



Presentation to the Senate Finance Committee – COVID-19 Federal Funds

**Chris Matthews,
Deputy Chief Financial Officer**

July 11, 2022



TEXAS
Health and Human
Services

Overview: COVID-19 Federal Funds



COVID-19 funding reportable by HHSC consists of funding appropriated to the agency and funding received by certain healthcare providers

| Federal Legislation | Total |
|---|-------------------------|
| American Rescue Plan Act (ARPA) | \$1,341,384,656 |
| Coronavirus Aid, Relief, and Economic Security (CARES) Act | \$643,578,729 |
| Families First Coronavirus Response Act | \$87,384,139 |
| Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) | \$239,680,474 |
| Subtotal, Awards Made to HHSC | \$2,312,027,998 |
| FMAP 6.2 Percentage Point Increase | \$5,883,392,923 |
| FMAP 10 Percentage Point Increase - HCBS | \$495,188,301 |
| Subtotal, Medicaid and CHIP Enhanced FMAP | \$6,378,581,224 |
| Total, HHSC COVID-19 Federal Funds¹ | \$8,690,609,222 |
| Total, Provider COVID-19 Federal Funds | \$12,797,050,941 |

Note: 1) Amounts do not include off-budget SNAP Client Benefits that are not appropriated to HHSC.

Provider COVID-19 Federal Funds Reporting



- The 87th Texas Legislature directed HHSC to report federal COVID-19 funding for specific health care institutions, and certain costs those providers have spent related to the COVID-19 public health emergency
 - [Senate Bill 809](#)
 - [Rider 143](#)
 - [Texas Administrative Code \(TAC\) §355.7201](#)
Novel Coronavirus (COVID-19) Fund Reporting

Provider COVID-19 Federal Funds Status – June, 2022



| Provider Type | Amount |
|--|-----------------------------|
| 1915(c) Home and Community Based Services Waiver Programs - CLASS, DBMD, HCS/TxHmL only | \$90,873,795.85 |
| Assisted Living Facility | \$81,205,230.66 |
| Ambulatory Surgical Center | \$258,904,264.26 |
| Emergency Medical Services provider | \$956,804,380.32 |
| End-Stage Renal Disease Facility | \$231,035,025.09 |
| Home and Community Support Services Agency (HCSSA) and Hospice | \$1,156,305,188.82 |
| Hospital | \$8,921,313,989.48 |
| Intermediate Care Facility for Individuals with an Intellectual Disability or Related Conditions (ICF/IID) | \$107,867,404.67 |
| Nursing Facility | \$746,945,661.38 |
| Hospital system | \$245,796,000.00 |
| Health Services District created under Chapter 287, Health and Safety Code | \$0.00 |
| Total | \$ 12,797,050,940.53 |

Source: [COVID-19 Public Health Emergency Reporting - June 1, 2022](#)

HHSC COVID-19 Federal Funds Reporting



- HHSC is required to report COVID-19 federal funds to the Comptroller, Legislative Budget Board, and various federal entities
 - [FPP A.048 Coronavirus Relief of 2020 Federal Accounting Policy for the State of Texas](#)
 - **LBB Disaster Federal Funds Submission Application (DFFS)**
 - [USASPENDING.gov](#)

HHSC COVID-19 Federal Funds Status – June , 2022



| HHSC COVID-19 Impact | Awarded / Estimated | Expended (as of 6/22/2022) | Notes |
|--|------------------------|-------------------------------|-------|
| Medicaid & CHIP Services | \$6,831,881,224 | \$4,019,022,498 | |
| 6.2% FMAP Increase | \$5,883,392,923 | \$3,397,934,197 | 1 |
| 10% FMAP Increase - HCBS | \$495,188,301 | - | 2 |
| Rural Hospitals | \$75,000,000 | \$38,000,000 | |
| Staffing Needs | \$378,300,000 | \$87,900,000 | |
| Non-Medicaid Services | \$1,003,144,626 | \$181,898,335 | |
| Aging Services | \$186,777,484 | \$89,428,432 | |
| Behavioral Health Services | \$493,556,529 | \$733,440 | |
| Early Childhood Intervention Services | \$22,241,906 | - | |
| Family Violence Services | \$51,694,433 | \$3,445,446 | |
| Nutrition Services | \$199,355,390 | \$88,291,017 | |
| TANF Pandemic Emergency Assistance Funds | \$49,518,884 | - | 3 |
| State-owned Facilities | \$824,171,249 | \$577,461,303 | |
| Regulatory Services | \$6,397,874 | \$1,959,932 | |
| Program Administration | \$25,000,000 | - | |
| Total, HHSC | \$8,690,594,972 | \$4,780,342,068 | |
| Texas Civil Commitment Office | \$14,250 | \$552 | |
| Total | \$8,690,609,222 | \$4,780,342,620 | |

Notes:

1) Assumes the temporary 6.2 percentage point increase to FMAP applies from January 2020-December 2022. There is not an associated federal award. 2) Estimated amounts represent estimated freed-up General Revenue resulting from the temporary 10 percentage point increase to the FMAP for Home and Community-Based Services. There is not an associated federal award. 3) This amount represents the entire award; some funding will be spent by DFPS. 4) Appendix A provides additional information by CFDA.

Medicaid & CHIP Services

6.2% FMAP Increase



| Program | Amount |
|--|------------------------|
| Medicaid | \$5,744,873,193 |
| Children's Health Insurance Program (CHIP) | \$132,240,594 |
| Healthy Texas Women (HTW) | \$6,279,135 |
| Total | \$5,883,392,923 |

- The Families First Coronavirus Response Act (FFCRA) provided qualifying states with a temporary 6.2 percentage point increase to the Federal Medical Assistance Percentage (FMAP) for certain Medicaid and CHIP expenditures
- The estimates above represent the state's share of savings from the increased match rate to existing caseload and services and excludes cost impacts related to COVID-19
- To receive the increased FMAP, HHSC must maintain Medicaid coverage for most people enrolled in Medicaid until the end of the month in which the Public Health Emergency (PHE) ends
- The tipping point, or the point at which all monthly COVID-19 impact costs associated with the PHE maintenance of eligibility requirements begin to exceed the monthly benefit of the increased FMAP, is projected to have occurred in June 2022

Medicaid & CHIP Services

6.2% FMAP Increase



Requirements

- States have 12 months to complete pending eligibility actions, which can begin up to 60 days before the first disenrollments will begin
- Disenrollments cannot be effective before the first of the month after the PHE ends
- States must conduct a full redetermination (as outlined in 42 Code of Federal Regulations 435.916) and allow members a minimum of 30 days to respond to renewal packets or requests for information

Timeline

- The federal government has committed to giving states at least 60 days notice before the end of the PHE
- HHSC is working under the assumption that the PHE will end in October 2022, which would result in:
 - Eligibility to receive the increased FMAP through December 2022
 - Disenrollment beginning in November 2022

Home & Community Based Services (HCBS) 10% FMAP Increase



| Program | FMAP Impact |
|--|----------------------|
| 1915 (c) Waiver Services | \$128,686,619 |
| Managed Care Long-term Services and Supports | \$366,501,682 |
| Total | \$495,188,301 |

- Section 9817 of the American Rescue Plan Act (ARPA) provides states with a 10 percentage point increase to the FMAP for home and community-based services (HCBS) between April 1, 2021 and March 31, 2022
- The amounts above represent the state's share of savings from the increased match rate to existing 1915(c) Waiver Services and Managed Care Long-term Services and Supports (MTLSS)
- To receive the increased FMAP, HHSC must maintain eligibility requirements for HCBS services until freed-up GR is fully expended
- HHSC will complete all projects prior to the end to the FY 2022 – 2023 biennium and no longer have maintenance of effort (MOE) restrictions for HCBS service beginning in FY 2024

Home & Community Based Services (HCBS) 10% FMAP Increase



States must:

- Spend state revenue savings attributed to enhanced funding on new (as of April 1, 2021) activities that enhance or strengthen HCBS
- Report regularly about projects and expenditure
- Comply with maintenance of effort for the period in which the state spends the state revenue savings
 - No more restrictive eligibility requirements, no new restrictions on services, and no lower payment rates to providers than what was in place on April 1, 2021

Timeline

- May 2021- Federal guidance released
- July 2021- HHSC submits a spending plan
- January 2022- HHSC receives federal approval
- February 2022- HHSC receives transfer authority
- August 2023- HHSC will conclude all projects

Senate Bill 8 Funds 87th Legislature, 3rd Called Session



| SB 8 Title | Section | Description | Appropriated |
|--------------------------------------|---------|---|----------------------|
| Dallas State Hospital | 11 | Construction of a state hospital in Dallas | \$237,800,000 |
| Rural Hospitals | 12 | Grants to support rural hospitals affected by the pandemic | \$75,000,000 |
| Internet Portal | 13 | Funding to create a consolidated Internet portal for Medicaid and CHIP medical services provider data | \$20,000,000 |
| Technology Updates | 14 | Technology updates to the Medicaid eligibility computer system | \$5,000,000 |
| Sunrise Canyon Hospital | 22 | Expansion of capacity at Sunrise Canyon Hospital | \$15,000,000 |
| Staffing Needs | 33 | Grants related to critical staffing needs for staff of nursing facilities, assisted living facilities, home health agencies, ICFs/IID, or staff that provide community attendant services | \$378,300,000 |
| Total, HHSC | | | \$731,100,000 |
| Texas Civil Commitment Office (TCCO) | 15 | TCCO is administratively attached to HHSC | \$14,250 |
| Total | | | \$731,114,250 |

Source: [Senate Bill 8, 87th Legislature, 3rd Called Session, 2021](#)