



Funds Recouped from Local Authorities in Fiscal Year 2022

**As Required by
2022-2023 General Appropriations Act,
Senate Bill 1, 87th Legislature, Regular
Session, 2021 (Article II, Health and
Human Services Commission, Rider
131)**

**Texas Health and Human Services
December 2022**



TEXAS
Health and Human
Services

1. Introduction

The 2022-2023 General Appropriations Act, Senate Bill 1, 87th Legislature, Regular Session, 2021 (Article II, Health and Human Services Commission [HHSC], Rider 131) requires HHSC to submit a report on funds recouped from local authorities to the Legislative Budget Board and the Governor by December 15, 2022. The report must include:

- The amount of the recoupment by strategy;
- The reasons for the recoupment;
- The local authorities involved;
- Any contract requirements not met; and
- The purposes of the reallocation.

The term “local authorities” includes local intellectual and developmental disability authorities (LIDDAs) governed by Health and Safety Code Chapter 533A and local mental health and behavioral health authorities (LMHAs and LBHAs) governed by Health and Safety Code Chapter 533. In fiscal year 2022, HHSC contracted with 41 local authorities^a to deliver intellectual and developmental disability (IDD) and behavioral health services throughout Texas.

HHSC assesses local authority performance and provides support and technical assistance to aid local authorities in addressing obstacles to meeting contract performance standards. As necessary, during each contract term, HHSC recoups funds from local authorities when performance standards are not met. Upon notification of contract noncompliance and HHSC’s intention to recoup funds, local authorities may choose to engage in an appeal process with HHSC.

On March 13, 2020, Governor Greg Abbot declared a state of disaster for all Texas counties due to Coronavirus Disease (COVID-19). Because of the Governor’s disaster declaration, HHSC notified all local authorities on March 20, 2020, of its intent to suspend certain contract actions associated with failure to achieve performance measures. The state of disaster and corresponding suspension of contract actions have continued through the entirety of this reporting period.

^a Of the total 41 contracted authorities, 37 serve as both an LMHA or LBHA and a LIDDA. Two authorities serve only as an LMHA or LBHA and two authorities serve only as a LIDDA.

2. Data Limitations and Context

This report uses fiscal year 2022 data. Reallocation data is not included in this report because no funding recouped in fiscal year 2022 was reallocated. This report does not address recovery of lapsed funds, which are considered overpayment refunds and not recoupments.

3. Recoupment and Assessment

Local Mental Health and Behavioral Health Authorities

In fiscal year 2022, HHSC contracted with 39 LMHAs and LBHAs to deliver behavioral health services in communities across Texas. HHSC reviews LMHA and LBHA performance measure achievement semi-annually. HHSC did not recoup funds from LMHAs and LBHAs for not meeting contractual performance measures due to the impact of COVID-19 on service delivery statewide.

Local Intellectual and Developmental Disability Authorities

In fiscal year 2022, HHSC contracted with 39 LIDDAs to deliver IDD services in communities across Texas. HHSC reviews LIDDA performance measure achievement quarterly. HHSC did not recoup funds from LIDDAs for not meeting contractual performance measures due to the impact of COVID-19 on service delivery statewide.

List of Acronyms

Acronym	Full Name
HHSC	Health and Human Services Commission
IDD	Intellectual and Developmental Disability
LBHA	Local Behavioral Health Authority
LIDDA	Local Intellectual and Developmental Disability Authority
LMHA	Local Mental Health Authority