNITY-BASED REGULATION (DSHS) F.1.16	\$3,184,320	\$0	\$(3,184,320)	(100.0) %	
	\$38,994,118	\$33,700,030	\$(5,294,088)	(13.6) %	
<b>Total, Goal H, CONSUMER PROTECTION SVCS</b>	<b>\$38,994,118</b>	<b>\$33,700,030</b>	<b>\$(5,294,088)</b>	<b>(13.6) %</b>	

Recommendations reflect a decrease of \$5.3 million in General Revenue-Dedicated Account No. 5018, Home Health Services Account due to the spend down of the fund balance and projected decreases in revenues to maintain the 2016-17 spending level. Recommendations include additional General Revenue to offset this decrease.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

		2016-17	2018-19	Biennial	%	Comments
Strategy/Goal		Base	Recommended	Change	Change	
GR DEDICATED	IT OVERSIGHT & PROGRAM SUPPORT L.1.2	\$0	\$6,219	\$6,219	100.0 %	Recommendations reflect the direct appropriation of General Revenue-Dedicated Hospital Licensing Account No. 129 from the collection of hospital license fees for administration and enforcement of Texas Health and Safety Code, §241.025, to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #2)
	CENTRAL PROGRAM SUPPORT L.2.1	\$0	\$169,254	\$169,254	100.0 %	Recommendations reflect the direct appropriation of General Revenue-Dedicated Hospital Licensing Account No. 129 from the collection of hospital license fees for administration and enforcement of Texas Health and Safety Code, §241.025, to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #2)
	Total, Goal L, SYSTEM OVERSIGHT & PROGRAM SUPPORT	\$0	\$175,473	\$175,473	100.0 %	
	BUSINESS ENTERPRISES OF TEXAS (BET) (TWC) N.3.2	\$699,335	\$0	\$(699,335)	(100.0) %	Recommendations reflect a decrease of \$0.7 million in General Revenue-Dedicated Business Enterprise Program Account No. 492 due to the transfer of vocational rehabilitation services and related program support from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.
	BET TRUST FUND (TWC) N.3.3	\$404,212	\$0	\$(404,212)	(100.0) %	Recommendations reflect a decrease of \$0.4 million in General Revenue-Dedicated Business Enterprise Program Trust Fund Account No. 5043 due to the transfer of vocational rehabilitation services and related program support from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.



Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
Strategy/Goal						
GR DEDICATED	Total, Goal N, HHS SUNSET LEGIS-HISTORICAL FUNDING	\$1,103,547	\$0	\$(1,103,547)	(100.0) %	
	Total, GR DEDICATED	\$706,335,179	\$699,692,161	\$(6,643,018)	(0.9) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
AGED AND MEDICARE-RELATED A.1.1	\$4,849,103,016	\$4,849,103,016	\$0	0.0 %	
DISABILITY-RELATED A.1.2	\$6,620,293,730	\$6,681,197,760	\$60,904,030	0.9 %	
PREGNANT WOMEN A.1.3	\$1,341,736,423	\$1,341,736,423	\$0	0.0 %	
OTHER ADULTS A.1.4	\$809,857,204	\$809,857,204	\$0	0.0 %	
CHILDREN A.1.5	\$7,357,703,286	\$7,357,703,286	\$0	0.0 %	
MEDICAID PRESCRIPTION DRUGS A.1.6	\$3,852,951,483	\$3,852,951,483	\$0	0.0 %	
HEALTH STEPS (EPSDT) DENTAL A.1.7	\$1,651,693,056	\$1,651,693,056	\$0	0.0 %	
MEDICAL TRANSPORTATION A.1.8	\$239,063,372	\$239,063,372	\$0	0.0 %	
COMMUNITY ATTENDANT SERVICES A.2.1	\$359,829,065	\$739,782,360	\$379,953,295	105.6 %	
COMMUNITY ATTENDANT SERVICES N.1.1	\$379,953,295	\$0	\$(379,953,295)	(100.0) %	
	\$739,782,360	\$739,782,360	\$0	0.0 %	
PRIMARY HOME CARE A.2.2	\$11,063,901	\$19,136,490	\$8,072,589	73.0 %	
PRIMARY HOME CARE N.1.2	\$8,072,589	\$0	\$(8,072,589)	(100.0) %	
	\$19,136,490	\$19,136,490	\$0	0.0 %	
DAY ACTIVITY & HEALTH SERVICES A.2.3	\$4,155,807	\$9,100,269	\$4,944,462	119.0 %	
DAY ACTIVITY AND HEALTH SERVICES N.1.3	\$4,944,462	\$0	\$(4,944,462)	(100.0) %	
	\$9,100,269	\$9,100,269	\$0	0.0 %	
NURSING FACILITY PAYMENTS A.2.4	\$69,708,266	\$236,033,945	\$166,325,679	238.6 %	
NURSING FACILITY PAYMENTS N.1.4	\$166,325,679	\$0	\$(166,325,679)	(100.0) %	
	\$236,033,945	\$236,033,945	\$0	0.0 %	
MEDICARE SKILLED NURSING FACILITY A.2.5	\$48,038,623	\$78,836,479	\$30,797,856	64.1 %	
MEDICARE SKILLED NURSING FACILITY N.1.5	\$30,797,856	\$0	\$(30,797,856)	(100.0) %	
	\$78,836,479	\$78,836,479	\$0	0.0 %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
HOSPICE A.2.6	\$130,203,007	\$276,484,505	\$146,281,498	112.3 %	
HOSPICE N.1.6	\$146,281,498	\$0	\$(146,281,498)	(100.0) %	
	\$276,484,505	\$276,484,505	\$0	0.0 %	
INTERMEDIATE CARE FACILITIES - IID A.2.7	\$173,686,911	\$325,401,122	\$151,714,211	87.3 %	
INTERMEDIATE CARE FACILITIES - IID N.1.7	\$151,714,211	\$0	\$(151,714,211)	(100.0) %	
	\$325,401,122	\$325,401,122	\$0	0.0 %	
HOME AND COMMUNITY-BASED SERVICES A.3.1	\$706,335,687	\$1,326,870,638	\$620,534,951	87.9 %	
HOME AND COMMUNITY-BASED SERVICES N.1.8	\$620,534,951	\$0	\$(620,534,951)	(100.0) %	
	\$1,326,870,638	\$1,326,870,638	\$0	0.0 %	
COMMUNITY LIVING ASSISTANCE (CLASS) A.3.2	\$169,025,182	\$313,851,772	\$144,826,590	85.7 %	
COMMUNITY LIVING ASSISTANCE (CLASS) N.1.9	\$144,826,590	\$0	\$(144,826,590)	(100.0) %	
	\$313,851,772	\$313,851,772	\$0	0.0 %	
DEAF-BLIND MULTIPLE DISABILITIES A.3.3	\$10,503,670	\$16,854,872	\$6,351,202	60.5 %	
DEAF-BLIND MULTIPLE DISABILITIES N.1.10	\$6,351,202	\$0	\$(6,351,202)	(100.0) %	
	\$16,854,872	\$16,854,872	\$0	0.0 %	
TEXAS HOME LIVING WAIVER A.3.4	\$3,884,003	\$76,542,732	\$72,658,729	1,870.7 %	
TEXAS HOME LIVING WAIVER N.1.11	\$72,658,729	\$0	\$(72,658,729)	(100.0) %	
	\$76,542,732	\$76,542,732	\$0	0.0 %	
ALL-INCLUSIVE CARE - ELDERLY (PACE) A.3.5	\$21,635,044	\$44,149,652	\$22,514,608	104.1 %	
ALL-INCLUSIVE CARE - ELDERLY (PACE) N.1.12	\$22,514,608	\$0	\$(22,514,608)	(100.0) %	
	\$44,149,652	\$44,149,652	\$0	0.0 %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

	Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	MEDICALLY DEPENDENT CHILDREN PGM A.3.6	\$8,887,459	\$0	\$(8,887,459)	(100.0) %	
	MEDICALLY DEPENDENT CHILDREN PGM N.1.13	\$52,016,571	\$0	\$(52,016,571)	(100.0) %	
		\$60,904,030	\$0	\$(60,904,030)	(100.0) %	
	NON-FULL BENEFIT PAYMENTS A.4.1	\$973,103,027	\$973,103,027	\$0	0.0 %	
	MEDICARE PAYMENTS A.4.2	\$1,206,509,234	\$1,206,509,234	\$0	0.0 %	
	TRANSFORMATION PAYMENTS A.4.3	\$113,723,711	\$113,723,711	\$0	0.0 %	
	<b>Total, Goal A, MEDICAID CLIENT SERVICES</b>	<b>\$32,539,686,408</b>	<b>\$32,539,686,408</b>	<b>\$0</b>	<b>0.0 %</b>	Recommendations reflect the 2016-17 appropriated levels in Goal A, Medicaid Client Services.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

	Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	MEDICAID CONTRACTS & ADMINISTRATION B.1.1	\$1,212,925,174	\$870,017,346	\$(342,907,828)	(28.3) %	Recommendations include a decrease of \$342.9 million in Federal Funds related to: • <b>\$312.6 decrease in Federal American Recovery and Reinvestment Fund No. 369</b> for the Texas Medicaid Electronic Health Records Incentive Program • <b>\$30.3 decrease in Federal Funds</b> to align with FMAP Federal Funds, NorthSTAR carve-in to STAR+PLUS, removal of the amounts above the GR/GR-D Limit, and reductions related to the agency's four percent reductions. • <b>140.8 FTE reduction</b> to align with anticipated staffing needs and allocate into Strategy B.1.2, CHIP Contract & Administration. (See also Selected Fiscal and Policy Issues #1, 6, 14 & 25)
	CHIP CONTRACTS & ADMINISTRATION B.1.2	\$23,539,878	\$28,199,617	\$4,659,739	19.8 %	Recommendations provide an increase of \$4.7 million in Federal Funds to align with EFMAP Federal Funds, align the agency's allocation of FTEs (58.7) with Strategy B.1.1, Medicaid Contract & Administration and align with anticipated staffing needs (1.3 FTEs), removal of the amounts above the GR/GR-D Limit, and reflecting increased support and contract costs for the Enrollment Broker contract with MAXIMUS Inc. (See also Selected Fiscal and Policy Issues # 1, 6, & 25)
	Total, Goal B, MEDICAID & CHIP SUPPORT	\$1,236,465,052	\$898,216,963	\$(338,248,089)	(27.4) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

	Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	CHIP C.1.1	\$841,855,551	\$932,993,931	\$91,138,380	10.8 %	Recommendations reflect an increase of \$91.1 million in Federal Funds to align with EFMAP and related to projected caseload growth and to maintain fiscal year 2017 premiums. (See also Selected Fiscal and Policy Issues #3 & 5)
	CHIP PERINATAL SERVICES C.1.2	\$318,907,200	\$327,948,776	\$9,041,576	2.8 %	Recommendations include an increase of \$9.0 million in Federal Funds to align EFMAP and related to projected caseload growth and to maintain fiscal year 2017 premiums. (See also Selected Fiscal and Policy Issues #3 & 5)
	CHIP PRESCRIPTION DRUGS C.1.3	\$295,745,016	\$339,938,153	\$44,193,137	14.9 %	Recommendations provide an increase of \$44.2 million in Federal Funds to align EFMAP and related to projected caseload growth and to maintain fiscal year 2017 premiums. (See also Selected Fiscal and Policy Issues #3 & 5)
	CHIP DENTAL SERVICES C.1.4	\$199,243,694	\$220,133,528	\$20,889,834	10.5 %	Recommendations reflect an increase of \$20.9 million in Federal Funds to align EFMAP and related to projected caseload growth and to maintain fiscal year 2017 premiums. (See also Selected Fiscal and Policy Issues #3 & 5)
	Total, Goal C, CHIP CLIENT SERVICES	\$1,655,751,461	\$1,821,014,388	\$165,262,927	10.0 %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
WOMEN'S HEALTH PROGRAM D.1.1	\$13,645,256	\$23,529,056	\$9,883,800	72.4 %	Recommendations reflect an increase of \$1.3 million in Federal Funds primarily related to an increase in the Texas Cancer Prevention and Control award. (See also Selected Fiscal and Policy Issue #7)
WOMEN'S HEALTH PROGRAM (DSHS) F.1.5	\$8,589,570	\$0	\$(8,589,570)	(100.0) %	
	\$22,234,826	\$23,529,056	\$1,294,230	5.8 %	
ALTERNATIVES TO ABORTION D.1.2	\$6,000,000	\$6,000,000	\$0	0.0 %	Recommendations reflect an increase of \$0.4 million in Federal Funds related to an increase in Early Childhood Intervention caseload growth. (See also Selected Fiscal and Policy Issue #8)
ECI SERVICES D.1.3	\$100,863,433	\$188,707,066	\$87,843,633	87.1 %	
EARLY CHILDHOOD INTERVENTION SVCS N.2.1	\$87,458,691	\$0	\$(87,458,691)	(100.0) %	
	\$188,322,124	\$188,707,066	\$384,942	0.2 %	Recommendations include an increase of \$2.2 million in Federal Funds due to moving state office expenditures related to the Early Childhood Intervention program from Strategy D.1.3, ECI Services to Strategy D.1.4, ECI Respite and Quality Assurance. Recommendations also incorporate a decrease of \$0.1 million of the Special Education Grant for Infants and Families (IDEA Part C), related to a reduction of 1.3 FTEs to align with anticipated staffing needs. (See also Selected Fiscal and Policy Issue #8)
ECI RESPITE & QUALITY ASSURANCE D.1.4	\$1,517,337	\$5,161,930	\$3,644,593	240.2 %	
ECI RESPITE & QUALITY ASSURANCE N.2.2	\$1,494,447	\$0	\$(1,494,447)	(100.0) %	
	\$3,011,784	\$5,161,930	\$2,150,146	71.4 %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
CHILDREN'S BLINDNESS SERVICES D.1.5	\$768,741	\$1,560,306	\$791,565	103.0 %	
CHILDREN'S BLINDNESS SERVICES N.2.3	\$768,741	\$0	\$(768,741)	(100.0) %	
	\$1,537,482	\$1,560,306	\$22,824	1.5 %	Recommendations include an increase in Federal Funds to align with FMAP assumptions for 2018-19.
CHILDREN WITH SPECIAL NEEDS D.1.7	\$6,000,000	\$12,000,000	\$6,000,000	100.0 %	The 2016-17 base does not reflect \$8.8 million in Federal Funds that exists in Strategy A.3.3, Children with Special Needs, at DSHS. Considering this funding, there is a \$2.8 million decrease in Federal Funds from 2016-17 spending levels.
CHILDREN'S DENTAL SERVICES D.1.8	\$6,661,014	\$13,722,048	\$7,061,034	106.0 %	The 2016-17 base does not reflect \$6.5 million in Federal Funds that exists in Strategy B.1.1, Women & Children's Health Services, at DSHS. Considering this funding, there is a \$0.6 million increase in Federal Funds from 2016-17 spending levels.
ADDITIONAL SPECIALTY CARE D.1.10	\$304,231	\$333,041	\$28,810	9.5 %	Recommendations reflect an increase in costs associated with the Office of e-Health Coordination.
ABSTINENCE EDUCATION D.1.12	\$7,894,576	\$15,789,152	\$7,894,576	100.0 %	
ABSTINENCE EDUCATION (DSHS) F.1.1	\$6,307,821	\$0	\$(6,307,821)	(100.0) %	
	\$14,202,397	\$15,789,152	\$1,586,755	11.2 %	Recommendations include an increase of \$1.6 million in Federal Funds reflecting receipt of a supplemental award. The Family and Youth Services Bureau distributes Federal Funds based on the proportion of low-income children in each state.



Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change
FEDERAL FUNDS				
COMMUNITY MENTAL HEALTH SVCS-ADULTS D.2.1	\$70,189,947	\$84,351,814	\$14,161,867	20.2 %
COMMUNITY MENTAL HLTH SVCS-ADULTS (DSHS) F.1.6	\$57,777,647	\$0	\$(57,777,647)	(100.0) %
	\$127,967,594	\$84,351,814	\$(43,615,780)	(34.1) %

Recommendations for the Community Mental Health Strategies (D.2.1, Community Mental Health - Adults, D.2.2, Community Mental Health - Children, and D.2.5, Behavioral Health Waivers) total \$937.0 million and are based upon fiscal year 2017 appropriations. This funding level is a decrease of \$109.7 million in Federal Funds from the 2016-17 base.

- Major changes from 2017 appropriated levels include a decrease of \$39.5 million each fiscal year to reflect the discontinuation of the NorthSTAR program and the transition of NorthSTAR services into Medicaid managed care and community mental health programs in fiscal year 2017 and approximately \$7.8 million per fiscal year to reflect the transition of certain mental health services for children into STAR Kids.
- Recommendations reallocate an additional \$10.4 million in General Revenue funds each fiscal year for the Home and Community Based Services for Adult Mental Health (HCBS - AMH) (1915i) to Strategy D.2.5, Behavioral Health Waivers.

Recommendations also include an increase of \$7.8 million per fiscal year to eliminate the waiting list for adult community mental health services.

(See also Selected Fiscal and Policy Issue #14 & 15)

## Appendix A

## Agency 529

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Gol		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	SUBSTANCE ABUSE PREV/INTERV/TREAT D.2.4	\$143,215,907	\$286,431,814	\$143,215,907	100.0 %	Recommendations include a decrease of \$20.7 million in Federal Funds, primarily due to a decrease of \$21.2 million in the Block Grant for Prevention and Treatment of Substance Abuse related to a one-time federal carryforward of the grant into fiscal year 2016.
	SUBSTANCE ABUSE PREV/INTERV/TREAT (DSHS) F.1.10	\$163,923,606	\$0	\$(163,923,606)	(100.0) %	
		\$307,139,513	\$286,431,814	\$(20,707,699)	(6.7) %	

## Agency 529

1/27/2017

**Note:** The 2016-17 base reflects expenditures related to the NorthSTAR program. The 2016-17 base for this Strategy does not include expenditures for the YES waiver and the HCBS-AMH program. These expenditures are included in Strategy D.2.1, Community Mental Health Services for Adults, and D.2.2, Community Mental Health Services for Children in the 2016-17 base and are reallocated to D.2.5, Behavioral Health Waivers, for the 2018-19 biennium.

(See also Selected Fiscal and Policy Issue #14 and Strategy D.2.1, Community Mental Health Services for Adults and D.2.2, Community Mental Health Services for Children, above)

Recommendations include a \$78,785 decrease in Federal Funds due to a reduction in FTEs to align with anticipated staffing needs (3.0 FTEs).

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
<b>FEDERAL FUNDS</b>					
TANF (CASH ASSISTANCE) GRANTS E.1.1	\$17,340,921	\$22,011,357	\$4,670,436	26.9 %	Recommendations provide an increase of \$4.7 million in Federal Funds due to projected growth in caseload and grant per recipient for the TANF program, TANF State Program for Two-Parent Families, and One-Time Payments for Children program. (See also Selected Fiscal and Policy Issue #11)
PROVIDE WIC SERVICES E.1.2	\$0	\$1,127,634,489	\$1,127,634,489	100.0 %	
PROVIDE WIC SERVICES (DSHS) F.1.4	\$1,133,955,244	\$0	\$(1,133,955,244)	(100.0) %	
	\$1,133,955,244	\$1,127,634,489	\$(6,320,755)	(0.6) %	Recommendations reflect a decrease of \$6.3 million in Federal Funds to address increased net federal obligations related to the WIC program.
REFUGEE ASSISTANCE E.1.3	\$97,810,390	\$0	\$(97,810,390)	(100.0) %	Recommendations reflect a decrease of \$97.8 million in Federal Funds due to the termination of the state-run Refugee Assistance program. (See also Selected Fiscal and Policy Issue #12)
DISASTER ASSISTANCE E.1.4	\$22,215,544	\$0	\$(22,215,544)	(100.0) %	Recommendations reflect a decrease of \$22.2 million in General Revenue for Disaster Assistance. Article IX § 14.04, Disaster Related Transfer Authority, 2016-17 GAA, provides HHSC the authority to transfer funds from Health and Human Services agencies to Strategy E.1.4, Disaster Assistance, contingent upon issuance of an Emergency Disaster Proclamation from the Governor's Office.
<b>Total, Goal E, ENCOURAGE SELF SUFFICIENCY</b>	<b>\$1,271,322,099</b>	<b>\$1,149,645,846</b>	<b>\$(121,676,253)</b>	<b>(9.6) %</b>	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
GUARDIANSHIP F.1.1	\$7,143,053	\$14,447,904	\$7,304,851	102.3 %	Recommendations provide an increase of \$0.2 million in Federal Funds reflecting increased utilization of Guardianship services due to referrals from the Department of Family and Protective Services.
GUARDIANSHIP N.1.14	\$7,133,685	\$0	\$(7,133,685)	(100.0) %	
	\$14,276,738	\$14,447,904	\$171,166	1.2 %	
NON-MEDICAID SERVICES F.1.2	\$128,431,554	\$262,885,092	\$134,453,538	104.7 %	Recommendations reflect an increase of \$5.5 million in Federal Funds related to the additional funding provided to support nutrition services for older adults.
NON-MEDICAID SERVICES N.1.15	\$128,980,832	\$0	\$(128,980,832)	(100.0) %	
	\$257,412,386	\$262,885,092	\$5,472,706	2.1 %	
INDEPENDENT LIVING SERVICES F.2.1	\$1,017,679	\$2,035,358	\$1,017,679	100.0 %	Recommendations reflect a decrease of \$10.1 million in Federal Funds due to the transfer of vocational rehabilitation funding sources from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.
INDEPENDENT LIVING SERVICES N.2.5	\$11,119,959	\$0	\$(11,119,959)	(100.0) %	
	\$12,137,638	\$2,035,358	\$(10,102,280)	(83.2) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	DEAF AND HARD OF HEARING SERVICES F.2.4	\$0	\$0	\$0	100.0 %	Recommendations reflect a decrease of \$1.8 million in Federal Funds due to the transfer of vocational rehabilitation funding sources from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.
	DEAF AND HARD OF HEARING SERVICES N.2.8	\$1,751,987	\$0	\$(1,751,987)	(100.0) %	
		\$1,751,987	\$0	\$(1,751,987)	(100.0) %	
	FAMILY VIOLENCE SERVICES F.3.1	\$35,445,944	\$35,445,944	\$0	0.0 %	Recommendations reflect a decrease of \$1.2 million decrease in Federal Funds related to no funding for the Center for the Elimination for Disproportionality and Disparities for the 2018-19 biennium and due to the transfer of the Office of Border Affairs to DSHS in fiscal year 2017. (See also Selected Fiscal and Policy Issue #27)
	ADDITIONAL ADVOCACY PROGRAMS F.3.3	\$1,671,883	\$479,084	\$(1,192,799)	(71.3) %	
	Total, Goal F, COMMUNITY & IL SVCS & COORDINATION	\$322,696,576	\$315,293,382	\$(7,403,194)	(2.3) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change
STATE SUPPORTED LIVING CENTERS G.1.1	\$0	\$682,202,585	\$682,202,585	100.0 %
STATE SUPPORTED LIVING CENTERS N.1.18	\$738,272,645	\$0	\$(738,272,645)	(100.0) %
	\$738,272,645	\$682,202,585	\$(56,070,060)	(7.6) %
MENTAL HEALTH STATE HOSPITALS G.2.1	\$0	\$39,907,465	\$39,907,465	100.0 %
MENTAL HEALTH STATE HOSPITALS (DSHS) F.1.14	\$41,003,972	\$0	\$(41,003,972)	(100.0) %
	\$41,003,972	\$39,907,465	\$(1,096,507)	(2.7) %
MENTAL HEALTH COMMUNITY HOSPITALS G.2.2	\$0	\$0	\$0	100.0 %
MENTAL HEALTH COMMUNITY HOSPITALS (DSHS) F.1.15	\$0	\$0	\$0	100.0 %
	\$0	\$0	\$0	100.0 %

Recommendations include a decrease of \$56.1 million in Federal Funds including \$42.4 million reflecting the reallocation of funding for oversight and certain capital budget projects including DCS and Seat Management to Strategy L.1.2, Information Technology Capital Projects Oversight & Program Support, and Strategy L.1.1, Enterprise Oversight and Policy. Recommendations include an additional decrease of \$13.7 million in General Revenue to adjust for projected census decrease, to align salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act and to make other adjustments to align recommendations with fiscal year 2017 expenditures.  
(See also Selected Fiscal and Policy Issue #19 & 25)

Recommendations include a decrease of \$1.1 million in Federal Funds primarily to align salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act.



Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
<b>FEDERAL FUNDS</b>					
OTHER FACILITIES G.3.1	\$0	\$2,394,712	\$2,394,712	100.0 %	
OTHER FACILITIES (DSHS) F.1.13	\$84,240	\$0	\$(84,240)	(100.0) %	
	\$84,240	\$2,394,712	\$2,310,472	2742.7 %	Recommendations include a \$2.3 million increase primarily related to funding for Corpus Christi Bond Homes, which were previously funded in Strategy A.2.7, Intermediate Care Facilities for Individuals with IID.
FACILITY PROGRAM SUPPORT G.4.1	\$0	\$1,533,177	\$1,533,177	100.0 %	
FACILITY CAPITAL REPAIRS & RENOV G.4.2	\$0	\$0	\$0	100.0 %	
FACILITY CAPITAL REP & RENOV N.1.19	\$3,945,674	\$0	\$(3,945,674)	(100.0) %	
	\$3,945,674	\$0	\$(3,945,674)	(100.0) %	Recommendations include a decrease of \$3.9 million Federal Funds for matching Medicaid funds reflecting the end of the Sprinkler System Subsidy project for Home and Community-Based Services homes in fiscal year 2017.
<b>Total, Goal G, FACILITIES</b>	<b>\$783,306,531</b>	<b>\$726,037,939</b>	<b>\$(57,268,592)</b>	<b>(7.3) %</b>	
FACILITY/COMMUNITY-BASED REGULATION H.1.1	\$0	\$118,276,679	\$118,276,679	100.0 %	
FACILITY/COMMUNITY-BASED REGULATION N.1.20	\$105,218,400	\$0	\$(105,218,400)	(100.0) %	
APS FACILITY/PROVIDER INVESTIGATION (DFPS) G.1.2	\$11,823,233	\$0	\$(11,823,233)	(100.0) %	
FACILITY/COMMUNITY-BASED REGULATION (DSHS) F.1.16	\$11,986,437	\$0	\$(11,986,437)	(100.0) %	
	\$129,028,070	\$118,276,679	\$(10,751,391)	(8.3) %	Recommendations include a decrease of \$10.8 million in Federal Funds primarily due to a decrease in federal grants for State Survey & Certification of Health Care Providers & Suppliers (Medicaid and Medicare) and a less favorable matching rate for Medicaid expenditures.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change
HEALTH CARE PROFESSIONALS & OTHER H.1.2	\$0	\$902,302	\$902,302	100.0 %
HEALTH CARE PROFESSIONALS & OTHER N.1.21	\$931,136	\$0	\$(931,136)	(100.0) %
	\$931,136	\$902,302	\$(28,834)	(3.1) %
CHILD CARE REGULATION H.1.3	\$0	\$44,196,370	\$44,196,370	100.0 %
CHILD CARE REGULATION (DFPS) G.1.1	\$46,153,858	\$0	\$(46,153,858)	(100.0) %
	\$46,153,858	\$44,196,370	\$(1,957,488)	(4.2) %
LTC QUALITY OUTREACH H.1.4	\$0	\$9,718,153	\$9,718,153	100.0 %
LTC QUALITY OUTREACH N.1.23	\$10,577,593	\$0	\$(10,577,593)	(100.0) %
	\$10,577,593	\$9,718,153	\$(859,440)	(8.1) %

The 2016-17 base does not reflect \$0.1 million in Federal Funds that exists in Strategy C.1.4, Health Care Professionals, at the Department of State Health Services. Considering this funding, there is a \$0.1 million decrease from 2016-17 spending levels related to a decrease in the federal grant for State Survey & Certification of Health Care Providers & Suppliers.  
(See Selected Fiscal and Policy Issue #2)

Recommendations include a decrease of \$2.0 million in Federal Funds primarily to a reduction in the Child Care and Development Block Grant related to the agency's four percent reduction.

Recommendations include a decrease if \$0.9 million in Federal Funds primarily due to a reduction of 7.8 FTEs to align with anticipated staffing needs.  
(See Selected Fiscal and Policy Issue #25)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	Total, Goal H, CONSUMER PROTECTION SVCS	\$186,690,657	\$173,093,504	\$(13,597,153)	(7.3) %	
	INTEGRATED ELIGIBILITY & ENROLLMENT I.1.1	\$1,101,895,660	\$682,021,275	\$(419,874,385)	(38.1) %	Recommendations include a decrease of \$419.9 million in Federal Funds due to the following: • <b>\$307.8 million increase in Federal Fund-Medical Assistance Program (50 percent match)</b> to align salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act, a reduction of 16.9 FTEs to align with anticipated staffing needs, and the transition of certain projects to the lower federal financial participation rate; • <b>\$617.8 million decrease in Federal Fund-Medical Assistance Program (75 percent match)</b> reflecting the transition of certain projects to the lower federal financial participation rate; • <b>\$90.0 million decrease in Federal Fund-State Administration for SNAP</b> related to agency projected SNAP eligibility determinations; • <b>\$12.2 million decrease in Federal Fund-CHIP</b> to align with EFMAP and related to the agency's four percent reductions; and • <b>\$7.7 million decrease in Federal Funds</b> for projected TANF eligibility determinations, removal of the amounts above the GR/GR-D Limit, and termination of the Office of Immigration and Refugee Affairs. (See also Selected Fiscal and Policy Issues #1, 12, 25 & 31)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	LONG-TERM CARE INTAKE & ACCESS I.2.1	\$154,060,828	\$297,391,649	\$143,330,821	93.0 %	Recommendations provide an increase of \$3.1 million in Federal Funds to align with FMAP Federal Funds, a reduction of 37.1 FTEs to align with anticipated staffing needs, adjust salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act, additional Money Follows the Person funding, Long-term Care Medicaid eligibility determination, and of the transfer of oversight responsibilities to Strategy L.2.1, Central Program Support, due to HHS system consolidation. (See also Selected Fiscal and Policy Issues #2 & 28).
	LONG-TERM CARE ELG & ENROLLMENT N.1.24	\$140,201,556	\$0	\$(140,201,556)	(100.0) %	
		\$294,262,384	\$297,391,649	\$3,129,265	1.1 %	
	TIERS & ELIGIBILITY SUPPORT TECH I.3.1	\$174,592,669	\$186,867,940	\$12,275,271	7.0 %	Recommendations include an increase of \$12.3 million in Federal Funds to align with FMAP & EFMAP Federal Funds, a reduction of 7.0 FTEs to align with anticipated staffing needs, on-going maintenance and support costs for eligibility Information Technology in Medicaid and SNAP, and reflect the termination of the Office of Immigration and Refugee Affairs. (See also Selected Fiscal and Policy Issues #12 & 25)
	TIERS CAPITAL PROJECTS I.3.2	\$74,491,566	\$83,395,884	\$8,904,318	12.0 %	Recommendations reflect an increase of \$8.9 million in Federal Funds to align with FMAP and EFMAP Federal Funds as related to transition of certain projects to the maintenance phase, reflect the termination of the Office of Immigration and Refugee Affairs, and aligning funding to 2016-17 levels. (See also Selected Fiscal and Policy Issues #14, 25 & 28)

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

		2016-17	2018-19	Biennial	%	Comments
Strategy/Goal		Base	Recommended	Change	Change	
FEDERAL FUNDS						
Total, Goal I, PGM ELG DETERMINATION & ENROLLMENT		\$1,645,242,279	\$1,249,676,748	\$(395,565,531)	(24.0) %	
DISABILITY DETERMINATION SVCS (DDS) J.1.1		\$115,217,596	\$230,435,192	\$115,217,596	100.0 %	Recommendations provide an increase of \$0.3 million in Federal Funds reflecting additional federally funded FTEs processing disability determinations on behalf of the Social Security Administration.
DISABILITY DETERMINATION SERVICES N.2.9		\$114,946,697	\$0	\$(114,946,697)	(100.0) %	
		\$230,164,293	\$230,435,192	\$270,899	0.1 %	
Total, Goal J, DISABILITY DETERMINATION		\$230,164,293	\$230,435,192	\$270,899	0.1 %	
CLIENT AND PROVIDER ACCOUNTABILITY K.1.1		\$53,073,910	\$56,409,508	\$3,335,598	6.3 %	Recommendations include an increase of \$3.3 million in Federal Funds to align with FMAP & EFMAP Federal Funds, removal of the amounts above the GR/GR-D Limit, and related to additional personnel investigations at the State Hospitals, State Supported Living Centers, additional Residential Facilities and Medicaid audits, and reflect the termination of the Office of Immigration and Refugee Affairs. (See also Selected Fiscal and Policy Issue #1, 12, 24 & 25)
Total, Goal K, OFFICE OF INSPECTOR GENERAL		\$53,073,910	\$56,409,508	\$3,335,598	6.3 %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

FEDERAL FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	HHS SYSTEM SUPPORTS L.1.1	\$51,432,998	\$52,408,492	\$975,494	1.9 %	Recommendation reflect a decrease of \$2.0 million in Federal Funds to align with FMAP & EFMAP Federal Funds, to adjust salary levels with actual amounts expended pursuant to Article IX, §18.02, 2016-17 General Appropriations Act, decrease Indirect Administration to fund WIC at 2016-17 spending levels, removal of the amounts above the GR/GR-D Limit, the direct appropriation of Federal Funds to the commission due to HHS system consolidation, and reflect the termination of the Office of Immigration and Refugee Affairs. (See also Select Fiscal and Policy Issues #1, 2, 12, 25 & 26)
	OTHER PROGRAM SUPPORT - DARS N.2.12	\$2,972,115	\$0	\$(2,972,115)	(100.0) %	
		\$54,405,113	\$52,408,492	\$(1,996,621)	(3.7) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

		2016-17	2018-19	Biennial	%	Comments
Strategy/Goal		Base	Recommended	Change	Change	
FEDERAL FUNDS	IT OVERSIGHT & PROGRAM SUPPORT L.1.2	\$183,377,942	\$186,067,706	\$2,689,764	1.5 %	Recommendations include a decrease of \$46.0 million in Federal Funds to align with FMAP & EFMAP Federal Funds, decrease Indirect Administration to fund WIC at 2016-17 spending levels, removal of the amounts above the GR/GR-D Limit, the direct appropriation of Federal Funds to the commission due to HHS system consolidation, align CAPPs funding with Comptroller of Public Accounts estimates, a lower federal financial participation rate for IT projects transitioning to the maintenance phase, and reflect the termination of the Office of Immigration and Refugee Affairs. (See also Select Fiscal and Policy Issues #1, 2, 12, 25 & 26)
	IT OVERSIGHT & PROGRAM SUPPORT-DADS N.1.25	\$43,438,201	\$0	\$(43,438,201)	(100.0) %	
	IT OVERSIGHT & PROGRAM SUPPORT-DARS N.2.10	\$5,230,309	\$0	\$(5,230,309)	(100.0) %	
		\$232,046,452	\$186,067,706	\$(45,978,746)	(19.8) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS						
CENTRAL PROGRAM SUPPORT L.2.1		\$38,236,328	\$61,974,789	\$23,738,461	62.1 %	Recommendations provide a decrease of \$6.3 million in Federal Funds to align with FMAP & EFMAP Federal Funds, a reduction of 25.0 FTEs to align with anticipated staffing needs, decrease Indirect Administration to fund WIC at 2016-17 spending levels, removal of the amounts above the GR/GR-D Limit, the direct appropriation of Federal Funds to the commission due to HHS system consolidation, the termination of the Office of Immigration and Refugee Affairs, reflecting the agency's four percent reduction, and the agency's Public Assistance Cost Allocation Plan. (See also Select Fiscal and Policy Issues #1, 2, 12, 25 & 26)
CENTRAL PROGRAM SUPPORT - DADS N.1.26		\$20,780,512	\$0	\$(20,780,512)	(100.0) %	
CENTRAL PROGRAM SUPPORT - DARS N.2.11		\$9,261,843	\$0	\$(9,261,843)	(100.0) %	
		\$68,278,683	\$61,974,789	\$(6,303,894)	(9.2) %	
REGIONAL PROGRAM SUPPORT L.2.2		\$9,025,040	\$22,063,011	\$13,037,971	144.5 %	Recommendations include an increase of \$13.0 million in Federal Funds to align with FMAP & EFMAP Federal Funds, a reduction of 8.5 FTEs to align with anticipated staffing needs, decrease Indirect Administration to fund WIC at 2016-17 spending levels, removal of the amounts above the GR/GR-D Limit, the direct appropriation of Federal Funds to the commission due to HHS system consolidation, and the termination of the Office of Immigration and Refugee Affairs. (See also Select Fiscal and Policy Issues #1, 2, 12, 25 & 26)
Total, Goal L, SYSTEM OVERSIGHT & PROGRAM SUPPORT		\$363,755,288	\$322,513,998	\$(41,241,290)	(11.3) %	



Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

	Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
FEDERAL FUNDS	VOCATIONAL REHABILITATION (TWC) N.3.1	\$227,721,330	\$0	\$(227,721,330)	(100.0) %	Recommendations reflect a decrease of \$227.7 million in Federal Funds due to the transfer of vocational rehabilitation services and related program support from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.
	BUSINESS ENTERPRISES OF TEXAS (BET) (TWC) N.3.2	\$877,126	\$0	\$(877,126)	(100.0) %	Recommendations reflect a decrease of \$0.9 million in Federal Funds due to the transfer of vocational rehabilitation services and related program support from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.
	Total, Goal N, HHS SUNSET LEGIS-HISTORICAL FUNDING	\$228,598,456	\$0	\$(228,598,456)	(100.0) %	
	Total, FEDERAL FUNDS	\$41,363,712,746	\$40,216,971,933	\$(1,146,740,813)	(2.8) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

OTHER FUNDS

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
OTHER ADULTS A.1.4	\$0	\$0	\$0	100.0 %	
CHILDREN A.1.5	\$534,185,269	\$534,185,269	\$0	0.0 %	
MEDICAL TRANSPORTATION A.1.8	\$0	\$0	\$0	100.0 %	
INTERMEDIATE CARE FACILITIES - IID A.2.7	\$87,794	\$177,216	\$89,422	101.9 %	
INTERMEDIATE CARE FACILITIES - IID N.1.7	\$89,422	\$0	\$(89,422)	(100.0) %	
	\$177,216	\$177,216	\$0	0.0 %	
NON-FULL BENEFIT PAYMENTS A.4.1	\$25,602,460	\$25,602,460	\$0	0.0 %	
MEDICARE PAYMENTS A.4.2	\$0	\$0	\$0	100.0 %	
TRANSFORMATION PAYMENTS A.4.3	\$85,935,388	\$85,935,388	\$0	0.0 %	
<b>Total, Goal A, MEDICAID CLIENT SERVICES</b>	<b>\$645,900,333</b>	<b>\$645,900,333</b>	<b>\$0</b>	<b>0.0 %</b>	Recommendations reflect the 2016-17 appropriated levels in Goal A, Medicaid Client Services.
MEDICAID CONTRACTS & ADMINISTRATION B.1.1	\$11,866,577	\$885,480	\$(10,981,097)	(92.5) %	Recommendations provide a decrease of \$11.0 million in Interagency Contracts reflecting the direct appropriation of General Revenue-Related Funds and Federal Funds to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #2)
<b>Total, Goal B, MEDICAID &amp; CHIP SUPPORT</b>	<b>\$11,866,577</b>	<b>\$885,480</b>	<b>\$(10,981,097)</b>	<b>(92.5) %</b>	
WOMEN'S HEALTH PROGRAM D.1.1	\$944,126	\$200,000	\$(744,126)	(78.8) %	
WOMEN'S HEALTH PROGRAM (DSHS) F.1.5	\$100,000	\$0	\$(100,000)	(100.0) %	
	\$1,044,126	\$200,000	\$(844,126)	(80.8) %	Recommendations reflect a decrease of \$0.8 million in Interagency Contracts related to HHSC consolidation.

**Health and Human Services Commission**  
**Funding Changes and Recommendations - By Fund Type - Senate**  
**(including Transformation Strategies)**

OTHER FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	ECI SERVICES D.1.3	\$16,498,102	\$32,996,204	\$16,498,102	100.0 %	
	EARLY CHILDHOOD INTERVENTION SVCS N.2.1	\$16,498,102	\$0	\$(16,498,102)	(100.0) %	
		\$32,996,204	\$32,996,204	\$0	0.0 %	
	CHILDREN'S BLINDNESS SERVICES D.1.5	\$7,805	\$15,610	\$7,805	100.0 %	
	CHILDREN'S BLINDNESS SERVICES N.2.3	\$3,036	\$0	\$(3,036)	(100.0) %	
		\$10,841	\$15,610	\$4,769	44.0 %	Recommendations reflect an increase in Blind Endowment Fund No. 493 to align with fiscal year 2017 spending levels. The Blind Endowment Fund No. 493 is funded by collections from private donors.
	AUTISM PROGRAM D.1.6	\$121,462	\$84,000	\$(37,462)	(30.8) %	
	AUTISM PROGRAM N.2.4	\$121,462	\$0	\$(121,462)	(100.0) %	
		\$242,924	\$84,000	\$(158,924)	(65.4) %	Recommendations reflect a decrease of \$0.2 million in Interagency Contracts related to the direct appropriation of \$0.1 million in General Revenue due to HHS system consolidation.
	KIDNEY HEALTH CARE D.1.9	\$221,439	\$442,878	\$221,439	100.0 %	
	KIDNEY HEALTH CARE (DSHS) F.1.2	\$221,439	\$0	\$(221,439)	(100.0) %	
		\$442,878	\$442,878	\$0	0.0 %	
	ADDITIONAL SPECIALTY CARE D.1.10	\$20,376	\$22,686	\$2,310	11.3 %	
	COMMUNITY PRIMARY CARE SERVICES D.1.11	\$682,008	\$1,364,016	\$682,008	100.0 %	The 2016-17 base does not reflect \$65.6 million in Other Funds that exists in Strategy B.1.2, Community Primary Care, at DSHS. Considering this funding, there is a \$64.9 million decrease in Interagency Contracts from 2016-17 spending levels related to the consolidation of the Expanded Primary Health Care Program into HHSC Strategy D.2.3, Women's Health Services, on August 31, 2016.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

OTHER FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	COMMUNITY MENTAL HEALTH SVCS-ADULTS D.2.1	\$2,471,365	\$4,132,738	\$1,661,373	67.2 %	Recommendations include a \$0.7 million increase in Mental Health Appropriated Receipts primarily due to an increase in the projected number of individuals served. (See also Selected Fiscal and Policy Issue #14)
	COMMUNITY MENTAL HLTH SVCS-ADULTS (DSHS) F.1.6	\$986,378	\$0	\$(986,378)	(100.0) %	
		\$3,457,743	\$4,132,738	\$674,995	19.5 %	
	COMMUNITY MENTAL HLTH SVCS-CHILDREN D.2.2	\$134,999	\$2,613,846	\$2,478,847	1,836.2 %	Recommendations include a \$2.5 million increase in MH Appropriated Receipts primarily due to an increase in the projected number of individuals served. (See also Selected Fiscal and Policy Issue #14)
	BEHAVIORAL HEALTH WAIVERS D.2.5	\$6,359,672	\$0	\$(6,359,672)	(100.0) %	Recommendations include a \$31.5 million decrease in IACs due to the discontinuation of the NorthSTAR program on December 31, 2016. (See also Selected Fiscal and Policy Issue #14)
	NORTHSTAR BEHAVIORAL HEALTH WAIVER (DSHS) F.1.9	\$25,182,959	\$0	\$(25,182,959)	(100.0) %	
		\$31,542,631	\$0	\$(31,542,631)	(100.0) %	
	COUNTY INDIGENT HEALTH CARE SVCS D.3.2	\$300,000	\$600,000	\$300,000	100.0 %	
	COUNTY INDIGENT HEALTH CARE SVCS (DSHS) F.1.1.2	\$300,000	\$0	\$(300,000)	(100.0) %	
		\$600,000	\$600,000	\$0	0.0 %	
	<b>Total, Goal D, ADDITIONAL HEALTH-RELATED SERVICES</b>	<b>\$71,174,730</b>	<b>\$42,471,978</b>	<b>\$(28,702,752)</b>	<b>(40.3) %</b>	
	PROVIDE WIC SERVICES E.1.2	\$0	\$48,000,000	\$48,000,000	100.0 %	Recommendations include a decrease in Interagency Contracts related to HHS system consolidation.
	PROVIDE WIC SERVICES (DSHS) F.1.4	\$48,027,766	\$0	\$(48,027,766)	(100.0) %	
		\$48,027,766	\$48,000,000	\$(27,766)	(0.1) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

OTHER FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	REFUGEE ASSISTANCE E.1.3	\$41,162	\$0	\$(41,162)	(100.0) %	Recommendations reflect a decrease due to the termination of the state-run Refugee Assistance program. (See also Selected Fiscal and Policy Issue #12)
	<b>Total, Goal E, ENCOURAGE SELF SUFFICIENCY</b>	<b>\$48,068,928</b>	<b>\$48,000,000</b>	<b>\$(68,928)</b>	<b>(0.1) %</b>	
	NON-MEDICAID IDD COMMUNITY SVCS F.1.3	\$3,000	\$6,000	\$3,000	100.0 %	Recommendations include an increase of \$8.6 million in Interagency Contracts from TWC related to the interagency partnership between TWC and HHSC to provide funding for rehabilitative services for persons with disabilities.
	NON-MEDICAID IDD COMMUNITY SVCS N.1.17	\$3,000	\$0	\$(3,000)	(100.0) %	
		\$6,000	\$6,000	\$0	0.0 %	
	INDEPENDENT LIVING SERVICES F.2.1	\$8,591,862	\$17,183,724	\$8,591,862	100.0 %	
	INDEPENDENT LIVING SERVICES N.2.5	\$13,042	\$0	\$(13,042)	(100.0) %	
		\$8,604,904	\$17,183,724	\$8,578,820	99.7 %	
	COMPREHENSIVE REHABILITATION (CRS) F.2.3	\$118,480	\$236,960	\$118,480	100.0 %	
	COMPREHENSIVE REHABILITATION (CRS) N.2.7	\$325,745	\$0	\$(325,745)	(100.0) %	
		\$444,225	\$236,960	\$(207,265)	(46.7) %	
						Recommendations include a decrease of \$0.2 million in Subrogation Receipts related to the agency's four percent reduction. This reduction will reduce services for 27 consumers each fiscal year.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

OTHER FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	DEAF AND HARD OF HEARING SERVICES F.2.4	\$1,907,087	\$3,814,174	\$1,907,087	100.0 %	Recommendations include a decrease of \$0.6 million primarily in Universal Fund Reimbursements No. 8051. The Texas Universal Service Fund is financed by a charge on taxable telecommunications receipts of Texas' telecommunications providers, and can vary in revenue by year.
	DEAF AND HARD OF HEARING SERVICES N.2.8	\$2,525,800	\$0	\$(2,525,800)	(100.0) %	
		\$4,432,887	\$3,814,174	\$(618,713)	(14.0) %	
	CHILD ADVOCACY PROGRAMS F.3.2	\$48,000	\$48,000	\$0	0.0 %	Recommendations reflect a \$0.9 million decrease due to the transfer of the Office of Border Affairs to DSHS. Recommendations also include a decrease of \$2.9 million in Interagency Contracts due to no funding for the Center for the Elimination of Disproportionality and Disparities. (See also Selected Fiscal and Policy Issue #27)
	ADDITIONAL ADVOCACY PROGRAMS F.3.3	\$4,053,075	\$216,052	\$(3,837,023)	(94.7) %	
	<b>Total, Goal F, COMMUNITY &amp; IL SVCS &amp; COORDINATION</b>	<b>\$17,589,091</b>	<b>\$21,504,910</b>	<b>\$3,915,819</b>	<b>22.3 %</b>	
	STATE SUPPORTED LIVING CENTERS G.1.1	\$0	\$52,382,189	\$52,382,189	100.0 %	Recommendations include a \$47,209 decrease in ID Patient Collections for Patient Support and maintenance No. 8095.
	STATE SUPPORTED LIVING CENTERS N.1.18	\$52,429,398	\$0	\$(52,429,398)	(100.0) %	
		\$52,429,398	\$52,382,189	\$(47,209)	(0.1) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

OTHER FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	MENTAL HEALTH STATE HOSPITALS G.2.1	\$0	\$165,979,892	\$165,979,892	100.0 %	Recommendations reflect a \$1.1 million decrease primarily due to reduced Mental Health Appropriated Receipts No. 8033 and Mental Health Collections for Patient Support and Maintenance No. 8031 due to the increased number of state hospital beds being utilized for forensic patients.
	MENTAL HEALTH STATE HOSPITALS (DSHS) F.1.14	\$167,038,454	\$0	\$(167,038,454)	(100.0) %	
		\$167,038,454	\$165,979,892	\$(1,058,562)	(0.6) %	
	MENTAL HEALTH COMMUNITY HOSPITALS G.2.2	\$10,120,700	\$20,241,400	\$10,120,700	100.0 %	
	MENTAL HEALTH COMMUNITY HOSPITALS (DSHS) F.1.15	\$10,120,700	\$0	\$(10,120,700)	(100.0) %	
		\$20,241,400	\$20,241,400	\$0	0.0 %	
	OTHER FACILITIES G.3.1	\$0	\$2,557,692	\$2,557,692	100.0 %	Recommendations reflect an increase from 2016-17 spending levels related to an increase of \$0.4 million in State Chest Hospital Fees and Receipts and \$0.1 million in ID Collections for Patient Support and Maintenance.
	OTHER FACILITIES (DSHS) F.1.13	\$1,885,596	\$0	\$(1,885,596)	(100.0) %	
		\$1,885,596	\$2,557,692	\$672,096	35.6 %	
	FACILITY PROGRAM SUPPORT G.4.1	\$6,910,788	\$762,561	\$(6,148,227)	(89.0) %	Recommendations include a decrease of \$6.1 million in Other Funds primarily to reflect a decrease in IACs due to the consolidation of facility program support functions at HHSC.

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

OTHER FUNDS	Strategy/Goal	2016-17	2018-19	Biennial	%	Comments
		Base	Recommended	Change	Change	
	FACILITY CAPITAL REPAIRS & RENOV G.4.2	\$0	\$0	\$0	100.0 %	Recommendations include a \$22.6 million decrease reflecting General Obligation Bond Proceeds utilized in the 2016-17 biennium for one-time capital repairs and renovations at the state facilities.
	FACILITY CAPITAL REP & RENOV N.1.19	\$15,230,923	\$0	\$(15,230,923)	(100.0) %	
	FACILITY CAPITAL REPAIRS & RENOV (DSHS) F.1.17	\$7,344,872	\$0	\$(7,344,872)	(100.0) %	
		\$22,575,795	\$0	\$(22,575,795)	(100.0) %	
	<b>Total, Goal G, FACILITIES</b>	<b>\$271,081,431</b>	<b>\$241,923,734</b>	<b>\$(29,157,697)</b>	<b>(10.8) %</b>	
	HEALTH CARE PROFESSIONALS & OTHER H.1.2	\$0	\$1,064,390	\$1,064,390	100.0 %	The 2016-17 base does not reflect \$1.1 million in Other Funds that exist in Strategy C.1.3, Health Care Professionals, at the Department of State Health Services. Considering this funding, there is no change from the 2016-17 spending levels.
	CHILD CARE REGULATION H.1.3	\$0	\$360,774	\$360,774	100.0 %	
	CHILD CARE REGULATION (DFPS) G.1.1	\$360,774	\$0	\$(360,774)	(100.0) %	
		\$360,774	\$360,774	\$0	0.0 %	
	LTC QUALITY OUTREACH H.1.4	\$0	\$0	\$0	100.0 %	Recommendations include a decrease of \$4.2 million in Appropriated Receipts to reflect the civil monetary penalty funds awarded by CMS to the agency as Federal Funds instead of as Appropriated Receipts.
	LTC QUALITY OUTREACH N.1.23	\$4,231,092	\$0	\$(4,231,092)	(100.0) %	
		\$4,231,092	\$0	\$(4,231,092)	(100.0) %	
	<b>Total, Goal H, CONSUMER PROTECTION SVCS</b>	<b>\$4,591,866</b>	<b>\$1,425,164</b>	<b>\$(3,166,702)</b>	<b>(69.0) %</b>	



Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

		2016-17	2018-19	Biennial	%	Comments
Strategy/Goal		Base	Recommended	Change	Change	
OTHER FUNDS	INTEGRATED ELIGIBILITY & ENROLLMENT I.1.1	\$14,659,061	\$14,810,644	\$151,583	1.0 %	Recommendations include an increase of \$0.2 million in Interagency Contracts with the Texas Workforce Commission related to 2-1-1 Services.
	LONG-TERM CARE INTAKE & ACCESS I.2.1	\$1,872,938	\$3,357,604	\$1,484,666	79.3 %	
	LONG-TERM CARE ELG & ENROLLMENT N.1.24	\$1,872,706	\$0	\$(1,872,706)	(100.0) %	Recommendations provide a decrease of \$0.4 million Interagency Contracts reflecting the direct appropriation of General Revenue-Related Funds and Federal Funds to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #2)
		\$3,745,644	\$3,357,604	\$(388,040)	(10.4) %	
	<b>Total, Goal I, PGM ELG DETERMINATION &amp; ENROLLMENT</b>	<b>\$18,404,705</b>	<b>\$18,168,248</b>	<b>\$(236,457)</b>	<b>(1.3) %</b>	
	DISABILITY DETERMINATION SERVICES N.2.9	\$14,356	\$0	\$(14,356)	(100.0) %	
		\$14,356	\$0	\$(14,356)	(100.0) %	
	<b>Total, Goal J, DISABILITY DETERMINATION</b>	<b>\$14,356</b>	<b>\$0</b>	<b>\$(14,356)</b>	<b>(100.0) %</b>	
	CLIENT AND PROVIDER ACCOUNTABILITY K.1.1	\$30,596,202	\$21,014,318	\$(9,581,884)	(31.3) %	Recommendations include a decrease of \$9.6 million in Interagency Contracts reflecting the direct appropriation of General Revenue-Related Funds and Federal Funds to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #2)
	<b>Total, Goal K, OFFICE OF INSPECTOR GENERAL</b>	<b>\$30,596,202</b>	<b>\$21,014,318</b>	<b>\$(9,581,884)</b>	<b>(31.3) %</b>	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

OTHER FUNDS		2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
HHS SYSTEM SUPPORTS L.1.1		\$128,582,034	\$86,414,961	\$(42,167,073)	(32.8) %	Recommendations include a decrease of \$42.2 million in Interagency Contracts primarily to reflect the direct appropriation of General Revenue-Related Funds and Federal Funds to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #2)
IT OVERSIGHT & PROGRAM SUPPORT L.1.2		\$144,031,487	\$39,029,625	\$(105,001,862)	(72.9) %	Recommendations include a decrease of \$105.7 million in Interagency Contracts primarily to reflect the direct appropriation of General Revenue-Related Funds and Federal Funds to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #2)
IT OVERSIGHT & PROGRAM SUPPORT-DADS N.1.25		\$634,239	\$0	\$(634,239)	(100.0) %	
IT OVERSIGHT & PROGRAM SUPPORT-DARS N.2.10		\$18,730	\$0	\$(18,730)	(100.0) %	
		\$144,684,456	\$39,029,625	\$(105,654,831)	(73.0) %	
CENTRAL PROGRAM SUPPORT L.2.1		\$12,175,160	\$11,109,300	\$(1,065,860)	(8.8) %	Recommendations include a decrease of \$2.4 million in Interagency Contracts primarily to reflect the direct appropriation of General Revenue-Related Funds and Federal Funds to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #2)
CENTRAL PROGRAM SUPPORT - DADS N.1.26		\$1,369,853	\$0	\$(1,369,853)	(100.0) %	
CENTRAL PROGRAM SUPPORT - DARS N.2.11		\$1,530	\$0	\$(1,530)	(100.0) %	
		\$13,546,543	\$11,109,300	\$(2,437,243)	(18.0) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

		2016-17	2018-19	Biennial	%	Comments
Strategy/Goal		Base	Recommended	Change	Change	
OTHER FUNDS	REGIONAL PROGRAM SUPPORT L.2.2	\$215,660,545	\$182,223,085	\$(33,437,460)	(15.5) %	Recommendations include a decrease of \$33.4 million in Interagency Contracts reflecting the direct appropriation of General Revenue-Related Funds and Federal Funds to the commission due to HHS system consolidation. (See also Selected Fiscal and Policy Issue #2)
Total, Goal L, SYSTEM OVERSIGHT & PROGRAM SUPPORT		\$502,473,578	\$318,776,971	\$(183,696,607)	(36.6) %	
TEXAS CIVIL COMMITMENT OFFICE M.1.1		\$62,000	\$124,000	\$62,000	100.0 %	
TEXAS CIVIL COMMITMENT OFFICE (DSHS) F.1.18		\$65,570	\$0	\$(65,570)	(100.0) %	
		\$127,570	\$124,000	\$(3,570)	(2.8) %	
Total, Goal M, TEXAS CIVIL COMMITMENT OFFICE		\$127,570	\$124,000	\$(3,570)	(2.8) %	
VOCATIONAL REHABILITATION (TWC) N.3.1		\$473,207	\$0	\$(473,207)	(100.0) %	Recommendations reflect a decrease of \$0.4 million in Appropriated Receipts due to the transfer of vocational rehabilitation services and related program support from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.
BUSINESS ENTERPRISES OF TEXAS (BET) (TWC) N.3.2		\$913,058	\$0	\$(913,058)	(100.0) %	Recommendations reflect a decrease of \$0.9 million in Appropriated Receipts due to the transfer of vocational rehabilitation services and related program support from DARS to TWC, pursuant to Senate Bill 208, Eighty-fourth Legislature, 2015.
Total, Goal N, HHS SUNSET LEGIS-HISTORICAL FUNDING		\$1,386,265	\$0	\$(1,386,265)	(100.0) %	
Total, OTHER FUNDS		\$1,623,275,632	\$1,360,195,136	\$(263,080,496)	(16.2) %	

Health and Human Services Commission  
Funding Changes and Recommendations - By Fund Type - Senate  
(including Transformation Strategies)

Strategy/Goal	2016-17 Base	2018-19 Recommended	Biennial Change	% Change	Comments
STATEWIDE RECAP					
GENERAL REVENUE FUNDS	\$28,480,764,217	\$28,294,889,216	\$(185,875,001)	(0.7) %	
GR DEDICATED	\$706,335,179	\$699,692,161	\$(6,643,018)	(0.9) %	
FEDERAL FUNDS	\$41,363,712,746	\$40,216,971,933	\$(1,146,740,813)	(2.8) %	
OTHER FUNDS	\$1,623,275,632	\$1,360,195,136	\$(263,080,496)	(16.2) %	
GRAND TOTAL, ALL STRATEGIES	\$72,174,087,774	\$70,571,748,446	\$(1,602,339,328)	(2.2) %	

**Health and Human Services Commission**  
**Summary of Federal Funds for Programs at HHSC During the 2016-17 Biennium - Senate**  
(Dollar amounts in Millions)

Appendix B

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Medicaid	\$18,339.7	\$17,699.5	\$17,693.5	\$17,712.1	\$36,039.2	\$35,405.5	88.0%	(\$633.7)	(1.8%)
State Children's Insurance Program (CHIP)	\$849.0	\$928.5	\$943.8	\$989.5	\$1,777.5	\$1,933.3	4.8%	\$155.9	8.8%
Nutrition Program for Women, Infants, and Children	\$0.0	\$0.0	\$555.9	\$555.9	\$0.0	\$1,111.7	2.8%	\$1,111.7	0.0%
SNAP State Administration	\$225.9	\$224.1	\$169.5	\$170.8	\$450.0	\$340.3	0.8%	(\$109.7)	(24.4%)
Substance Abuse Prevention and Treatment	\$0.0	\$143.5	\$140.7	\$140.7	\$143.5	\$281.4	0.7%	\$138.0	96.2%
Disability Determinations	\$121.2	\$119.8	\$122.9	\$122.9	\$241.0	\$245.8	0.6%	\$4.9	2.0%
Social Services Block Grant	\$86.0	\$91.4	\$95.1	\$95.1	\$177.4	\$190.3	0.5%	\$12.9	7.3%
Special Education Grants for Infants and Families	\$44.1	\$54.7	\$41.0	\$44.6	\$98.8	\$85.6	0.2%	(\$13.2)	(13.4%)
Special Programs for the Aging - Nutrition Services	\$35.9	\$36.3	\$39.3	\$39.3	\$72.2	\$78.5	0.2%	\$6.3	8.7%
Temporary Assistance for Needy Families	\$37.9	\$34.9	\$37.9	\$39.7	\$72.8	\$77.7	0.2%	\$4.8	6.7%
Community Mental Health	\$0.0	\$52.3	\$37.6	\$37.6	\$52.3	\$75.2	0.2%	\$22.9	43.7%
Temporary Assistance for Needy Families to Title XX Social Services Block Grant	\$11.3	\$31.0	\$31.3	\$31.3	\$42.3	\$62.5	0.2%	\$20.2	47.8%
Special Programs for the Aging - Supportive Services	\$23.4	\$24.5	\$24.9	\$24.9	\$47.9	\$49.8	0.1%	\$1.9	3.9%
State Survey and Certification of Health Care Providers and Suppliers (Medicare)	\$28.2	\$27.1	\$32.0	\$32.0	\$55.3	\$64.0	0.2%	\$8.7	15.7%
Child Care and Development Block Grant	\$0.0	\$0.0	\$18.9	\$18.9	\$0.0	\$37.8	0.1%	\$37.8	0.0%
Maternal and Child Health Services Block Grant	\$0.0	\$13.1	\$13.3	\$13.3	\$13.1	\$26.6	0.1%	\$13.5	103.0%
Nutrition Services Incentive Program	\$12.4	\$11.2	\$11.2	\$11.2	\$23.6	\$22.4	0.1%	(\$1.2)	(5.2%)
WIC Breastfeeding Peer Counseling	\$0.0	\$0.0	\$10.2	\$10.2	\$0.0	\$20.4	0.1%	\$20.4	0.0%
National Family Caregiver Support Program	\$8.8	\$8.8	\$8.9	\$8.9	\$17.7	\$17.7	0.0%	\$0.1	0.3%
Abstinence Education Program	\$0.0	\$7.9	\$7.9	\$7.9	\$7.9	\$15.8	0.0%	\$7.9	100.0%
Texas Cancer Prevention and Control	\$0.0	\$6.3	\$6.3	\$6.3	\$6.3	\$12.6	0.0%	\$6.3	100.0%
Family Violence Prevention & Services	\$5.7	\$5.7	\$5.7	\$5.7	\$11.3	\$11.3	0.0%	\$0.0	0.0%
Special Education Basic State Grants	\$5.1	\$5.1	\$5.1	\$5.1	\$10.3	\$10.3	0.0%	\$0.0	0.0%
Projects for Assistance in Transition from Homelessness	\$0.0	\$5.0	\$5.0	\$5.0	\$5.0	\$10.0	0.0%	\$5.0	100.6%
State Health Insurance Assistance Program	\$2.2	\$1.6	\$2.3	\$2.3	\$3.8	\$4.5	0.0%	\$0.7	18.5%
Title IV-E Foster Care Administration	\$0.0	\$0.0	\$2.2	\$2.2	\$0.0	\$4.5	0.0%	\$4.5	0.0%
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	\$1.5	\$2.9	\$2.1	\$2.1	\$4.4	\$4.2	0.0%	(\$0.2)	(5.2%)
Foster Grandparent Program	\$2.0	\$1.9	\$2.0	\$2.0	\$3.9	\$3.9	0.0%	\$0.1	1.5%
Special Programs for the Aging - Disease Prevention and Health Promotion Services	\$1.2	\$1.4	\$1.4	\$1.4	\$2.6	\$2.7	0.0%	\$0.1	5.1%
Administration for Community Living - Independent Living State Grants	\$0.3	\$1.2	\$1.1	\$1.1	\$1.4	\$2.2	0.0%	\$0.7	50.7%
Special Programs for the Aging - Long Term Care Ombudsman Services for Older Individuals	\$1.0	\$1.1	\$1.1	\$1.1	\$2.1	\$2.1	0.0%	\$0.0	1.1%
Medicare Enrollment Assistance Program	\$2.0	\$0.8	\$1.7	\$1.7	\$2.8	\$3.3	0.0%	\$0.5	17.3%
Special Programs for the Aging - Discretionary Projects	\$0.1	\$0.4	\$0.3	\$0.3	\$0.5	\$0.6	0.0%	\$0.1	26.7%
Special Programs for the Aging - Prevention of Elder Abuse, Neglect, and Exploitation	\$0.3	\$0.3	\$0.3	\$0.3	\$0.6	\$0.6	0.0%	\$0.0	1.6%
Lifespan Respite Care Program	\$0.2	\$0.6	\$0.3	\$0.3	\$0.7	\$0.5	0.0%	(\$0.2)	(26.0%)
Administration for Community Living - Independent Living State Grants	\$0.1	\$0.1	\$0.3	\$0.3	\$0.2	\$0.5	0.0%	\$0.3	134.1%
State Homeland Security Program	\$0.2	\$0.2	\$0.2	\$0.2	\$0.4	\$0.4	0.0%	\$0.0	0.0%

**Health and Human Services Commission**  
**Summary of Federal Funds for Programs at HHSC During the 2016-17 Biennium - Senate**  
(Dollar amounts in Millions)

Appendix B

Program	Est 2016	Bud 2017	Rec 2018	Rec 2019	2016-17 Base	2018-19 Rec	2018-19 Rec % Total	Recommended Over/(Under) Base	% Change from Base
Consolidated Knowledge Development and Application (KD&A) Program	\$0.0	\$0.2	\$0.1	\$0.1	\$0.2	\$0.3	0.0%	\$0.1	31.5%
Health Care Financing Research, Demonstrations & Evaluations	\$1.4	\$2.1	\$0.0	\$0.0	\$3.6	\$0.0	0.0%	(\$3.5)	(99.5%)
Vocational Rehabilitation Grants to States	\$226.6	\$0.0	\$0.0	\$0.0	\$226.6	\$0.0	0.0%	(\$226.6)	(100.0%)
Independent Living State Grants	\$1.0	\$0.0	\$0.0	\$0.0	\$1.0	\$0.0	0.0%	(\$1.0)	(100.0%)
Rehabilitaton Services - Independent Living Services for Older Individuals Who are Blind	\$1.1	\$0.0	\$0.0	\$0.0	\$1.1	\$0.0	0.0%	(\$1.1)	(100.0%)
Supported Employment Services for Individuals with Significant Disabilities	\$2.0	\$0.0	\$0.0	\$0.0	\$2.0	\$0.0	0.0%	(\$2.0)	(100.0%)
State Partnership Grant Program to Improve Minority Health	\$0.2	\$0.2	\$0.0	\$0.0	\$0.4	\$0.0	0.0%	(\$0.4)	(100.0%)
Maternal, Infant, and Early Childhood Home Visiting Program	\$3.8	\$0.0	\$0.0	\$0.0	\$3.8	\$0.0	0.0%	(\$3.8)	(100.0%)
Maternal, Infant, and Early Childhood Home Visiting Program - Competitive	\$5.7	\$0.0	\$0.0	\$0.0	\$5.7	\$0.0	0.0%	(\$5.7)	(100.0%)
Refugee and Entrant Assistance - State Administered Programs	\$44.8	\$44.8	\$0.0	\$0.0	\$89.6	\$0.0	0.0%	(\$89.6)	(100.0%)
Refugee and Entrant Assistance - Discretionary Grants	\$1.4	\$1.3	\$0.0	\$0.0	\$2.7	\$0.0	0.0%	(\$2.7)	(100.0%)
Refugee and Entrant Assistance - Targeted Assistance	\$4.0	\$4.0	\$0.0	\$0.0	\$8.1	\$0.0	0.0%	(\$8.1)	(100.0%)
Developmental Disabilities Basic Support & Advocacy Grants	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3	\$0.0	0.0%	(\$0.3)	(100.0%)
Prescription Drug Monitoring Program Electronic Health Record Integration and Interoperability	\$0.3	\$0.0	\$0.0	\$0.0	\$0.3	\$0.0	0.0%	(\$0.3)	(100.0%)
Demonstration Programs to Improve Community Mental Health Services	\$1.0	\$0.0	\$0.0	\$0.0	\$1.0	\$0.0	0.0%	(\$1.0)	(100.0%)
Social Security Vocational Rehabilitation Reimbursement	\$19.8	\$0.0	\$0.0	\$0.0	\$19.8	\$0.0	0.0%	(\$19.8)	(100.0%)
Public Assistance Grants	\$2.5	\$0.0	\$0.0	\$0.0	\$2.5	\$0.0	0.0%	(\$2.5)	(100.0%)
Disaster Federal Assistance - Individuals and Households Other Needs	\$6.5	\$0.0	\$0.0	\$0.0	\$6.5	\$0.0	0.0%	(\$6.5)	(100.0%)
Disaster Assistance Projects	\$15.7	\$0.0	\$0.0	\$0.0	\$15.7	\$0.0	0.0%	(\$15.7)	(100.0%)
<b>TOTAL:</b>	<b>\$20,184.0</b>	<b>\$19,595.7</b>	<b>\$20,072.9</b>	<b>\$20,144.1</b>	<b>\$39,779.6</b>	<b>\$40,217.0</b>	<b>100.0%</b>	<b>\$437.3</b>	<b>1.1%</b>

**Health and Human Services Commission  
FTE Highlights - Senate**

**Appendix C**

<b>Full-Time-Equivalent Positions</b>	<b>Expended 2015</b>	<b>Estimated 2016</b>	<b>Budgeted 2017</b>	<b>Recommended 2018</b>	<b>Recommended 2019</b>
Cap, HHSC	12,561.7	12,831.2	12,831.2	39,710.7	39,710.7
Cap, Former DADS	17,558.5	16,888.3	16,845.8	0.0	0.0
Cap. Former DARS	3,209.5	3,030.3	1,811.4	0.0	0.0
<i>Cap, Transferred from DFPS</i>			926.4	0.0	0.0
<i>Cap, Transferred from DSHS</i>			8,698.2	0.0	0.0
<b>Total Cap</b>	<b>33,329.7</b>	<b>32,749.8</b>	<b>41,113.0</b>	<b>39,710.7</b>	<b>39,710.7</b>
Actual/Budgeted, HHSC	12,139.4	12,147.9	40,675.1	NA	NA
Actual/Budgeted, DADS	15,527.7	15,436.2	0.0	NA	NA
Actual/Budgeted, DARS	2,922.4	2,911.4	0.0	NA	NA
<b>Total Actual/Budgeted</b>	<b>30,589.5</b>	<b>30,495.5</b>	<b>40,675.1</b>	<b>NA</b>	<b>NA</b>
<b>Schedule of Exempt Positions (Cap)</b>					
Executive Commissioner, Group 8	\$260,000	\$266,500	\$266,500	\$266,500	\$266,500

Notes:

a) The 2018-19 recommendations maintain FTE levels in certain Strategies at the fiscal year 2016 level resulting in a decrease of 421.7 FTEs from the baseline request (see Selected Fiscal and Policy Issue 24, Administrative Cost Adjustments)

**Health and Human Services Commission  
FTE Highlights - Senate**

**Appendix C**

b) Senate Bill 200, Eighty-fourth Legislature, 2015, restructured the Health and Human Services agencies in Article II by consolidating certain client service programs, administrative and regulatory functions, and certain facilities from the Department of Aging and Disability Services (DADS), the Department of Assistive and Rehabilitative Services (DARS), the Department of State Health Services (DSHS), and the Department of Family and Protective Services (DFPS) into the Health and Human Services Commission (HHSC). Client services programs were consolidated at HHSC by September 1, 2016 (fiscal year 2017), and the transfer of facility, regulatory services is planned to occur by September 1, 2017 (fiscal year 2018). (See also Selected Fiscal and Policy Issue 2, 84th Legislature, Agency Consolidation Update)

c) The State Auditor's Office Report, Executive Compensation at State Agencies (Report No. 16-706, August 2016), indicates a marker average salary of \$281,137 for the Executive Commissioner position at the Health and Human Services Commission and recommends maintaining the Group classification for the position at Group 8. The commission is not requesting any changes to its Exempt position.



**Health and Human Services Commission  
Performance Measure Highlights - Senate**

**Appendix D**

	<b>Expended 2015</b>	<b>Estimated 2016</b>	<b>Budgeted 2017</b>	<b>Recommended 2018</b>	<b>Recommended 2019</b>
<ul style="list-style-type: none"> <li>Average Full Benefit Medicaid Recipient Months Per Month</li> </ul> <p><i>Measure Explanation: The measure provides the average monthly number of recipient months (managed care and non-managed care combined) for Medicaid recipients (in the Aged and Medicare Related, Disability-Related, Pregnant Women, Other Adults, or Children strategies). The amounts included for fiscal years 2015-19 are based on Legislative Budget Board projections, although the caseload growth reflected in fiscal years 2017-19 is not funded in Senate Bill 1.</i></p>	4,056,702	4,060,640	4,068,297	4,093,633	4,120,109
<ul style="list-style-type: none"> <li>Average CHIP Programs Recipient Months Per Month (Includes all CHIP Programs)</li> </ul> <p><i>Measure Explanation: The measure provides the average Children's Health Insurance Program (CHIP) recipient months per month, including all CHIP-enrolled children and Perinatal clients. The amounts included for fiscal years 2015-19 are based on Legislative Budget Board projections. See Selected Fiscal and Policy Issue 5, CHIP.</i></p>	376,366	395,966	415,308	430,537	445,767
<ul style="list-style-type: none"> <li>Avg Monthly Number of Women Receiving Services through Healthy Texas Women</li> </ul> <p><i>Measure Explanation: This measure reports the average monthly number of recipient months for recipients of the Healthy Texas Women Program as of July 1st, 2016, when the program took effect. The figures from fiscal year 2015 and fiscal year 2016 are from the Texas Women's Health Program, which consolidated with the Expanded Primary Health Care program into the Healthy Texas Women program on July 1, 2016. See Selected Fiscal and Policy Issue 7.</i></p>	103,700	112,858	189,450	231,480	232,670
<ul style="list-style-type: none"> <li>Average Monthly Number of Children Served in Comprehensive Services (ECI)</li> </ul> <p><i>Measure Explanation: This measure reports the monthly average number of children who receive comprehensive intervention services in ECI programs. The amounts included for fiscal years 2015-19 are based on Legislative Budget Board projections. See Selected Fiscal and Policy Issue 8.</i></p>	26,258	27,223	28,281	28,516	28,761
<ul style="list-style-type: none"> <li>Average Monthly Number of Children Receiving Focused Autism Services</li> </ul> <p><i>Measure Explanation: This measure reports the monthly average number of children who receive focused autism services each month. The 84th Legislature increased funding for the Autism Program by \$5.3 million to serve additional children. See also Selected Fiscal and Policy Issue 9.</i></p>	40	231	473	557	557
<ul style="list-style-type: none"> <li>Average Monthly Number of Adults Receiving Community Mental Health Services</li> </ul> <p><i>Measure Explanation: This measure captures the unduplicated count of priority population eligible adults whose services are funded with HHSC appropriation authority and who receive mental health community services through a full level of care service package as part of Texas Resilience and Recovery. See Selected Fiscal and Policy Issues 15 and 16.</i></p>	66,478	64,775	66,375	72,711	72,711

**Health and Human Services Commission  
Performance Measure Highlights - Senate**

**Appendix D**

	<b>Expended 2015</b>	<b>Estimated 2016</b>	<b>Budgeted 2017</b>	<b>Recommended 2018</b>	<b>Recommended 2019</b>
<ul style="list-style-type: none"> <li>Average Number of TANF Basic Cash Assistance Recipients Per Month</li> </ul> <p><i>Measure Explanation: This measure reports the monthly average number of persons receiving a Temporary Assistance for Needy Families (TANF) grant from the TANF program eligible for federal funding. The amounts included for fiscal years 2015-19 are based on Legislative Budget Board projections. See Selected Fiscal and Policy Issue 11.</i></p>	67,269	59,989	60,589	61,195	61,807
<ul style="list-style-type: none"> <li>Average Monthly Number of People Receiving Comprehensive Rehabilitation Services</li> </ul> <p><i>Measure Explanation: This measure reports the average monthly number of people who have a traumatic brain injury and/or a traumatic spinal cord injury receiving Comprehensive Rehabilitation Services.</i></p>	520	510	545	533	533
<ul style="list-style-type: none"> <li>Average Monthly Number of State Supported Living Center Campus Residents</li> </ul> <p><i>Measure Explanation: This measure provides the average monthly number of individuals enrolled in State Supported Living Center campus residential services. The amounts included for fiscal years 2015-19 are based on Legislative Budget Board projections. See Selected Fiscal and Policy Issue 20.</i></p>	3,241	3,125	3,043	2,956	2,870
<ul style="list-style-type: none"> <li>Average Daily Census of State Mental Health Facilities</li> </ul> <p><i>Measure Explanation: The state mental health facilities provide services to persons with severe mental illnesses for both acute episodes and longer-term care. This measure provides information about the number of persons in state mental health facilities each day, on average.</i></p>	2,238	2,200	2,376	2,153	2,126

**Health and Human Services Commission  
Performance Measure Highlights - Senate**

**Appendix D**

	Expended 2015	Estimated 2016	Budgeted 2017	Recommended 2018	Recommended 2019
<ul style="list-style-type: none"> <li>Number of Child Care Facility Inspections</li> </ul> <p>Measure Explanation: This measure reports the number of on-site visits to an operating or non-operating facility or family home for the purposes of determining whether it is in compliance with the licensing law, administrative rules, and minimum standards.</p>	39,860	39,420	43,413	44,630	45,382
<ul style="list-style-type: none"> <li>Number of Medicaid Provider and Recipient Investigations Completed</li> </ul> <p>Measure Explanation: This is a measure of the Medicaid Program Integrity and the General Investigations sections of Office of Inspector General (OIG) that is responsible for investigating allegations, complaints, and referrals of Medicaid, Temporary Assistance for Needy Families, and Supplemental Nutrition Assistance Program fraud, abuse, or waste. The decline projected in fiscal year 2017 is related to a revision in the way the target will be calculated with the transition from fee-for-service to managed care. See Selected Fiscal and Policy Issue 25.</p>	82,154	90,396	27,192	27,192	29,147
<ul style="list-style-type: none"> <li>New LBB Proposed Measure: Amount of Medicaid Overpayments Identified in collaboration with Special Investigation Units</li> </ul> <p>Measure Explanation: This newly proposed measure will report the amount of Medicaid overpayments identified by the Office of Inspector General (OIG) through collaborative efforts with Special Investigation Units operated by Managed Care Organizations. The Office of Inspector General and the Health and Human Services Commission will work on developing measure elements and performance targets for this new measure.</p>	—	—	—	—	—
<ul style="list-style-type: none"> <li>Number of Sex Offenders Provided Treatment and Supervision</li> </ul> <p>Measure Explanation: This measure reports the number of current sex offenders who have been civilly committed, who are receiving treatment and supervision, and who have not been in prison for the entire reporting period.</p> <p>There is no longer a state funding limit to the number of civil commitment trials that can be conducted each fiscal year due to SB 746, Eighty-fourth Legislature, 2015, which shifted jurisdiction for civil commitment trials from the Special Prosecutions Unit (435th District Court in Montgomery County), to the individuals' last county of conviction for a sexually violent offense. TCCO is required to provide supervision and treatment to all civilly committed sexually violent predators (SVPs). See Selected Fiscal and Policy Issue 24.</p>	201	248	332	340	409

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

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
1)	Adjust Target for Credit for One-Time Expenses	The agency's 2018-19 baseline request has been reduced by \$0.3 million in General Revenue for one-time related expenditures. This adjustment represents a 10 percent reduction of General Revenue associated with the following one-time projects: 1) Fleet Operations, 2) Regional Laundry Equipment, and 3) TIERS project costs financed through the Master Lease Payment Program. The agency indicates that this reduction will have no programmatic effects.	\$357,719	\$357,719	0.0	\$0	*	No
2)	Method of Finance Swap	<p><b>According to the agency:</b> This item would reduce General Revenue - Dedicated appropriations for rebates in the Women, Infants, and Children (WIC) program by \$21.1 million per fiscal year. Federal statute requires that collected rebates only be used for the WIC program or to offset costs to the federal grant. An appropriation reduction would have no impact on the program due to the availability of Federal Funds.</p> <p>This item would also reduce General Revenue appropriated to the agency for vendor drug rebates in Strategy D.1.6, Kidney Health Care strategy by \$4.6 million and Strategy D.1.7, Children with Special Health Care Needs strategy by \$0.4 million. General Revenue related to vendor drug rebates may not be expended until rebates are collected, and the client services program historically does not expend this GR. The agency proposes to reclassify these rebates from General Revenue to Appropriated Receipts. NOTE: Reducing this GR without reclassifying to Appropriated Receipts would significantly impact both programs.</p>	\$52,378,829	\$52,378,829	0.0	\$0	*	No

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

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
3)	Provider Rate Reductions	<b>According to the agency:</b> This item would reduce various rates paid to providers in the 2018-19 biennium. All health and dental providers would be subject to the rate reductions except for certain primary care providers whose reimbursement levels would increase to the Medicare level pursuant to the Affordable Care Act. This reduction is expected to have a negative impact on client access to Medicaid services, as reduced reimbursement to providers could result in some providers deciding to no longer participate in the Medicaid program. The loss in matching Federal Funds totals \$359.7 million for the biennium.	\$291,240,897	\$291,240,897	3.0	\$359,668,343	*	No
4)	Salary Savings - Hold FTEs Vacant	<b>According to the agency:</b> This item would hold vacant 153.3 FTEs across several strategies including 46.8 FTEs in B.1.1, Medicaid Contracts and Administration, 69.7 FTEs in Strategy K.1.1, Office of the Inspector General, and 28.6 FTEs in Strategy L.1.1, Enterprise Oversight and Policy. During fiscal year 2016, HHSC has experienced a vacancy rate of approximately six percent. The agency anticipates that this item will have a low to moderate effect on agency operations. The associated revenue loss in Federal Funds and Interagency Contracts is \$9.5 million for the biennium.	\$3,177,701	\$3,177,701	0.0	\$6,318,336	*	No
5)	Operating Reductions	<b>According to the agency:</b> This item would reduce operating expenses across several programs. The agency anticipates that the reduction will delay process improvement initiatives, including a reduction in outreach efforts to clients in need of services through the Women's Health Program of \$3.0 million. Other significantly affected programs include TIERS and Eligibility Enrollment and Support (\$2.1 Million) and IT and Central System Support (\$3.7 Million). The loss in associated Federal Funds and Interagency Contracts totals \$21.7 Million for the biennium.	\$13,573,414	\$13,573,414	0.0	\$39,707,849	*	No

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

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
6)	Contractor Reduction	<b>According to the agency:</b> This item would reduce various Medicaid and CHIP contracts by reducing the scope of the contracts, delaying implementation, or replacing the contract with other resources. The agency anticipates that this reduction would have a significant impact on the Medicaid and CHIP programs, and on IT projects and support. The Texas Medicaid Management Information System is the largest item impacted. The loss in associated Federal Funds and Interagency Contracts totals \$39.7 million for the biennium.	\$20,966,758	\$20,966,758	0.0	\$39,309,010	*	No
7)	Hold Eligibility Determination FTEs Vacant	<b>According to the agency:</b> This item would hold 172 FTEs vacant in eligibility determination positions. The agency anticipates that the freezing of eligibility positions will impact the program's ability to maintain a low vacancy rate for eligibility determination staff. There are several external factors impacting staffing levels for eligibility determination including 1) changes in caseload or caseload mix, and 2) laws and standards for timeliness and accuracy of case decisions and benefit determination, which include federal standards that determine the receipt of bonuses or imposition of penalties. The loss in associated Federal Funds and Interagency Contracts totals \$13.1 million for the biennium.	\$11,183,292	\$11,183,292	0.0	\$13,082,714	2%	No
8)	Contractor Reduction-Eligibility	<b>According to the agency:</b> This item will affect various HHSC Eligibility Services contracts by reducing the scope, slowing response time, or delaying implementation. The majority of the reductions will significantly impact technology projects. The loss in associated Federal Funds totals \$17.3 million for the biennium.	\$11,044,035	\$11,044,035	0.0	\$17,274,540	*	No

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

Appendix E

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
9)	FTE Reduction - Currently Vacant	<b>According to the agency:</b> This item would reduce FTEs in programmatic areas other than Eligibility Services. During fiscal year 2016, HHSC has experienced a vacancy rate of approximately six percent. The majority of the reductions are in areas that support the delivery and management of client services including Medicaid, CHIP, the Office of Inspector General, and Information Technology. The agency anticipates that this reduction will cause significant disruption of services in audit and investigative activities, contract monitoring oversight, and ability to respond to technology and business needs. The loss in associated federal and Interagency Contracts totals \$1.9 million for the biennium.	\$705,490	\$705,490	0.0	\$1,934,766	*	No
10)	Grant, Loan or Pass-through Reductions	<b>According to the agency:</b> This item would significantly reduce the ability for the agency to develop, design, and implement newly mandated state and federal initiatives.	\$780,000	\$780,000	0.0	\$0	*	No
11)	Delayed Program Implementation	<b>According to the agency:</b> This item would delay the production and dissemination of public service announcements for the Texas Veterans App and Veterans portal, as well as delaying Mental Health First Aid training until the 2020-21 biennium. The loss in associated Federal Funds and Interagency Contracts totals \$0.2 million for the biennium.	\$42,974	\$42,974	0.0	\$173,712	*	No
12)	Program and Service Reductions	<b>According to the agency:</b> This item would reduce ECI, Autism, Abstinence, and Comprehensive Rehabilitation Services, among a number of other programs. The reduction will impact the agency's ability to meet federal MOE requirements for some programs. Reductions in other strategies will have an impact on the number of clients served. The loss in associated revenue totals \$7.2 Million for the biennium.	\$20,549,322	\$20,549,322	7.0	\$7,182,241	*	No

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

Priority	Item	Description/Impact	Biennial Reduction Amounts			Potential Revenue Loss	Reduction as % of Program GR/GR-D Total	Included in Introduced Bill?
			GR & GR-D	All Funds	FTEs			
13)	Reduction for Child Care Regulation	<b>According to the agency:</b> This item would decrease caseworker and non-caseworker FTEs by 42.7 in FY 2018 and 43.5 in FY 2019, as well as reducing operating support including travel and overhead. The agency anticipates that a reduction in staffing in child care regulation would cause delays and/or reduce the number of investigations, inspections, and monitoring visits in day care and residential child care facilities, and could result in substantial risks to the health and safety of children in licensed and illegal child care operations. The loss in associated Federal Funds totals \$0.4 million for the biennium.	\$4,331,045	\$4,331,045	22.4	\$363,920	9%	No
14)	Reduction for Adult Protective Services	<b>According to the agency:</b> This item would decrease caseworker and non-caseworker FTEs by 17.8 in 2018 and 20.7 in 2019, as well as reducing operating support including travel and overhead. The agency anticipates that a reduction in staffing in adult protective services would increase caseloads for remaining caseworkers which would cause delays in meeting required timeframes for completing investigations, and could result in substantial risks to the health and safety of the population. The loss in associated Federal Funds totals \$0.8 million for the biennium.	\$1,127,634	\$1,127,634	20.7	\$845,050	2%	No
* Reduction affects multiple program areas.								
<b>TOTAL, 10% Reduction Options</b>			<b>\$431,459,110</b>	<b>\$431,459,110</b>	<b>53.1</b>	<b>\$485,860,481</b>		



**Summary of “Report on Variations of Key Healthcare Measures Among State Health Benefit Systems”**

Pursuant to Article IX, Sec. 18.07, HB1, Eighty-fourth Legislature, 2015, General Appropriations Act, the Health and Human Services Commission was directed to collaborate with the Employee Retirement System (ERS), the Teachers Retirement System (TRS), and the Texas Department of Criminal Justice (TDCJ) to analyze potential variations in utilization, cost, reimbursement rates and quality of care among each of the aforementioned healthcare systems, and identify outliers and improvements for efficiency and quality that can be implemented within each system.

Below is a summary of each component of the report, which includes an executive summary, a description of report scope, an overview of cost drivers, a description of each system, and discussion of the comparison measures used in the report.

**EXECUTIVE SUMMARY AND REPORT SCOPE**

Each agency population has unique demographic and health characteristics, which creates challenges for cross-agency comparisons. Each system also has different funding sources and plan designs. Some plans impose high deductibles while other require no cost sharing, which can greatly affect a decision about when, where and how often healthcare services are accessed.

Overall, the analysis found that utilization measures were generally consistent; where differences emerged, they could be explained by the differing population characteristics of the clients served by each system, or by differences in reporting methodology. With no common data source, and no centralized actuarial review to adjust for differences in demographics, health acuity, funding, plan design, and data quality, it is difficult to draw reliable conclusions.

The analysis of reimbursement rates was excluded from this report, due to concern about reporting legally protected proprietary and confidential information at ERS and TRS. The report notes that publishing rates could have the unintended consequence of encouraging providers to demand the highest published rate.

The report also mentions that since Medicaid has a large volume of business, it is possible for the program to suppress rate increases; additionally, the report cites evidence that federal Medicare price increases stimulate private practice payer contracting costs.

One positive outcome from this effort is a strengthened relationship among the affected agencies. However, the report does not address the goal of providing improvements for efficiency and quality that could be implemented in each system. Rather, it concludes with “next steps,” including developing a more sophisticated methodology for analyzing different data sets and developing standardized comparative data.

**COST DRIVERS**

The following cost drivers have the greatest cross-agency impact.

**Aging Membership (p.2)**

Highest plan costs for ERS and TRS occur among those age 50-64 years, especially among the younger retiree population.

**Specialty Drugs (p.4)**

- Prescription drugs are a significant driver for ERS and TRS; there is no mention of the impact to Medicaid.
- Most specialty drugs are biologics (medical products made from natural sources) and generally there are no generics available.
- At ERS, specialty drugs increased from 2.7 percent of total drug plan cost in fiscal year 2001 to 31.0 percent of drug plan cost in fiscal year 2015.

**Infectious Diseases like Human Immunodeficiency Virus (HIV) and Hepatitis C (p.4)**

- Hepatitis C virus (HCV) is at epidemic level in baby boomer population in the U.S. HCV can lead to cirrhosis which is associated with liver cancer. The Hepatitis C drug Harvoni is the costliest drug in HealthSelect in fiscal year 2015.
- TDCJ has offenders with HCV and HIV.

**Changing Hospital Marketplace (p.4)**

- ERS spends more on hospital costs than any other service. Reasons hospital costs are increasing:
  - Labor shortages, especially nurses
  - Uncompensated care, which shifts costs to existing payers
  - Credit issues including facility expansions and collection issues

Physician owned hospitals are increasing, which focus on revenue generating specialties like cardiology or orthopedic surgery. The shift leaves community hospitals without options to subsidize high cost of emergency room care, obstetrics and mental health services by uninsured and Medicaid patients.

Large hospital buyouts of flagging rural and community hospitals lead to increased prices and anti-competitive behavior. A recent example is the Wichita Falls-based system which had 90 percent market share of inpatient services and inpatient rates 70 percent higher than the closest competitors. (US DOJ, Office of Public Affairs, 2011).

**Managing High Cost Conditions (p.5)**

- Diabetes is trending up in Texas
- ERS looked at cost effectiveness of prevention program.
- TRS Care – diabetes is one of most common chronic conditions.
- TRS Active Care – diabetics cost 3 times more than the average plan cost per member.

**Low participation in wellness or disease management programs (p.6)**

Lack of incentives results in low participation in most voluntary wellness programs, increased costs to health plans and reduced member's quality of life.

## SYSTEMS

### I. HHSC – Medicaid

Offers healthcare benefits to low-income children, pregnant women, children in foster care, SSI recipients and those with disabilities. Certain clients receive long-term services and supports.

- Serves 5.1 million participants.
- Over half of all Texas births are Medicaid-funded.
- Two delivery models
  - Managed care (STAR, STAR+PLUS, STAR Health)
  - Fee-for-service (FFS) – services prior to managed care organization (MCO) enrollment or carved out services, including:
    - Case management
    - Early childhood intervention
    - Medical transportation
- Third-party administrators manage FFS, medical and pharmacy benefits.
- Funded by state general revenue and matching federal funds.
- The plan required a supplemental appropriation in fiscal year 2015.

#### Key Cost Drivers

- Increasing enrollment – rose 6.0 percent from 2011 to 2014
- Aged, blind, disabled – although population represents 24.0 percent of Medicaid clients in fiscal year 2015, their care is the costliest, accounting for 59.0 percent of expenditures.

### II. TRS

Offers healthcare benefits to active public school employees (TRS-ActiveCare) and retirees (TRS-Care) and their dependents. Both plans are self-funded. Report does not capture two Medicare Advantage plans that Medicare-eligible participants can choose.

- TRS-ActiveCare – 428,000 participants (excludes those in health maintenance organization (HMO) plans)
  - Aetna health plan with two preferred provider plans/one exclusive provider plan; Caremark administers pharmacy benefit.
  - Funded by state (\$900/fiscal year/employee), school district (\$1,800/fiscal year/employee) and employee contributions.
- TRS-Care – 157,000 participants (excludes those in Medicare Advantage plans)
  - Aetna health plan with three preferred provider plans; Express Scripts administers pharmacy benefit.
  - Receives state contributions (1.0 percent of payroll), retiree premiums, active public education employees (0.65 percent of payroll), and local school districts (0.55 percent of payroll).

- Due to rising healthcare costs, the plan required supplemental appropriations in fiscal years 2013, 2014, and 2015.

Key Cost Drivers

- Specialty drug costs – TRS-Care specialty drug trend in fiscal year 2015 was 30.0 percent; non-specialty drug trend was 13.0 percent.
- Compound drugs – expansion of compound drug pharmacies drove TRS ActiveCare drug expenditures to \$30.0 million in fiscal year 2014 (pharmacy trend to 12.0 percent); implementation of TRS controls resulted in \$0.5 million spent in fiscal year 2015, a decline of \$29.5 million from fiscal year 2014.
- Emergency room use – TRS-ActiveCare use of freestanding ERs has increased since fiscal year 2013, from 7.0 percent to 13.0 percent of all ER use. A significant portion of services are for non-emergency care.
- Impact of TRS-Care high-cost claimants – Individuals with claims greater than \$150,000 were the primary cost driver in fiscal year 2015.
- Growth of TRS-Care population – Since fiscal year 2011, members under age 65 (ineligible for Medicare) grew by 11.0 percent. In fiscal year 2015, 88.0 percent of the increase in medical claims was generated by members under age 65.

TRS began offering Medicare Part D coverage in 2013. Due to legislative direction to implement cost containment, starting January 2017, TRS will only offer Part D to members who have Medicare Part A or B and who are enrolled in the two richest retiree benefit plans. TRS restructured TRS-ActiveCare in 2014 to manage costs; the current plans have higher member cost sharing with more affordable premiums than the discontinued plan.

**III. ERS**

The Group Benefits Program (GBP) covered 532,000 participants in fiscal year 2015. Ninety-five percent of employees enrolled in HealthSelect. Fifty percent of retirees enrolled in HealthSelect, while 50 percent enrolled in Medicare Advantage (MA) plans.

ERS offers three types of health insurance plans:

- A self-funded point of service plan
- Three regional HMOs
- Two MA plans

ERS also offers optional coverages, such as dental, life, and disability. As of September 1, 2016, ERS began offering a vision plan and a high-deductible health plan with a health savings account.

The focus of the report is on claims data for HealthSelect, which accounts for 83.0 percent of GBP participants (members and dependents). The total number of participants in fiscal year 2015 is 439,000.

- A third-party administrator, United HealthCare, manages HealthSelect benefits
- Caremark administers the pharmacy benefit
- The plan is self-funded, meaning that member and state contributions (not an insurance company) fund all the health care claims and bear all risk for paying for services.

- Funded by state (55.0 percent); local/federal funds (24.8 percent); employees and retirees (14.6 percent); and other sources (7.4 percent).
- HealthSelect spending in fiscal year 2015 was \$2.5 billion (81.0 percent of total).

HealthSelect administrative costs are less than 3.0 percent of health plan funding.

Starting in fiscal year 2011, ERS began creating Patient Centered Medical Homes (PCMH), which have reduced the health benefit cost trend below targets. PCMH are physician practices that focus on wellness, care coordination, gaps in care, and access to services. They receive an upfront care coordination fee to invest in infrastructure, such as electronic health records. The PCMH shares in savings with the state. These practices have saved the state more than \$50.0 million, with PCMH practices earning more than \$10.0 million in shared savings payments.

#### Key Cost Drivers

- **Prescription drugs** are the most significant cost driver due to industry price increases (inflation).
  - In fiscal year 2014, ERS saw compound drug price inflation of 250.0 percent in the first ten months; the agency took action to lower costs and reduced HealthSelect pharmacy costs by \$6.0 million per month.
  - Specialty drugs for complex chronic or life threatening conditions increased exponentially.
  - Specialty drug spending in fiscal year 2015 represented 31.0 percent of total drug plan cost, compared to 2.7 percent in fiscal year 2001.
  - Hepatitis C drug cost is a top driver in fiscal year 2015, and projected to increase in fiscal year 2016.
- The CDC warns that **Hepatitis C** is a hidden epidemic among baby boomers, predicting those born between 1945 and 1965 are five times more likely than other adults to be infected. Harvoni, an antiviral drug for Hepatitis C, rose to number one on the HealthSelect top ten costliest drugs in fiscal year 2015. However, the \$85,000 treatment could prevent a costly liver transplant for appropriate candidates. In this case, the benefits would outweigh the plan cost of the drugs.
- **Aging GBP membership** – since 1995, the retiree population has grown 144.0 percent, while the active employee population has grown 2.0 percent.

Member cost share for prescriptions has dropped from 39.0 percent in fiscal year 2004 to 14.0 percent in fiscal year 2015, while plan cost share increased.

#### IV. TDCJ

The Correctional Managed Health Care program is a partnership between the TDCJ, the University of Texas Medical Branch (UTMB), and the Texas Tech University Health Sciences Center (TTUHSC), and is operated under the guidance of the Correctional Managed Health Care Committee.

- Healthcare was provided for 147,000 offenders in fiscal year 2015
  - The majority of TDCJ offenders are young adults age 20-44 (60.0 percent); older adults age 45-64 comprise 28.0 percent.
  - The population is highly controlled, so the type and time of medical care they receive can be influenced and restricted more than other populations in this study.
  - TDCJ contracts with UTMB and TTUHSC for services, including medical, dental, nursing, pharmacy, hospital and mental health services.
  - The program is funded through state General Revenue appropriations to TDCJ, some other small revenues including offender health care fees and pharmacy rebates.
  - Due to rising healthcare costs, the plan required a supplemental appropriation in fiscal year 2015.

Key Cost Drivers

- Population growth – TDCJ receives 70,000 new offenders each year, who require medical assessments and health care treatment plans.
- Aging of population
  - Increased incidence of chronic conditions such as cardiovascular disease, kidney failure and diabetes
  - Population of aging offenders increased 45.6 percent from fiscal year 2009 to fiscal year 2015
  - Older offenders make up 10.8 percent of the TDCJ population, but account for 40.7 percent of hospital and specialty service costs.
- Cardiovascular diseases (hypertension and coronary artery disease) account for \$2.1 million in drug expenditures in fiscal year 2015.
- Kidney failure leading to costly dialysis treatment
- Asthma medications cost \$2.8 million in fiscal year 2015
- Risky behaviors – offenders are more likely to engage in certain behaviors leading to chronic and infectious disease
  - Human Immunodeficiency Virus (HIV) and Hepatitis C require costly medications/treatment
    - HIV medications cost \$17.5 million in fiscal year 2015 (39.3 percent of all TDCJ pharmaceutical expenditures)
    - Hepatitis C virus cost \$2.0 million in fiscal year 2015 (4.6 percent) and dialysis (2.7 percent)
- Serious mental illness – 12,843 offenders were diagnosed in fiscal year 2015; the rate has risen 39.0 percent since 2009; in fiscal year 2105, TDCJ spent \$3.9 million (8.8 percent) on psychotropic drugs.
- Cancer treatment accounts for 2.0 percent of total drug costs.

**COMPARISON ACROSS SYSTEMS**

The comparison uses measures based on HEDIS (Healthcare Effectiveness Data and Information Set). The following analyses do not include Medicare claims, although Medicare encounters are reported for ERS HealthSelect and Medicaid dual enrollees. TRS ActiveCare and TRS Care analyses exclude Medicare encounters. The rates are calculated per 1,000 members.

**Total yearly expenditures by age group**

- Several caveats are provided with the data.
- Using the data, calculation of average expenditure per type of client provides information for exploration; see attached worksheet.

**Most common diagnoses**

- The top five diagnoses by system and age group is reported.
- Many of the most prevalent conditions are chronic diseases, including hypertension and diabetes.
- Asthma appears in three child age groups in the ERS system, but not in Medicaid children's groups.
- Among children, routine care such as immunizations, and respiratory/throat conditions are common.

### Inpatient Utilization

- The inpatient utilization rate describes the frequency with which a patient uses inpatient (such as hospital) services. The rate is very high among Medicaid recipients in the 20-44 age group, due to the high proportion of women in this cohort, who are likely to have an inpatient childbirth.
- Rates in Medicaid for the 45-64 and 65-74 age groups are also much higher than other systems (rates in upper 300s versus less than 100), most likely due to a higher percentage of clients who have a disability.
- TRS-ActiveCare and ERS populations 64 and under have very similar inpatient stay rates because the populations are demographically similar.
- The average length of an inpatient stay tends to be slightly higher among the Medicaid age groups.

### Physician Office and Outpatient Utilization

- The physician office and outpatient utilization rate describes the frequency with which patients visit a physician or have an outpatient visit at a hospital (or similar) facility. In the under one year age group, the rate for Medicaid is one-third of the rates for TRS and ERS.
- The rates in every age group for TDCJ are significantly lower than all other systems.
- Different treatment of Medicare outpatient encounters in the data reported for this study contributes to the difference seen between rates for ERS and TRS (ERS includes them, TRS does not).
- In the 65-74 age group, TRS-Care has a rate of 221, while ERS has a rate of 302. In the 75-84 age group, TRS-Care has a rate of 313, while ERS has a rate of 563.

### Emergency Department (ED) Utilization

- The emergency department utilization rate describes the frequency with which patients use the ED for care. Per the Centers for Disease Control and Prevention (CDC), the national rate of ED visits among babies under 1 year of age is 873; Medicaid is reported at 646.
- The Medicaid rate of ED utilization by adults age 20-44 (1,026 per 1,000) is higher than ERS, TRS and TDCJ, and well above the national average for calendar year 2011 of 445 per 1000.
- The Medicaid rate of ED utilization by adults age 45-64 (1,298 per 1,000) is higher than ERS, TRS and TDCJ, and well above the national average for calendar year 2011 of 364 per 1000.
- There is evidence that adult Medicaid patients use the ED as their safety net; however, this study demonstrates a comparable rate of outpatient use among the Medicaid, ERS and TRS adults.
- Discussion of reasons for high ED use in Medicaid:
  - Barriers of access to primary care providers (PCP); however, outpatient utilization rates are comparable to other systems.
  - EDs may have larger role than previously considered
    - EDs are used to manage unscheduled high-acuity complaints despite access to a PCP; the PCP may not have incentive to receive an unscheduled patient.
    - An emerging role for EDs is as an accelerated diagnosis center – they offer diagnostic technology like computed tomography (CT) scans and magnetic resonance imaging (MRI), and have access to subspecialists if needed.

**Management of Chronic Conditions: Asthma**

- Asthma was chosen since it impacts patients among all four systems, affects all age groups, and both genders.
- The measure shows the total number by age group who were identified as having asthma and the rate at which they were appropriately prescribed medication.
  - Medicaid shows rates from 40.0 percent (for age 5-11) to 87.0 percent (for age 12-18).
  - TDCJ shows rates in the mid-80 percent range.
  - ERS shows rates from 90 percent to 97 percent.
  - TRS shows rates from 94 percent to 98 percent.
- There is no discussion provided as to why the Medicaid rates are lower overall and in particular so low among the youngest age group.

**Behavioral Health Care: Follow-up After Psychiatric Hospitalization**

- The rate of follow-up was chosen since it is related to physical health, and mental health problems can increase the risk of injury. This information can assist in improving patient outcomes as well as finding cost savings.
- The measure shows the number of members six years of age and older who were hospitalized with a mental illness diagnosis who were not readmitted within 30 days, and who received a follow-up visit within 30 days. The follow-up visit is defined as a visit to a mental health practitioner or a visit to a non-behavioral health facility with a diagnosis of mental illness.
  - The rate of follow-up visit is 32.4 percent for Medicaid.
  - The rate of follow-up visit is 67.0 percent for TRS-ActiveCare and about 60.0 percent for TRS-Retired and ERS.
  - The rate is 99.0 percent for TDCJ; this high follow-up rate is likely achieved by having high control over the offender population.