



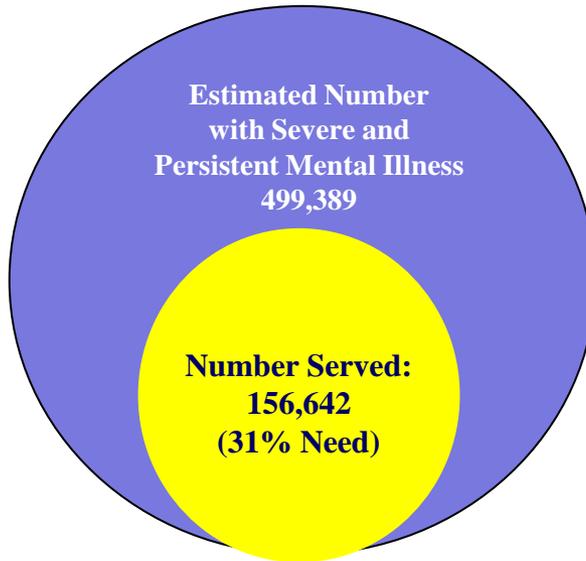
Presentation to House Appropriations Subcommittee on Article II: Overview of Mental Health and Substance Abuse Funding

David Lakey, MD
Commissioner
Department of State Health Services

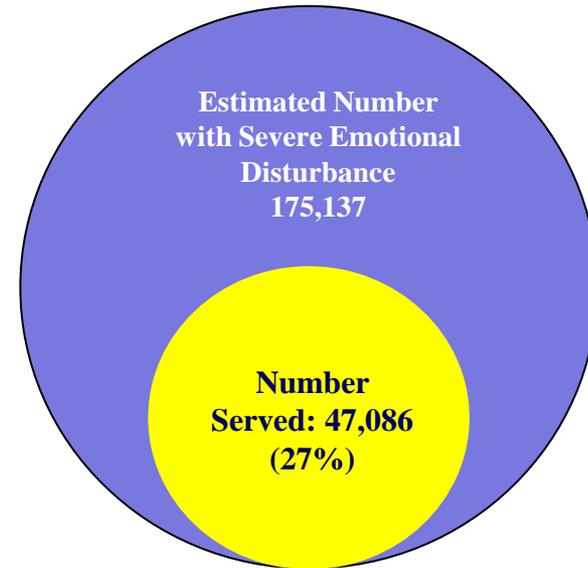
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Department of State Health Services

June 16, 2014

Community Mental Health Services



Texas Adult Population (age 18+): 19,207,256



Texas Child Population (age 9-17): 3,502,743

Sources: Texas Health and Human Services Commission, Strategic Decision Support; Texas Department of State Health Services, Mental Health and Substance Abuse Division, Decision Support Unit, 05/18/14. Population Projections, Texas State Data Center, 2013 statewide totals, migration rate 0.5 2000-2010. CMHS, SAMSHA, HHS (1999) Estimation Methodology for Adults with Serious Mental Illness (SMI). Federal Register, v64 n121, pp 33890-33897.

Substance Abuse Treatment Services

**Estimated Number
with Chemical Dependency
187,837**

**Estimated Number
with Chemical
Dependency
1,776,671**

**Estimated Number with
Chemical Dependency
187,837**

**Number
Served:
54,914
(3% Need)**

**Number
Served:
6,928
(4% Need)**

Texas Adult Population (age 18+): 19,207,256

Texas Child Population (age 12-17): 2,327,591

Sources: Texas Health and Human Services Commission, Strategic Decision Support; Texas Department of State Health Services, Mental Health and Substance Abuse Division, Decision Support Unit, 05/18/14. Population Projections, Texas State Data Center, 2013 statewide totals, migration rate 0.5 2000-2010. CMHS, SAMSHA, HHS (1999) Estimation Methodology for Adults with Serious Mental Illness (SMI). Federal Register, v64 n121, pp 33890-33897.



Mental Health and Substance Abuse Funding

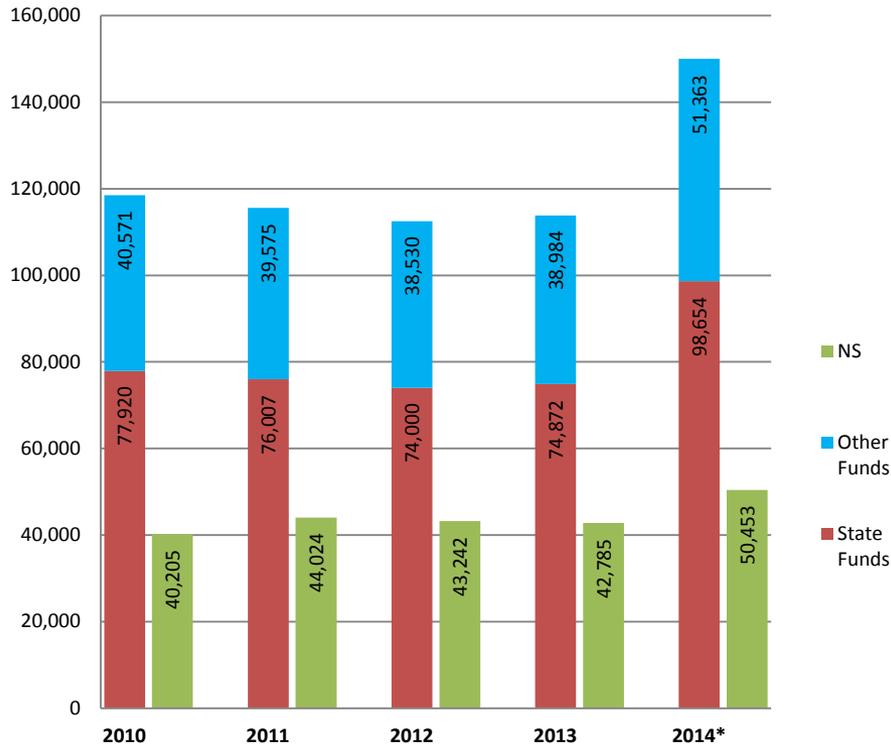
<u>Strategy</u>	<u>FY14-15 GAA</u>	<u>FY12-13 GAA</u>	<u>Percent Increase</u>
MH Adult Services	\$664,999,081	\$553,129,071	20.2%
MH Child Services	\$200,976,804	\$153,465,918	31.0%
MH Crisis Services	\$221,182,624	\$164,953,850	34.1%
NorthSTAR	\$226,593,318	\$225,224,965	0.6%
Substance Abuse	\$315,625,153	\$283,285,699	11.4%
Community Hospitals	\$153,140,973	\$107,406,192	42.6%
MH State Hospitals	\$836,991,501	\$783,400,983	6.8%
Total	\$2,619,509,454	\$2,270,866,678	15.4%

(As of September 2013)

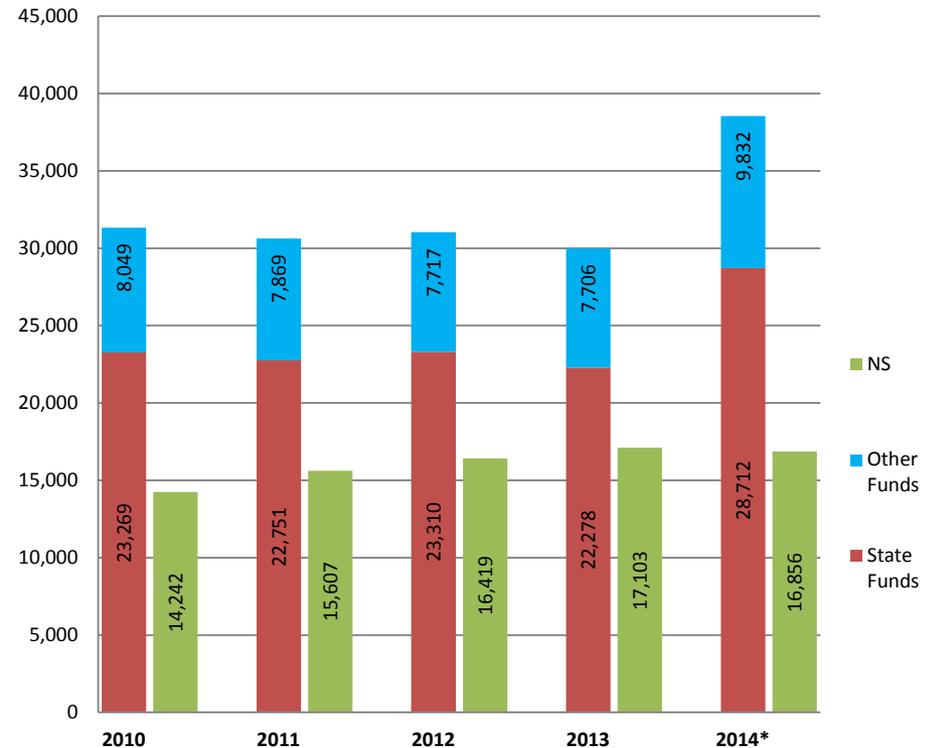
Source: DSHS Budget Section

Clients Served: Mental Health Treatment Services

**DSHS Mental Health
Adults Served by Funding Source**



**DSHS Mental Health
Children Served by Funding Source**



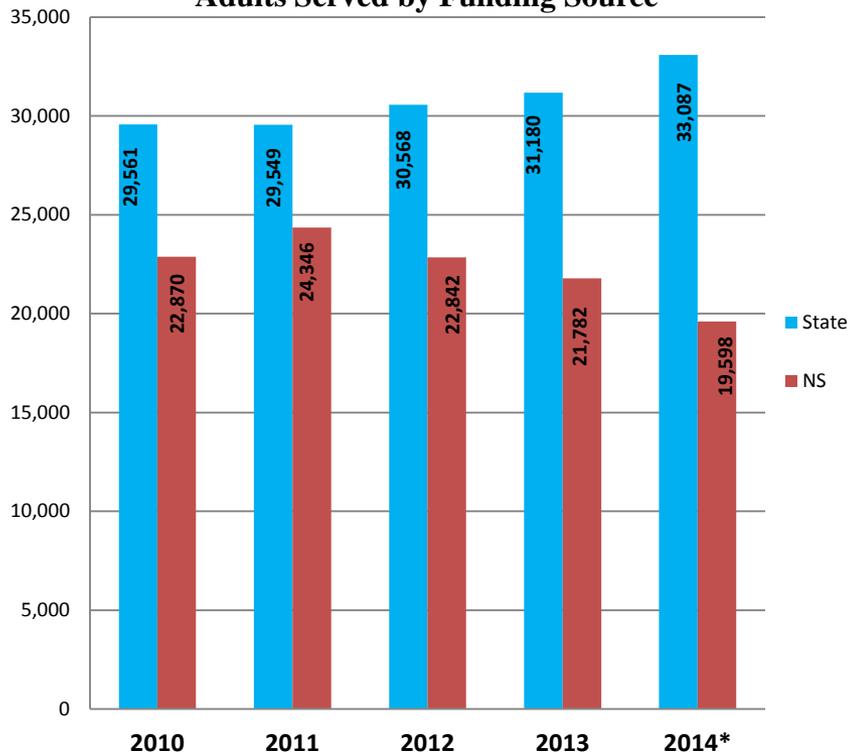
Sources: Texas Department of State Health Services, Mental Health and Substance Abuse Division, Decision Support Unit, 05/18/14.

Note: State funds include all general revenue and federal funds allocated through the performance contract, Medicaid administrative claiming funds and Medicaid Case Management and Rehabilitation funds. Other funds include revenue from other federal and state contracts, grants, third party reimbursement, local funding and in-kind contributions. NorthSTAR includes general revenue, Medicaid federal match, new generation medication, mental health block grant, substance use block grant, TANF, Title XX, and TCOOMI.

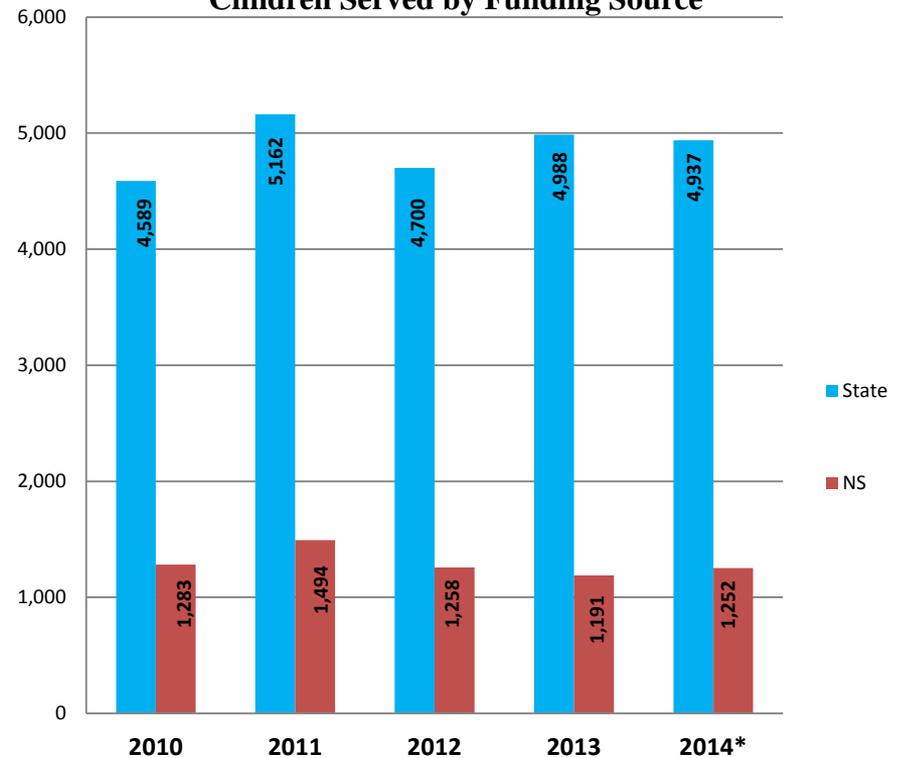
*2014 Projection = (YTD number served/3)*4

Clients Served: Substance Abuse Treatment Services

**DSHS Substance Abuse
Adults Served by Funding Source**



**DSHS Substance Abuse
Children Served by Funding Source**



Source: Texas Department of State Health Services, Mental Health and Substance Abuse Division, Decision Support Unit, 05/18/14.

Note: State includes Substance Abuse Prevention and Treatment Block Grant and general revenue. NorthSTAR includes Substance Abuse Prevention and Treatment Block Grant and general revenue.

*2014 Projection = (YTD number served/3)*4



Community Mental Health Services

Texas Resilience and Recovery is a data-driven system for identifying, creating, and promoting best practices for the effective and efficient delivery of behavioral healthcare.

- Implemented 2004
- Updated September 1, 2013

Adult services include:

- Supported employment, permanent supportive housing, cognitive behavioral therapy, illness management and recovery, assertive community treatment, peer support

Child/Youth services include:

- Cognitive behavioral therapy, nurturing parenting, aggression replacement techniques, seeking safety, wrap-around, family partner

Crisis Response with all Levels of Care to include:

- Mobile crisis outreach teams, 24-hour hotlines, crisis facilities, residential treatment centers (youth)

Substance Abuse Services

Youth substance abuse prevention services include:

- Universal, selective, and indicated prevention programs; community coalition partnerships; prevention resource centers; and statewide prevention training services

Intervention services include:

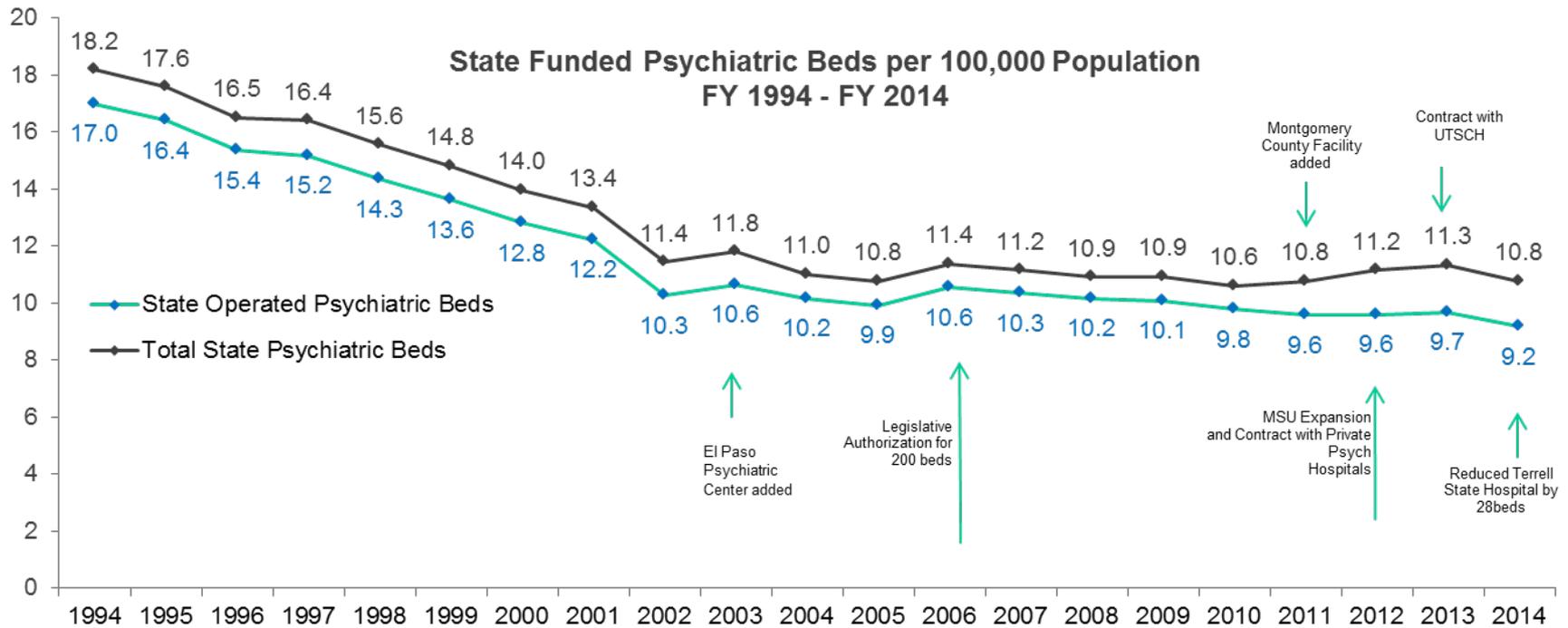
- Outreach, screening, assessment, and referral; parenting awareness and drug risk education; pregnant and post-partum intervention; rural border intervention; HIV outreach; HIV early intervention

Treatment services include:

- Detoxification; opioid substitution; specialized treatment programs for youth, women, people with co-occurring disorders, people with HIV

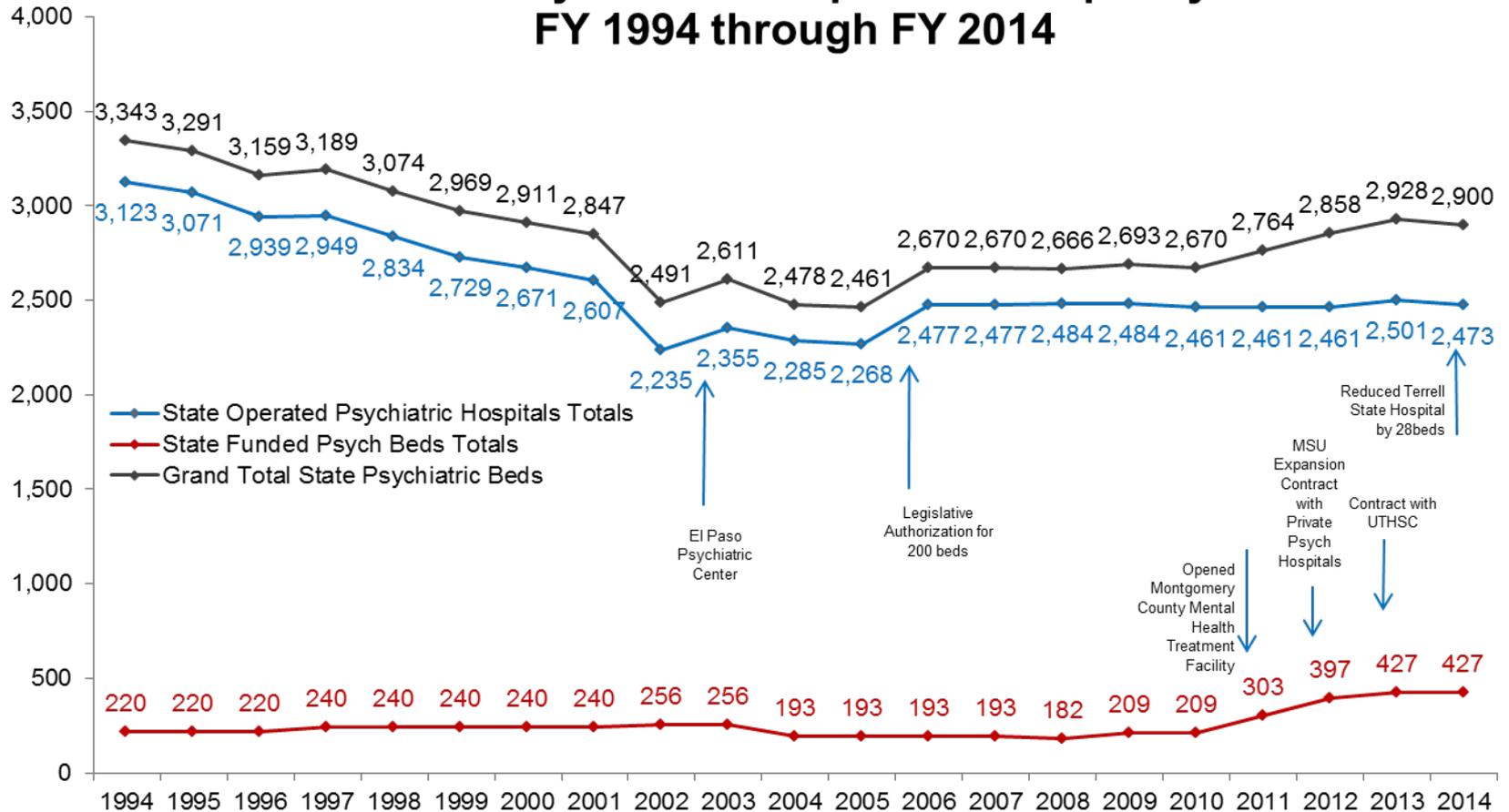
- Texas Medicaid provides:
 - Assessment, medication counseling, psychotherapy, family psychotherapy, and counseling
 - Substance use disorder treatment
 - Including: screening and assessment, detoxification, medication assisted therapy, individual and group counseling, residential treatment
 - Screening, brief intervention and referral to treatment (SBIRT) for clients between 10 and 20 years of age.
 - Inpatient psychiatric services (limited to under 20 and over 65 years of age)
 - Mental health rehabilitation and targeted case management
- Payments for behavioral health services in Medicaid managed care are included in the premium rates paid to the managed care organizations.

State Psychiatric Hospital Bed Capacity



State Psychiatric Hospital Beds

State Psychiatric Hospital Bed Capacity FY 1994 through FY 2014



Source: DSHS Mental Health and Substance Abuse Division



Mental Health Funding Allocations

DSHS contracts with Local Mental Health Authorities (LMHAs) for the provision of mental health services in 37 service areas across the state, as well as administers activities associated with NorthSTAR, a behavioral health managed care program in the Dallas service area.

LMHA funding allocation is based on several factors, including:

- Historical funding (population and per capita income)
- Special funding (crisis facilities, new generation medications, waiting list dollars)

NorthSTAR funding allocation is based on:

- Medicaid funding (federal funds, HHSC and DSHS general revenue)
- Historical funding (population and per capita income)
- Special funding (crisis facilities, new generation medications)



Local Mental Health Authority Funding Equity

Local Mental Health Authority (LMHA) funding equity is calculated by dividing the current year DSHS funding by the current overall projected population for the service area.

Some difference in per capita funding is a product of local population trends.

- As a population rises the per capita rate decreases and as a population shrinks the per capita rate increases.

Other issues that may affect funding include:

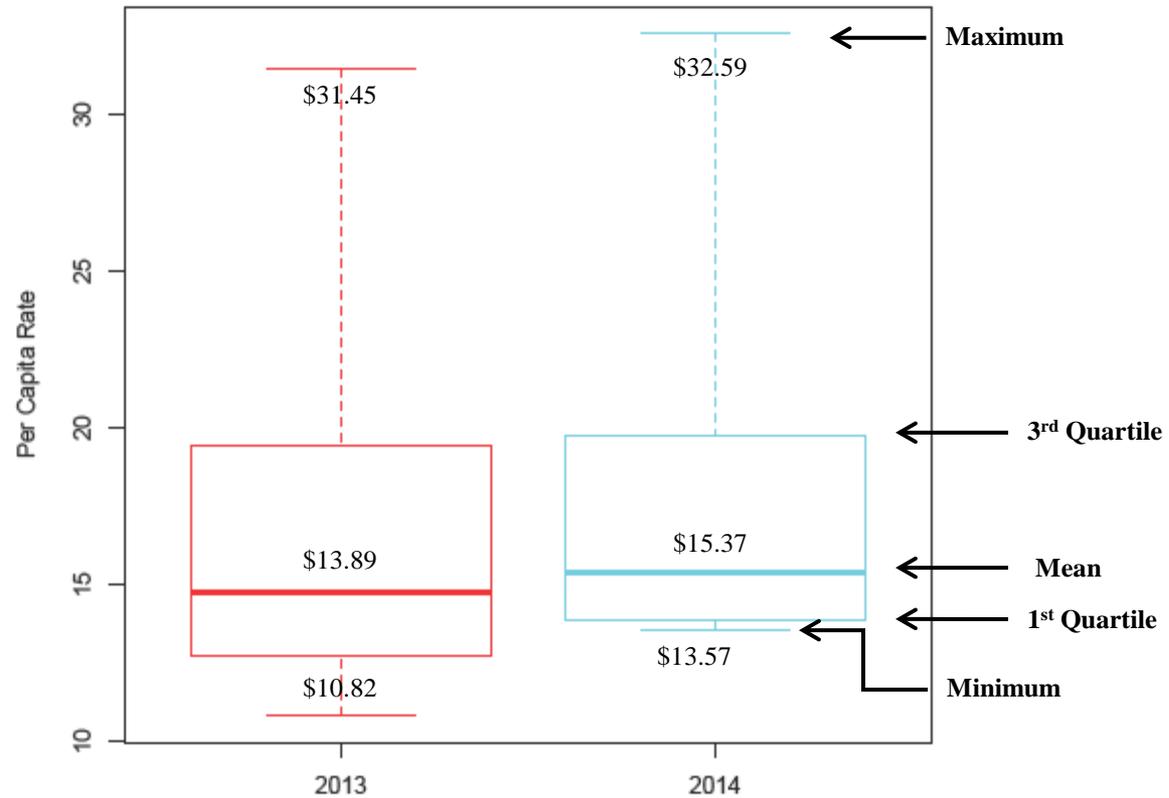
- Rural and frontier issues
- Urban issues
- Local resources

Legislative Initiatives to Address Equity

- 79th Legislature (2005) - DSHS directed to implement a long-term plan to achieve equity in state funding from 2006 to 2013 that would not reduce a Local Mental Health Authority's general revenue allocation by more than 5 percent per year.
- 80th Legislature (2007) - DSHS directed to use recouped penalty funds to achieve equity. New crisis funds allocated based on equity, per capita distribution, and competition.
- 83rd Legislature (2013) - New funds appropriated to expand or improve services in an equitable manner that considers per capita spending among other factors.

New Funds Equity Impact

LMHA Per Capita Rate: 2013 and 2014



Performance-Based Incentives: Rider 78, 10% Holdback

Outcome measure data for the first half of fiscal year 2014:

- \$17,427,725 was released to Local Mental Health Authorities who met their outcomes
- \$911,245 will be withheld by DSHS and used for technical assistance and incentive payments
 - Funds in the adult strategy (approximately \$350,000) will be redistributed as incentive payments
 - Funds in the child/adolescent strategy (\$86,000) will be redistributed as incentive payments
 - Remainder of funds will be used to provide technical assistance in engagement and crisis services (approximately \$475,245)

Performance-Based Incentives

Rider 78 10% Holdback

Since the implementation of Rider 78 there has been an improvement in several outcome measures:

- Effective crisis response: percentage of persons receiving crisis services who avoid hospitalization within 30 days of the start of the crisis episode
 - Increase from 81.93% in 2013 to 84.92% in 2014
- Frequent admissions: Percentage of adults and children in a full level of care that has been admitted three or more times within 180 days
 - Decrease from 0.25% in 2013 to 0.19% in 2014
- Adult mental health community tenure: percentage of adults in a full level of care that avoid hospitalization
 - Increase from 98.85% in 2013 to 98.98% in 2014
- Children mental health community tenure: percentage of children in a full level of care that avoid hospitalization
 - Increase from 99.46% in 2013 to 99.67% in 2014
- Employment: percentage of adults in a full level of care with paid employment
 - Increase from 14.6% in 2013 to 16.6% in 2014

Senate Bill 58

S.B. 58, 83rd Legislature, Regular Session, 2013, directs HHSC to:

- Include covered mental health rehabilitation and mental health targeted case management, into managed care
- Establish an advisory committee tasked with providing formal recommendations on the inclusion of services in managed and integration of physical and behavioral health by September 2014
- Develop two health home pilots for the integration of physical and behavioral health.

Senate Bill 58

The Department of State Health Services (DSHS) is directed to:

- Create community collaboratives for persons who are homeless, persons with mental illness and persons with substance abuse problems
 - All five eligible municipalities received funds (Bexar, Dallas, Harris, Tarrant, and Travis counties) with anticipated contract execution July 1, 2014
- Establish and maintain a mental health and substance abuse treatment public reporting system.
 - Reporting system went live December 2013 (<http://www.dshs.state.tx.us/mhsa/prs/>)

Future Managed Care Services

Effective September 1, 2014, the following mental health services will be included in the STAR and STAR+PLUS managed care programs:

- Targeted Case Management
 - Targeted case management is a Medicaid billable service provided separate from managed care organizations (MCO) service coordination
- Mental Health Rehabilitative Services
 - Crisis intervention services
 - Medication training and support services
 - Psychosocial rehabilitative services
 - Skills training and development services
 - Day programs for acute needs

Eligible Populations

Mental health rehabilitative services and mental health targeted case management are available to Medicaid recipients who are assessed and determined to have:

- A severe and persistent mental illness such as schizophrenia, major depression, bipolar disorder or a other severely disabling mental disorder
- Children and adolescents ages 3 through 17 years with a diagnosis of a mental illness or who exhibit a serious emotional disturbance.