



Office of the President
Giuseppe N. Colasurdo, M.D.
President and Alkek-Williams Distinguished Chair

April 1, 2024

Ms. Cecile Young
Executive Commissioner
Texas Health and Human Services Commission
Austin Texas, 78701

Dear Commissioner Young:

Per Article II Rider 107, The University of Texas Health Science Center at Houston (UTHealth Houston) submits the attached operating cost data to the Health and Human Service Commission (HHSC) for all state-contracted inpatient mental health hospital beds, including all state-funded inpatient beds at the UTHealth Houston Harris County Psychiatric Center (HCPC) and the John S. Dunn Behavioral Sciences Center (Dunn Center).

As background, the attached data provides a summary of the total cost of care to operate all HHSC-contracted beds for fiscal year 2023, which is the most recent complete fiscal year of data. The summary includes 166 contracted beds at HCPC (through the Harris Center, Harris County Local Mental Health Authority) and 168 contracted beds at the Dunn Center which facilitate inpatient services for a combination of civil, forensic, and child/adolescent patients. Our patients average 11 days per civil admission and 105 days per forensic admission, which is a much lower average length-of-stay than most facilities in Texas. Between our two hospitals, we provide care for more than 14,000 patients per year, including walk-ins and those admitted, and provide critical inpatient capacity for Harris County and the surround communities.

Our main cost drivers for inpatient mental healthcare continue to be workforce related. Hospital operating costs have increased substantially during the last few years, primarily due to increasing personnel costs and workforce shortages that began during the COVID-19 pandemic and continue to persist. In addition, we have experienced increased costs for food, housekeeping, health information technology, laundry and linen, patient transportation, lab costs, outside medical services and testing, supplies, services and equipment, clinical consulting, patient activities, admissions, and other consumable products. Our average cost per bed per day for fiscal year 2023 is as follows:

- \$736.41 adolescent/adult civil beds
- \$744.96 forensic beds
- \$738.70 average (all beds)

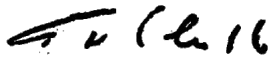
As the data demonstrates, our current daily reimbursement rates funded through HHSC do not cover our costs of providing behavioral health services to our patients, leaving approx. 18 state

beds “unfunded”. In addition, with inflation and anticipated cost growth for through fiscal year 2025, we anticipate approx. \$790 per bed day cost by the 2026-27 biennia.

The prevalence of behavioral health conditions in Texas has reached an all-time high, and our state is experiencing significant waitlists for services, coupled with a mental health care workforce shortage, leaving many patients with little or no access to critical health care. UTHealth Houston is committed to providing quality mental health services and improving the mental health supports, education, and research for all Texans. With full funding, we will be able to care for the critical mental health needs of our patients and maintain the full capacity of all state-funded beds.

We hope this data is informative and will help guide budget decisions for the upcoming legislative session. Should you or your staff have any questions or require additional information, please do not hesitate to reach out to Daniel Doyle, Chief Operating Officer of UTHealth Houston Behavioral Sciences Campus at Daniel.Doyle@uth.tmc.edu or 713-500-1500.

Sincerely,



Giuseppe N. Colasurdo, MD

Cc: Deputy Commissioner Scott Schalchlin