



Presentation to the House Committee on Human Services

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Health and Human
Services

February 28, 2023



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Mission & Vision

Our Mission:

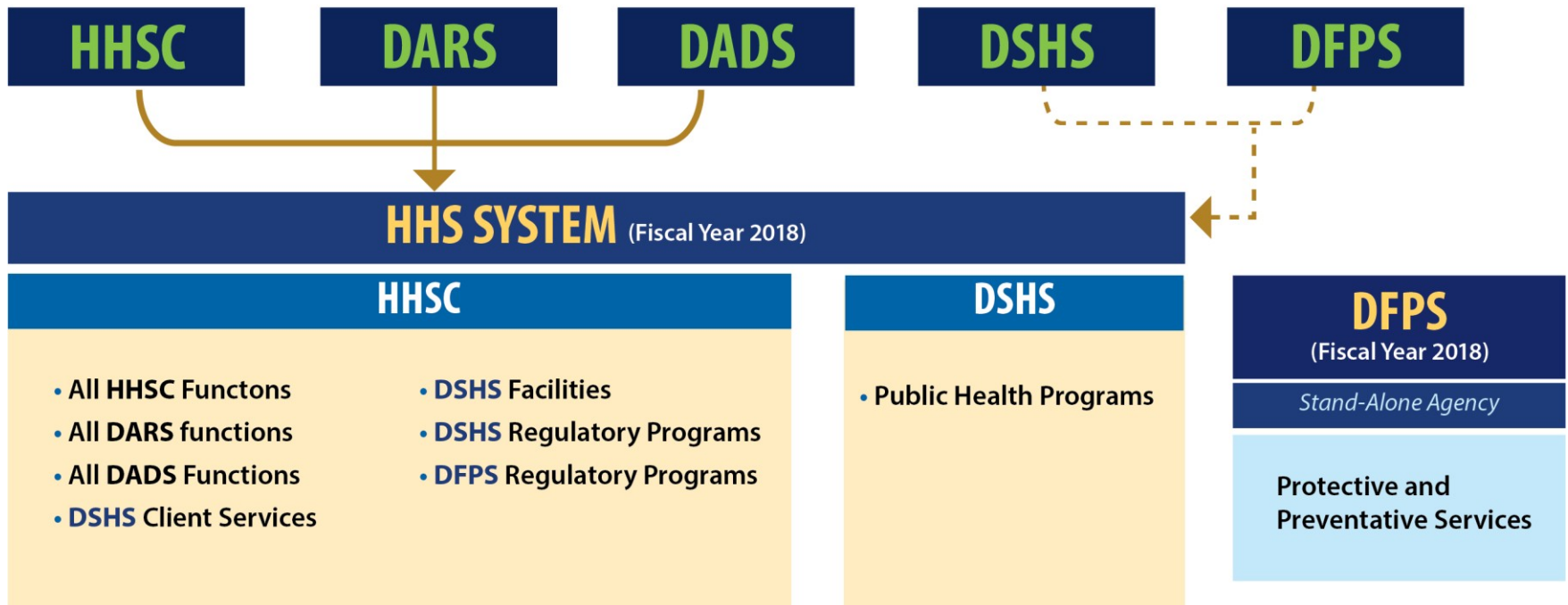
- We serve Texas.

Our Vision:

- Making a positive difference in the lives of the people we serve.

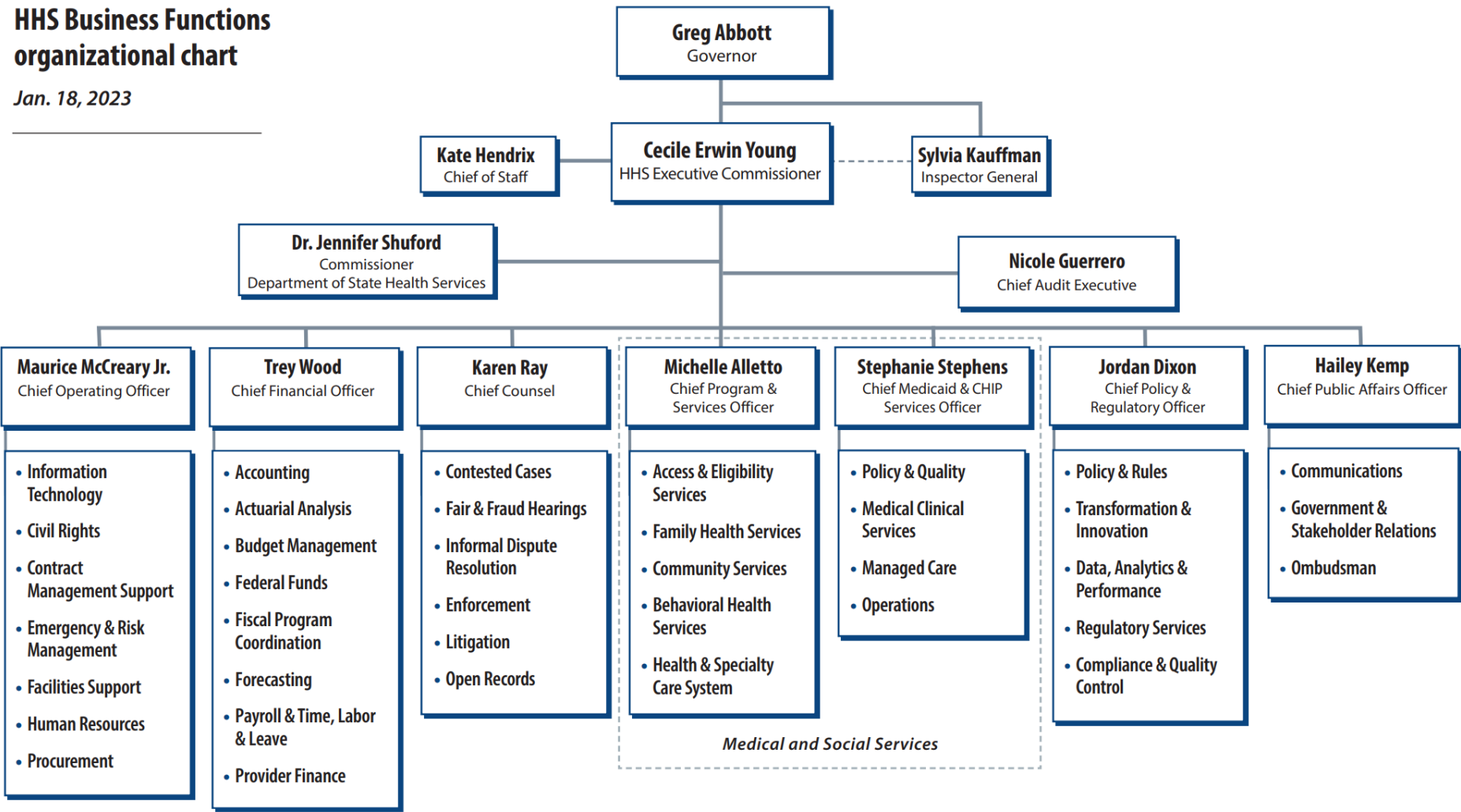
A Transformed HHS System

HHS System (Fiscal Year 2016)



HHS Business Functions organizational chart

Jan. 18, 2023





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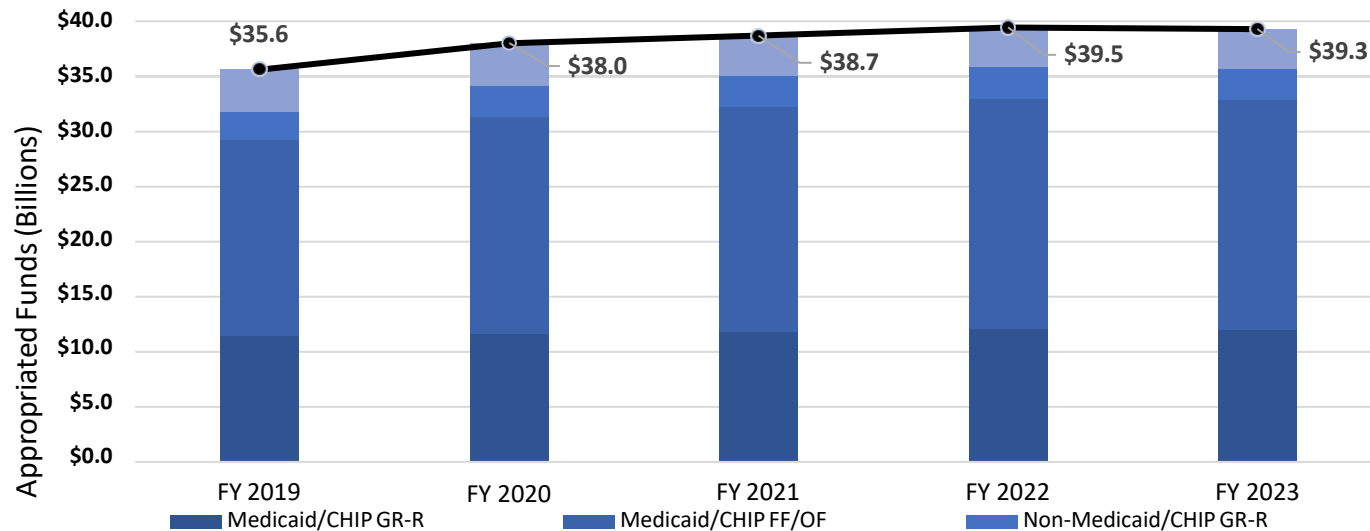
Primary Functions

- Provides oversight and administrative support for the HHS agencies.
- Administers the state's Medicaid and other client services programs.
- Provides a comprehensive array of long-term services and supports for people with disabilities and people age 60 and older.
- Operates the state's mental health hospitals and state supported living centers.
- Regulates health care providers and professions and facilities to protect individuals' health and safety.
- Sets policies, defines covered benefits and determines client eligibility for client services programs.



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Appropriations FY 19–FY 23



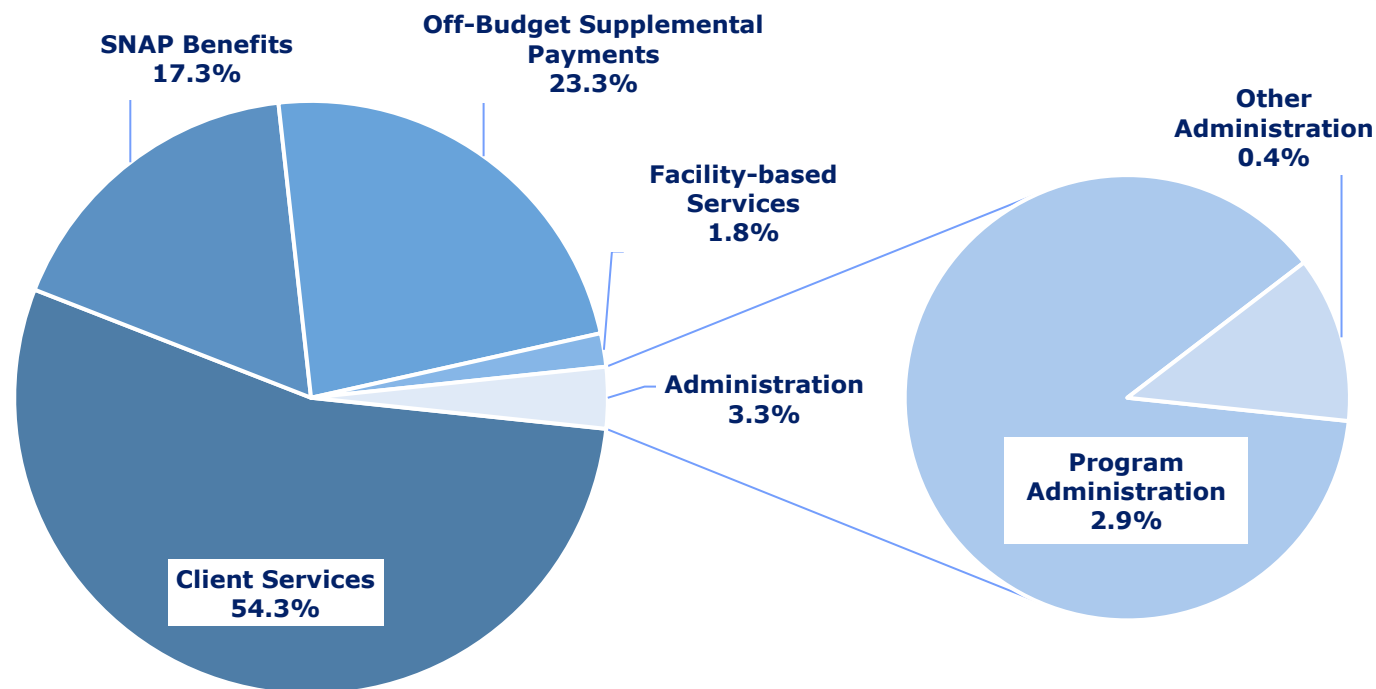
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Medicaid and CHIP	GR-R	11,452,803,757	11,690,917,723	11,788,980,942	12,118,551,850	12,047,862,869
	AF	29,218,962,797	31,334,575,651	32,222,883,870	33,022,541,462	32,871,710,598
Non-Medicaid and CHIP	GR-R	2,583,469,957	2,859,269,483	2,828,358,382	2,834,918,020	2,843,018,544
	AF	6,428,667,168	6,689,957,202	6,486,097,837	6,436,747,477	6,436,382,579
Total	GR-R	14,036,273,714	14,550,187,206	14,617,339,324	14,953,469,870	14,890,881,413
	AF	35,647,629,965	38,024,532,853	38,708,981,707	39,459,288,939	39,308,093,177

Notes: 1) Figures above do not include supplemental appropriations. Supplemental appropriations include \$2.0 billion in General Revenue in FY 2019 to cover shortfalls in the Medicaid program and \$731.1 million in Federal Funds related to SB 8 and \$657.3 million in All Funds related to HB 2 in FY 2021. 2) Medicaid and CHIP refers to strategies in Goal A and Goal C in the agency bill pattern in the 2022-23 General Appropriations Act. 3) 2022-23 appropriations incorporate certain Article IX provisions from the Conference Committee Report for SB 1 (87th Legislature, Regular Session, 2021) as reflected in the Fiscal Size-up version of the bill.

Agency Overview



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Health and Human Services Commission – Percentages of Estimated Total Available Funds (2022-23 Biennium)

Does not include Interagency Contract Funds in Goal K, Office of Inspector General (\$10.6 million), and Goal L, System Oversight and Program Support (\$294.0 million). The Direct Administration category includes Access and Eligibility Services and Regulatory Oversight. SNAP benefits and Off-Budget Supplemental Payments are 2022-23 estimates.

Article II FTEs (2022-2023 General Appropriations Act)

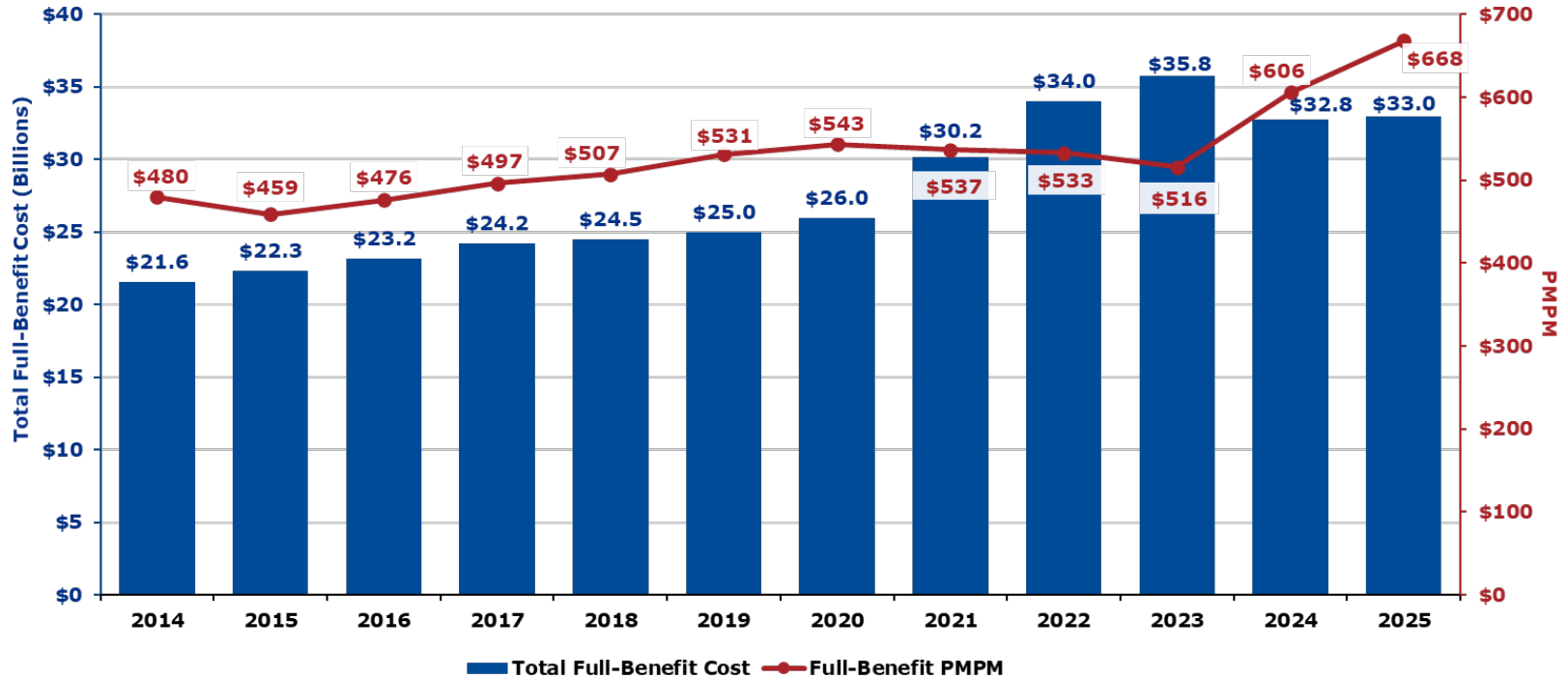


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Article II Agency	FY 2022	FY 2023
Health and Human Services Commission (HHSC)	38,403.2	38,467.3
Integrated Eligibility and Enrollment	7,911.6	7,954.6
State Supported Living Centers	11,784.2	11,784.2
State Hospitals	7,858.8	7,858.8
Regulatory	2,566.9	2,572.0
Other	7,636.1	7,652.1
<i>Subtotal, HHSC FTEs</i>	37,757.6	37,821.7
Office of Inspector General (OIG)	608.6	608.6
Texas Civil Commitment Office (TCCO)	37.0	37.0
<i>Subtotal, OIG and TCCO FTEs</i>	645.6	645.6
Department of State Health Services (DSHS)	3,365.6	3,301.3
Total, Health and Human Services (HHS) FTEs	41,768.8	41,768.6

Medicaid Cost Growth

Texas Medicaid Acute and Long-Term Services Costs, FY 2014-2025: Total and Per Member Per Month Full-Benefit Cost Clients



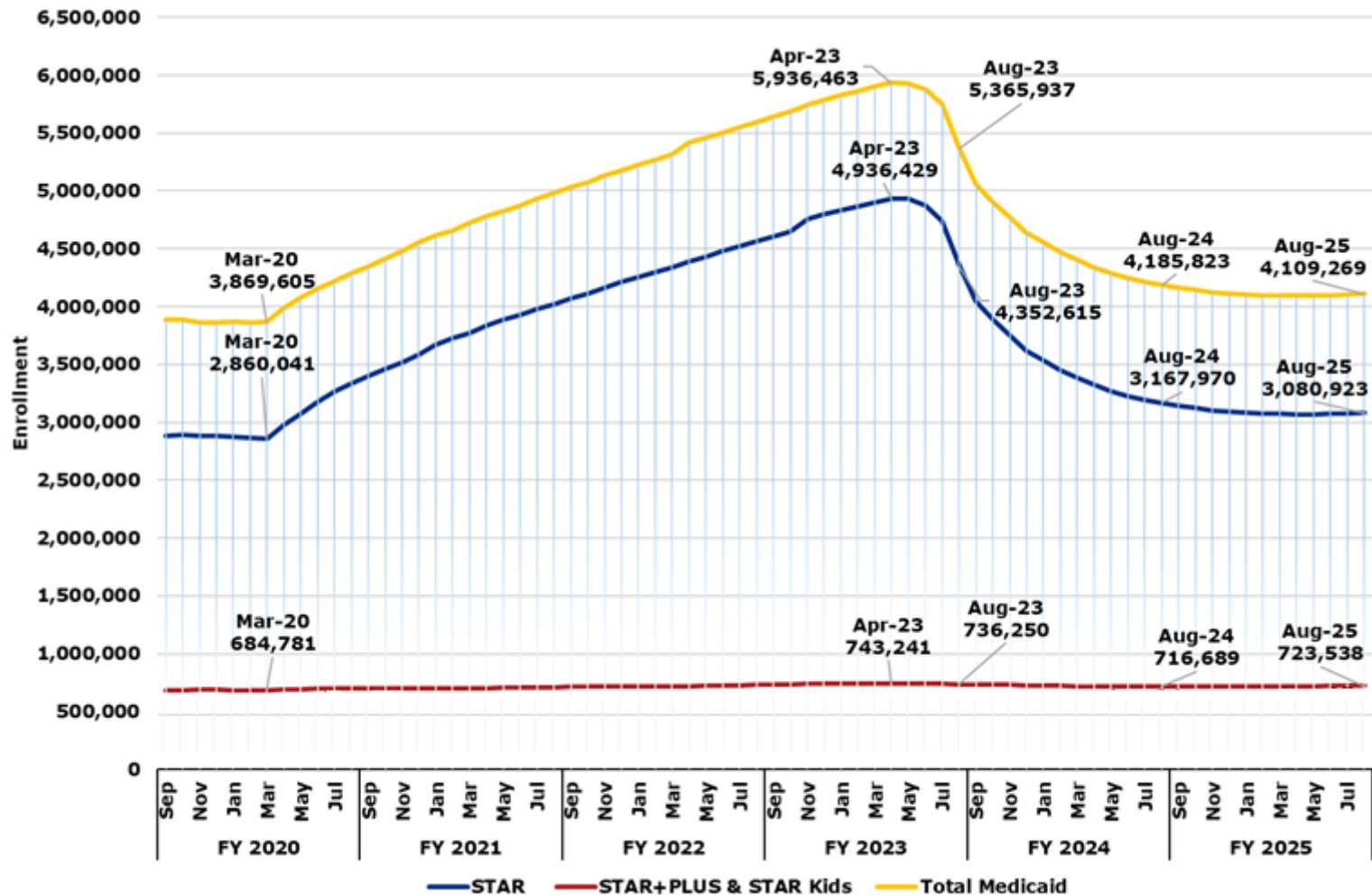
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
RMs	3,746,124	4,056,702	4,060,564	4,067,380	4,021,686	3,915,011	3,984,967	4,682,819	5,312,573	5,775,454	4,506,896	4,112,562
RM Trend	2%	8%	0%	0%	-1%	-3%	2%	18%	13%	9%	-22%	-9%
PMPM	\$480	\$459	\$476	\$497	\$507	\$531	\$543	\$537	\$533	\$516	\$606	\$668
PMPM Trend	2%	-4%	4%	4%	2%	5%	2%	-1%	-1%	-3%	17%	10%

Notes: FY23-25 is projected. Excludes Supp. & Directed Payment Programs, SHARS, Medicare premiums, clawback, drug rebates, and agency admin.
Source: PPS, CMS-37 Historical (FFY). HHSC Forecasting, January 2023.



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Medicaid Caseload Growth



Note: PHE Impact begins April 2020. Total Medicaid includes all full benefit programs/caseloads. Data & LAR Forecast as of November 2022. CHIP excludes CHIP Perinatal.



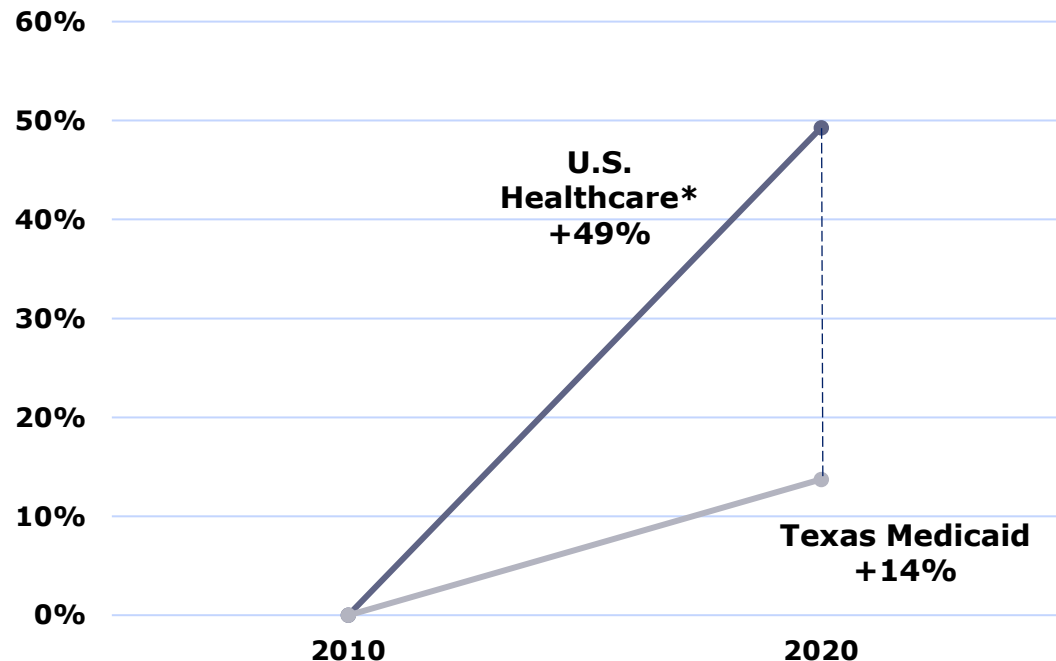
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Cost Growth Trends



Increased enrollment and improved preventative care within managed care keeps Texas Medicaid costs contained – 35 percentage points lower than the U.S. national average for health care

Cost per Person Increase



Texas Medicaid is based on full-benefit clients.

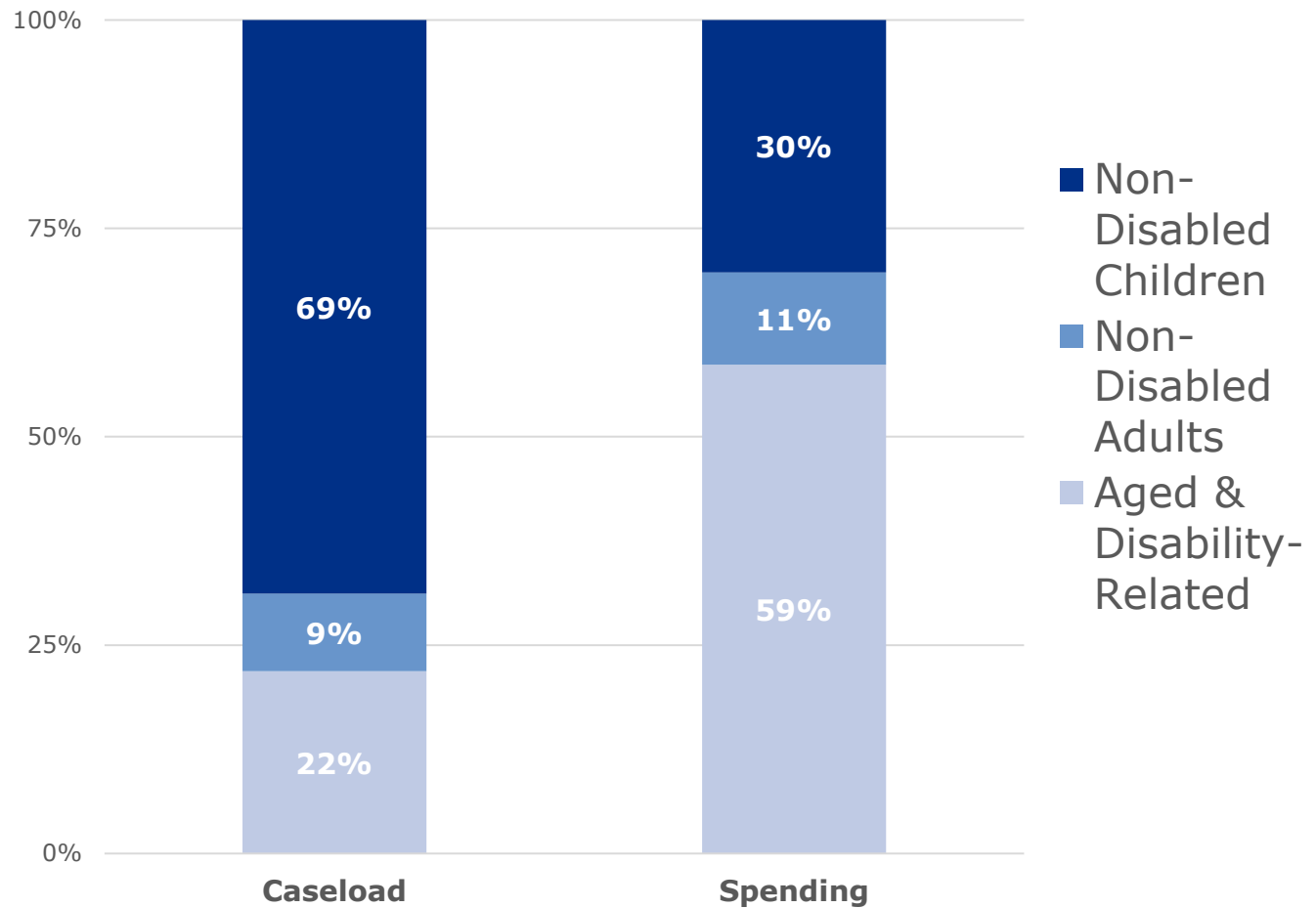
*Source: CMS, Office of the Actuary - data is for CY10-CY19



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Major Category Spending

% Caseload vs. % Spending



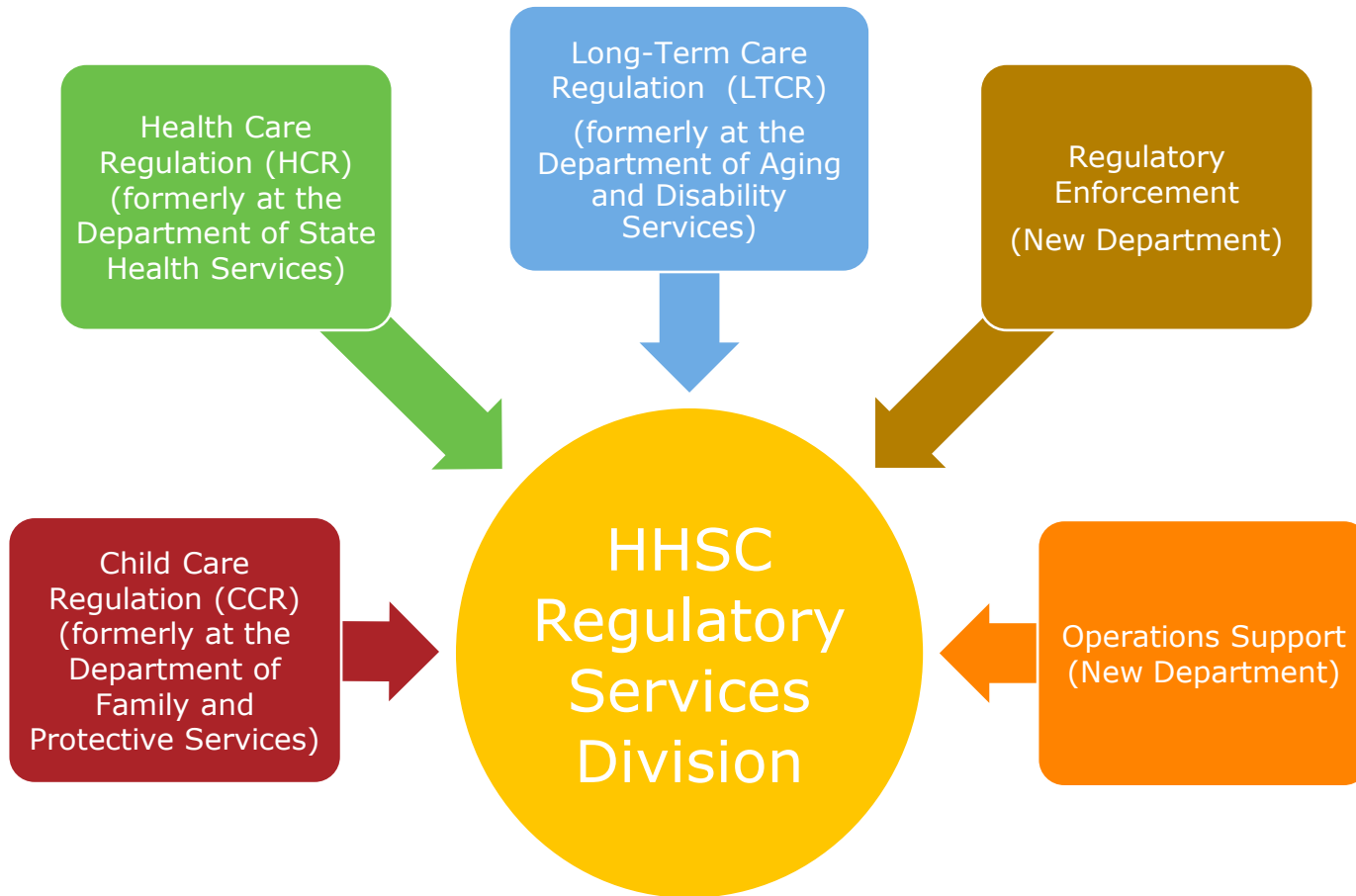


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Regulatory Services

Regulatory Services Division

In response to Senate Bill 200, 84th Legislature, Regular Session, Regulatory Services came together as a division at the Health and Human Services Commission (HHSC) on September 1, 2017.



Regulatory Services Division

**FY 2023 Annual Budget:
\$163,476,393**

Total FTEs: 2,494

**Over 60,000 regulated
operations**

**Over 145,000 professionals
licensed**

**Supported by 8 distinct IT
system applications**

3rd largest division in HHSC



Long-Term Care Regulation

FY 23 Annual Budget:
\$72,867,363

Total # of FTEs: 1,389

Total # of Provider Types: 7

**Total # of Regulated
Operations: 13,088**

**Total # of Professional
License Types: 3**

**Total # of Professional
Licensees: 132,622**

Providers

Nursing Facilities

Assisted Living Facilities (ALF)

Day Activity Health Services

Intermediate Care Facilities

Prescribed Pediatric Extended Care Centers

Home and Community Support Services
Agencies (i.e. home health, hospice)

Home and community-based (HCS) and
Texas Home Living waiver service providers

Professional Licenses

Nursing Facility Administrators

Medication Aides

Certified Nurse Aides (CNA)

Nurse Aide Training and Competency
Evaluation Program (NATCEP)



Child Care Regulation

FY 23 Annual Budget:
\$49,291,172

Total # of FTEs: 774.5

**Total # of Regulated
Operations: 16,178**

**Total # of Professional
License Types: 2**

**Total # of Professional
Licensees: 1,307 active**

Day Care

Licensed Child Care Center

Licensed Child Care Home

Registered Child Care Home

Listed Family Home

Small Employer Based Child Care

Temporary Shelter Care

School-Age Program

Before and After-School Program

Residential Child Care

Child-Placing Agency

General Residential Operation

Professional Licenses

Licensed Child-Care Administrator

Licensed Child-Placing Agency Administrator



Health Care Regulation

FY 23 Annual Budget:
\$14,334,590

Total # of FTEs: 168

Total # of Provider Types: 19

Total # of Regulated Operations: 31,512

Total # of Professional License Types: 2

Total # of Professional Licensees: 11,451

Regulated Operations:

Licensed Facilities:

- Freestanding emergency medical care facilities (FEMCs)
- Birthing centers
- Abortion facilities (ABOs)
- Special care facilities (SCFs)
- Crisis stabilization units (CSUs)
- Chemical dependency treatment facilities (CDTFs)
- Narcotic treatment programs (NTPs)

CMS Certified Facilities:

- Rural health clinics
- Federally qualified health centers
- Outpatient physical therapy/speech therapy
- Comprehensive outpatient rehabilitation facilities
- Community mental health centers
- Portable X-rays
- Laboratories - Clinical Laboratory Improvement Amendments (CLIA)

Licensed *and* Certified Facilities:

- General and special hospitals
- Psychiatric hospitals
- Ambulatory surgical centers
- End stage renal disease ("dialysis") facilities

Registered:

- Faith-based facilities (CDTFs)

Professional Licenses:

- Chemical dependency counselors
- Sex offender treatment providers



Regulatory Enforcement

Through the consolidation of all enforcement functions across the division, Regulatory Enforcement serves as the centralized unit for reviewing, analyzing, and processing enforcement activities for all of the regulatory programs at HHSC.

FY 23 Annual Budget: \$3,730,232

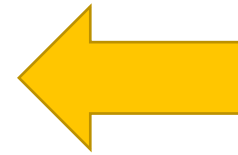
Total FTEs: 78

Total FY 22 Enforcement Actions:

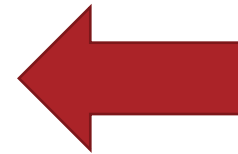
- **Long-term care facility:**
 - 446 (Total),
 - 165 (Admin penalty only)
- **Health care facility: 51**

**Total Administrative Penalties
Assessed for FY 22:**

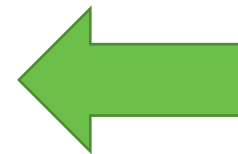
- **Long-term care facility:
\$1,016,220**
- **Health care facility: \$269,710**



Long-Term Care
Enforcement



Health Care
Facility
Enforcement



Child Care
Enforcement



Operations Support

Operations Support provides assistance and guidance to the other departments within Regulatory Services and supports the team through various administrative functions.

Complaint and Incident Intake

- Processes contacts from the public, clients, and providers who have complaints related to long-term care and acute care health facilities and agencies
- Refers complaints to internal and external agencies as appropriate.

Operations Support

- Procurement, Contracting, and Workforce Support
- Data Management and Analysis
- Governmental Relations, Communications, and Special Projects



Key Priorities

- Workforce challenges for HHSC surveyors and investigators
- Eliminating Long Term Care Backlog of Surveys and Complaints
- Compliance with foster care litigation
- Improving functionality of IT systems
- Quality and Consistency of Inspections and Investigations
- Transparency of Enforcement and Due Process



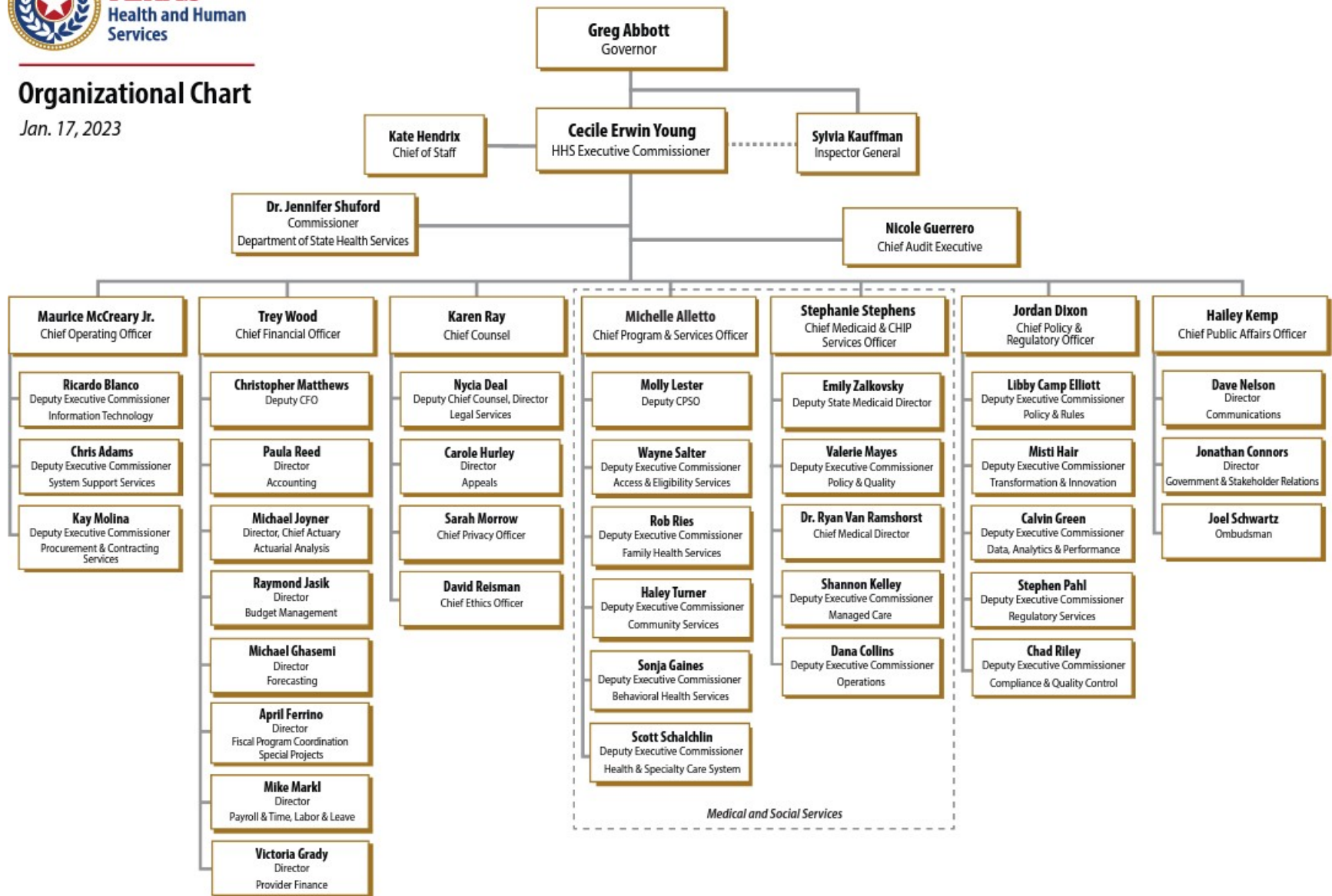


Appendix



Organizational Chart

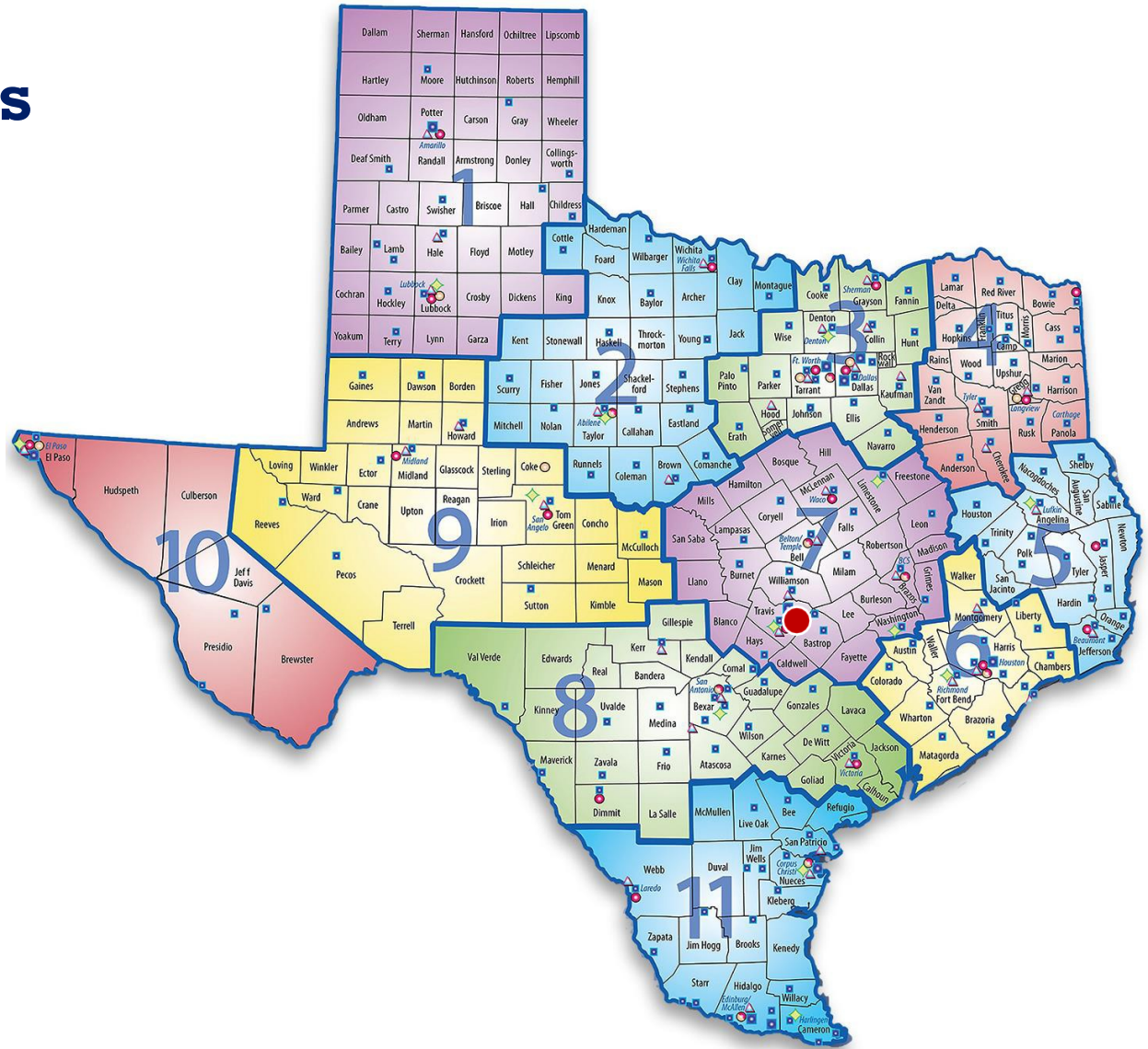
Jan. 17, 2023



HHS Regions

Regional Offices:

- **Region 1:** 28 buildings
- **Region 2/9:** 36 buildings
- **Region 3:** 74 buildings
- **Region 4:** 32 buildings
- **Region 5:** 21 buildings
- **Region 6:** 56 buildings
- **Region 7:** 66 buildings
- **Region 8:** 40 buildings
- **Region 10:** 22 buildings
- **Region 11:** 38 buildings
- **Region 00:** 30 buildings
- **State Headquarters**



Chief Medicaid & CHIP Services Office Functions



Policy and Quality

- Program management
- Policy analysis, development, and implementation
- Stakeholder liaison and management of federal authorizations
- Quality improvement and monitoring
- Healthcare Transformation

Medical Clinical Services

- Utilization Review (UR)
- Medical and UR Appeals
- Case Management for Complex Cases
- Clinical Consultation and Liaison

Chief Medicaid & CHIP Services Office Functions



Managed Care

- Managed Care oversight coordination and contract administration
- Managed Care and waiver enrollment
- Financial reporting and oversight
- MCO provider and pharmacy complaints, escalated member complaints

Operations

- Provider enrollment, contracting, and monitoring
- Contract administration
- Pharmacy Benefit Administration
- FFS program and benefit administration
- IDD waiver program enrollment
- Program of All-Inclusive Care for the Elderly (PACE) management
- Medicaid technology



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Two Models for Service Delivery

1 Managed Care

97% of clients

- A managed care organization (MCO) is paid a capitated rate for each member enrolled
- MCOs provide a medical home through a primary care physician (PCP) and referrals for specialty providers, when needed
- MCOs negotiate rates with providers
- MCOs may offer value-added services

2 Fee-for-Service (FFS)

3% of clients

- Clients go to any Medicaid provider
- Providers submit claims directly to HHSC's administrative services contractor for payment
- Providers are paid per unit of service
- Most FFS clients do not have access to service coordination



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Managed Care Programs

STAR



Children, pregnant women and some families

STAR Kids



Children and youth with disabilities

CHIP



Children and youth who don't qualify for Medicaid due to family income

CHIP includes CHIP-Perinatal. Remaining percentage is FFS.

STAR Health



Children who get Medicaid through the Department of Family and Protective Services and young adults previously in foster care

STAR+PLUS



Adults with a disability, people age 65 and older (including those dually eligible for Medicare and Medicaid), and women with breast or cervical cancer

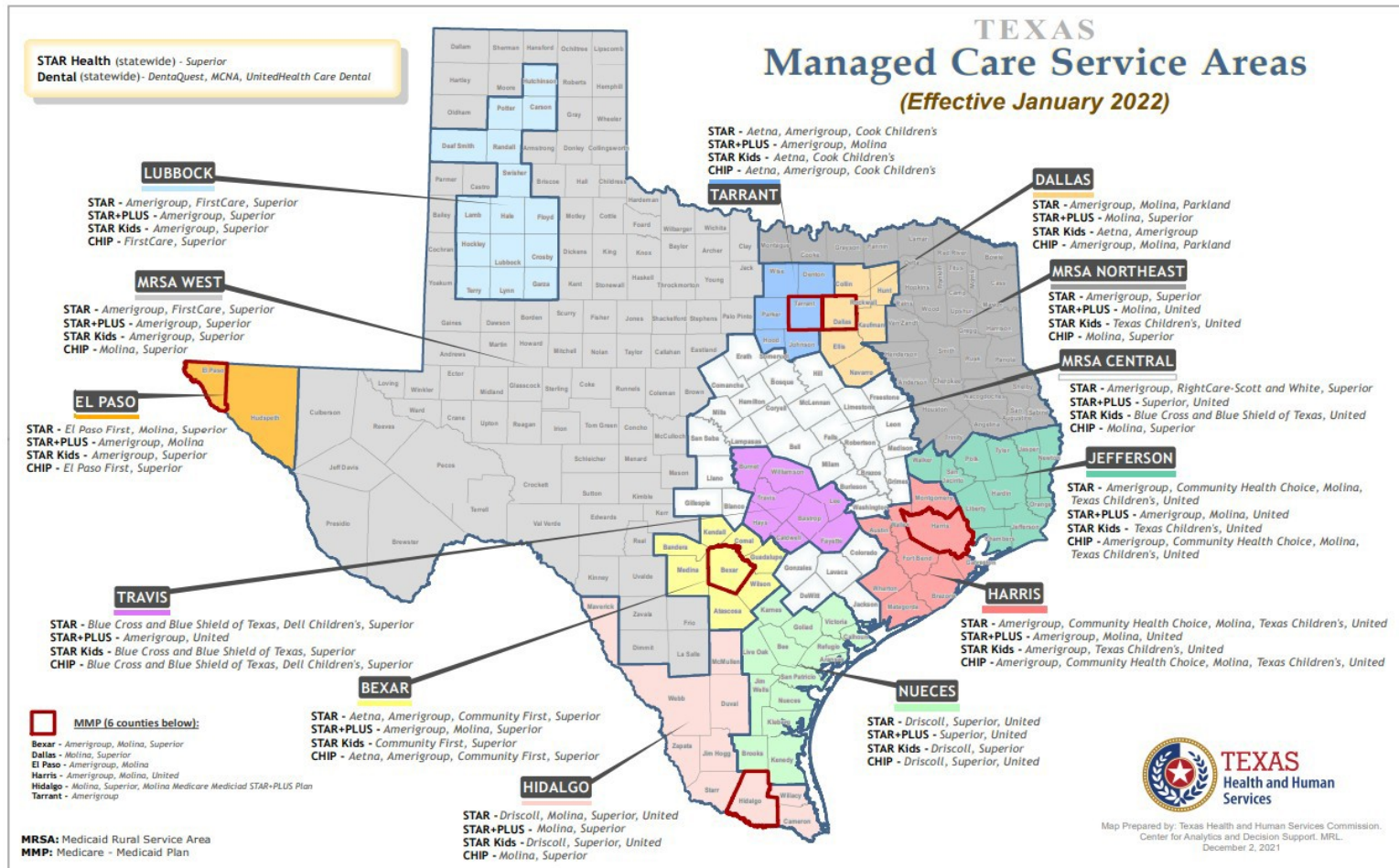


Dental for most children and young adults enrolled in Medicaid



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Managed Care Service Areas



Three Primary Waiver Types

1

Research and Demonstration 1115 Waivers

Provide flexibility to test new ideas for operating Medicaid programs.

Texas: Also called the 1115 Transformation Waiver. Allows the state to expand managed care, including pharmacy and dental services, while preserving federal hospital funding (historically received as UPL payments). Participating providers implement programs, strategies and investments to improve care.

2

Freedom of Choice Waivers 1915(b)

Provide states with the flexibility to modify their service delivery systems.

Texas: The authority under which the state implements the managed care model.

3

Home and Community-Based Services 1915(c) Waivers

Allow states to provide community-based services as an alternative for people who meet eligibility criteria for care in an institution.

Texas: Medically Dependent Children Program (MDCP), Home and Community-Based Services (HCBS), Texas Home Living (TxHmL), Community Living Assistance and Support Services (CLASS), Deaf Blind with Multiple Disabilities (DBMD), Youth Empowerment Services (YES)

For additional information about waivers, see pgs. 109-112 of 14th Edition of the Texas Medicaid and CHIP Reference Guide.



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Chief Program & Services Office



CPSO delivers approximately 160 programs and services including:

- **Women's Health Services:**
 - Enhances agency coordination to improve women's health outcomes
 - Oversees family planning services
- **Behavioral Health Services:**
 - Oversees the delivery of programs and services that meet the needs of those with mental health conditions, as well as substance use disorders

Chief Program & Services Office



- **Eligibility determinations for:**

- ***Temporary Assistance for Needy Families (TANF)***: Provides families with children with financial assistance and related support services
- ***Supplemental Nutrition Assistance Program (SNAP)***: Helps low-income people with nutritious food
- ***Women, Infants, and Children Program (WIC)***: Supports the health of low-income women, infants, and children up to age 5 who are at nutritional risk
- ***Medicaid***: A jointly funded state-federal program that provides medical coverage to eligible Texans
- ***Children's Health Insurance Program (CHIP)***: Provides acute care, behavioral health care, dental benefits and pharmacy services for children in families who have too much income to qualify for Medicaid but cannot afford other health insurance

Chief Program Services Office Functions



Access & Eligibility Services (AES)

- Community Access
- Eligibility Operations
- Disability Determination

Family Health Services (FHS)

- Family Clinical Services
- Family and Youth Support Services
- Early Family Nutrition and Development Services

Community Services (CS)

- Community Care Services
- Health and Independence Services
- Local Access and Support
- Guardianship

Behavioral Health Services (BHS)

- Mental Health and Substance Abuse Programs
- Office of Mental Health Coordination
- Office of the State Forensic Director
- Disaster Behavioral Health Coordination

Health and Specialty Care System (HSCS)

- State Hospitals (SHs)
- State Supported Living Centers (SSLCs)

Chief Program and Services Community Services



Community Services provides or coordinates the following programs and services:

- Acquired Brain Injury
- Aging and Disability Resource Centers (ADRCs)
- Area Agencies on Aging (AAAs)
- Blind Children's Vocational Discovery and Development
- Blindness, Education, Screening and Treatment
- Children's Autism Program
- Children with Special Health Care Needs
- Comprehensive Rehabilitation
- Consumer Education and Interpreter Training
- Community Cares Services Eligibility (Title XX)
- Deaf and Hard of Hearing
- Epilepsy Services
- Foster Grandparent
- Hemophilia Assistance
- IDD Crisis and Outpatient Mental Health
- Independent Living
- Kidney Health
- LIDDA Community Services
- Navigate Life Texas
- Preadmission, Screening, Resident Review (PASRR)
- Specialized Telecommunications Assistance Program
- Texas Cares
- Texas Lifespan Respite Care Program

Chief Program and Services Behavioral Health



Behavioral Health provides or coordinates the following programs and services:

- Adult Mental Health Services
- Home and Community-Based Services – Adult Mental Health
- Projects for Assistance in Transition from Homelessness (PATH)
- Mental Health Grant Programs – Community Mental Health, Jail Diversion, Healthy Community Collaboratives & Veterans Mental Health
- Mental Health Private Psychiatric & Community Hospital Beds
- Competency Restoration Services – Jail-based & Outpatient
- Mental Health Peer Support Re-entry Program
- Coordinated Specialty Care
- Disaster Behavioral Health
- Certified Community Behavioral Health Clinics
- All Texas Access (SB 633, 86R & SB 454, 87R)
- Children’s Mental Health Services
- Youth Empowerment Services (YES) Waiver
- Residential Treatment Center (RTC) Project
- MHFA
- Substance Use Services for Youth and Adults – Prevention, Intervention, Treatment & Recovery
- Texas Targeted Opioid Response (TTOR)
- Statewide Suicide Prevention Coordination

Chief Program and Services Access & Eligibility Services



Access & Eligibility programs and services include:

- Disability Determination Services (DDS)
- 2-1-1 Texas Information and Referral Network
- Medicaid Buy-In Program
- Medicaid Buy-In Program for Children
- Medicaid Eligibility for the Elderly and People with Disabilities
- Medicare Savings Program
- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)

Chief Program and Services Family Health Services



Family Health programs and services include:

- Abstinence Education
- Alternatives to Abortion
- Breast and Cervical Cancer Services
- Child Advocacy Programs
- County Indigent Health Care Programs
- Early Childhood Intervention
- Family Planning
- Family Violence
- Healthy Marriage Program
- Human Trafficking Resource Center
- Healthy Texas Women Cost Reimbursement
- County Indigent Health Care Program
- Primary Health Care
- Title V Maternal & Child Health Fee for Service
- Women, Infants, and Children (WIC)
- Women's Health Coordination

Chief Program & Services Health and Specialty Care System



HSCS is comprised of a network of state supported living centers and state hospitals.

System Overview:

- 19,000+ appropriated positions
- 1,400+ occupied buildings
- 3,500+ contracts
- Roughly 4,100 individuals served each day

Chief Program & Services Health and Specialty Care System



SSLCs:

- 13 state supported living centers, three of which serve children and adolescents, and two are designated as forensic centers
- Provide campus-based direct services and supports, including medical care and active treatment, to individuals with intellectual disabilities
- All centers are certified as an Intermediate Care Facility (ICF) for Individuals with Intellectual Disabilities (IDD)
- In fiscal year 2022, the average daily census for the SSLCs was 2,674

Chief Program & Services Health and Specialty Care System



State Hospitals:

- Ten psychiatric hospitals
- One youth residential treatment center (RTC)
- One primary care outpatient clinic
- A stepdown program for clients being discharged from the state hospital system who need ongoing support and affordable housing to be successful in their recovery
- In fiscal year 2022, the state hospitals served 4,115 individuals