



Presentation to the Senate Finance Article II Workgroup

Department of State Health Services

***David Lakey, M.D., Commissioner
Bill Wheeler, Chief Financial Officer***

March 15, 2011



Priorities for Consideration

Agency Priorities	FY 2012		FY 2013		BIENNIAL TOTAL		FY 2012	FY 2013	Appendix Page #
	GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs	
PRIORITY ONE ITEMS									
1 Restore Critical Base Bill Reductions									6
Community Mental Health Services	32,500,000	63,413,750	32,500,000	63,413,749	65,000,000	126,827,499			
State Mental Health Hospitals	3,921,167	3,921,167	11,078,833	11,078,833	15,000,000	15,000,000	113.0	113.0	
Community Mental Health Hospitals	4,500,000	4,500,000	4,500,000	4,500,000	9,000,000	9,000,000			
Regulatory Services	2,500,000	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000			
Tobacco Prevention and Cessation	5,000,000	5,000,000	5,000,000	5,000,000	10,000,000	10,000,000	13.0	13.0	
Preparedness	1,125,000	1,125,000	1,125,000	1,125,000	2,250,000	2,250,000	8.0	8.0	
Laboratory Services	2,000,000	2,000,000	2,000,000	2,000,000	4,000,000	4,000,000			
2 Preserve Public Health Services									7
HIV Medications	9,600,000	9,600,000	9,600,000	9,600,000	19,200,000	19,200,000			
3 Maintain Hospital Operations									8
Maintain Capacity	7,845,784	7,845,784	7,958,934	7,958,934	15,804,718	15,804,718			
Annualization of New Capacity	15,000,000	15,000,000	15,000,000	15,000,000	30,000,000	30,000,000			
Market-level Salaries	2,500,000	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000			
4 Hospital Capacity									9
Hospitality House	216,553	216,553	216,553	216,553	433,106	433,106			
Forensic Capacity in Harris County	4,964,000	4,964,000	4,964,000	4,964,000	9,928,000	9,928,000			
5 Hospital Repair and Maintenance	5,164,588	57,164,588	5,164,588	5,164,588	10,329,176	62,329,176			10
11 Critical Repairs to Moreton Building	-	20,000,000	-	-	-	20,000,000			16
Subtotal Priority One	96,837,092	199,750,842	104,107,908	135,021,657	200,945,000	334,772,499	134.0	134.0	

NOTE: Item #1 was modified from what was originally presented to Senate Finance on 1/31/2011. Dental Services and part of the State Hospital restoration have been removed from this item.



Priorities for Consideration

Agency Priorities	FY 2012		FY 2013		BIENNIAL TOTAL		FY 2012	FY 2013	Appendix Page #
	GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs	
PRIORITY TWO ITEMS									
1 Restore Critical Base Bill Reductions									6
Preparedness	1,163,107	1,163,107	1,163,107	1,163,107	2,326,214	2,326,214	7.8	7.8	
Community Mental Health Services	4,984,037	4,984,037	4,984,037	4,984,037	9,968,074	9,968,074			
Substance Abuse Intervention Services	2,000,000	5,191,037	2,000,000	5,191,036	4,000,000	10,382,073			
Tobacco Prevention and Cessation	2,971,500	2,971,500	2,971,500	2,971,500	5,943,000	5,943,000	7.4	7.4	
Regulatory Services	2,500,000	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000			
3 Maintain Hospital Operations									8
Annualization of New Capacity	1,250,000	1,250,000	1,250,000	1,250,000	2,500,000	2,500,000	49.0	49.0	
Psychiatrist Salaries	1,250,000	1,250,000	1,250,000	1,250,000	2,500,000	2,500,000			
6 Patient Safety									11
Preventable Adverse Events Data Reporting	897,857	897,857	897,856	897,856	1,795,713	1,795,713	8.0	8.0	
7 Healthy Babies	2,050,000	2,050,000	2,050,000	2,050,000	4,100,000	4,100,000			12
9 Infectious Disease Prevention & Treatment									14
Texas Center for Infectious Disease	1,907,904	1,907,904	1,907,904	1,907,904	3,815,808	3,815,808	21.0	21.0	
Pediatric Protection	500,000	500,000	500,000	500,000	1,000,000	1,000,000			
Subtotal Priority Two	21,474,405	24,665,442	21,474,404	24,665,440	42,948,809	49,330,882	93.2	93.2	



Priorities for Consideration

Agency Priorities	FY 2012		FY 2013		BIENNIAL TOTAL		FY 2012	FY 2013	Appendix Page #
	GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs	
PRIORITY THREE ITEMS									
1 Restore Critical Base Bill Reductions									6
Laboratory Services	1,927,345	1,927,345	1,927,345	1,927,345	3,854,690	3,854,690			
Tobacco Prevention and Cessation	2,500,000	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	5.3	5.3	
Regulatory Services	2,911,878	2,911,878	2,911,878	2,911,878	5,823,756	5,823,756			
2 Preserve Public Health Services									7
Regulatory Services	2,510,780	2,510,780	2,510,779	2,510,779	5,021,559	5,021,559			
3 Maintain Hospital Operations									8
Psychiatrist Salaries	1,209,661	1,209,661	1,209,660	1,209,660	2,419,321	2,419,321			
6 Patient Safety									11
Interventions for Health Care Associated Infections	132,447	132,447	132,446	132,446	264,893	264,893			
HAI Quality Assurance Teams	282,038	282,038	282,038	282,038	564,076	564,076			
8 Preventable Hospitalizations	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	2,000,000			13
9 Infectious Disease Prevention & Treatment									14
Infectious Disease Surveillance Systems	750,000	750,000	750,000	750,000	1,500,000	1,500,000			
10 Environmental Safety (Child Blood Lead Poisoning)	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	2,000,000			15
Subtotal Priority Three	14,224,149	14,224,149	14,224,146	14,224,146	28,448,295	28,448,295	5.3	5.3	
Total	132,535,646	238,640,433	139,806,458	173,911,243	272,342,104	412,551,676	232.5	232.5	



Appendix

Priorities for Consideration

Department of State Health Services

David Lakey, M.D., Commissioner
Bill Wheeler, Chief Financial Officer

March 15, 2011



Item #1

Restore Critical Base Bill Reductions

Preparedness

- A.1.1 - GRR \$4,576,214

Laboratory Services

- A.4.1 - GRR \$7,854,690

Community Mental Health Services including Adults, Children, Crisis Services & NorthSTAR

- B.2.1 - GRR \$45,819,742
- B.2.2 - GRR \$7,684,390
- B.2.3 - GRR \$9,085,236
- B.2.4 - GRR \$12,378,706

Substance Abuse Intervention Services

- B.2.5 - GRR \$4,000,000

Tobacco Prevention and Cessation

- B.2.6 - GRR \$20,943,000

State & Community Mental Health Hospitals

- C.1.3 - GRR \$15,000,000
- C.2.1 - GRR \$9,000,000

Regulatory Services

- D.1.1 – D.1.5 - GRR \$15,823,756

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	72,504,034	79,661,700	152,165,734
All Funds	106,608,621	113,766,485	220,375,306

FTEs	154.5	154.5
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Program Impact	FY 2012	FY 2013
MH Adults served	19,403	19,402
MH Children Served	4,239	4,239
Mental Health Crisis Clients	4,924	4,924
Substance Abuse Screening	44,906	44,906
State Hospitals Beds	136	136
Community Hospitals Beds	54	54
Inspection Activities	TBD	TBD

NOTE: Item #1 was modified from what was originally presented to Senate Finance on 1/31/2011. Dental Services and part of the State Hospital restoration have been removed. The totals above reflect the changes.

Preserve Public Health Services

HIV Medications

- A.2.2 - GRR \$19,200,000
- While the number of new cases of HIV has remained relatively stable, the number of HIV deaths has decreased. The result is an increase in people living with HIV/AIDS.
- Because of improved medications, individuals are able to maintain productive lives.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	2,510,780	21,710,779	24,221,559
All Funds	2,510,780	21,710,779	24,221,559

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Additional Clients Served	0	3,300
Inspection Activities	TBD	TBD

Regulatory Services

- D1.1-
D.1.5 - GRR \$5,021,559
- Growth in regulated businesses requires increases in regulatory services.

Maintain Hospital Operations

Maintain Capacity

- C.1.3 - GRR \$15,804,718
- Increasing patient costs at state hospitals: outside medical services, salaries, medications, food, and other operating

Annualization of New Capacity from Prior Session

- C.1.3 & C.2.1 – GRR \$32,500,000

Market-level Salaries

- C.1.3 – GRR \$9,919,321
- Average starting salaries for DSHS psychiatrists are 16-20 percent below other state agencies, 27 percent below the private sector, and 54 percent below the Veteran's Administration (with bonuses)

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	29,055,455	29,166,594	58,224,039
All Funds	29,055,455	29,166,594	58,224,039

FTEs	49.0	49.0
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Program Impact	FY 2012	FY 2013
Increase in beds due to annualization	106	106

NOTE: If Maintain Capacity is not funded, state hospitals will need to be reduced by approximately 70 beds and 135 FTEs

Item #4

Hospital Capacity

Increase Funding for Hospitality House

- B.2.1 – GRR \$433,106
- This item addresses increased costs for Hospitality House, which provides community based residential services to about 62 individuals with mental illness including 24/hr on-site supervision (including nursing care), basic life skills training and psychiatric care.
- The rate at Hospitality House is \$100 per day – significantly lower than state hospitals.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	5,180,553	5,180,553	10,361,106
All Funds	5,180,553	5,180,553	10,361,106

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Number of beds increased in Harris County	20	20

Increase Capacity in Harris County for Forensic Patients

- C.2.1 - GRR \$9,928,000
- This item would purchase a 20-bed competency restoration unit.
- Historical restoration rate of 74 percent.



Item #5

Hospital Repair and Maintenance

Bonds for Aging Facilities

- C.1.3 - GRR \$0/Bonds \$52,000,000
- Only Tier 1 projects included: renovations for suicide prevention, roof repair, fire safety, piping/valves for water, gas and sewer systems, emergency generators, asbestos removal, and mold remediation.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	5,268,681	5,060,495	10,329,176
All Funds	57,268,681	5,060,495	62,329,176

FTEs	0	0
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Critical Information Technology Items

- C.1.3 & C.2.1 – GRR \$1,660,000

Program Impact	FY 2012	FY 2013
N/A	N/A	N/A

Emergency Preparedness

- C.1.3 – GRR \$356,310

Critical Equipment for Hospitals

- C.1.3 – GRR \$6,635,262

Consolidated Laundry Operations

- C.1.3 – GRR \$77,604

Vehicles Supporting Patient Care

- C.1.3 – GRR \$1,600,000

Preventable Adverse Events data reporting (required by SB 203, 81st Texas Legislature)/ Health Care Associated Infections

- C.1.3 - GRR \$1,795,713

Targeted Interventions for Health Care Associated Infections

- A.1.2 – GRR \$264,893
- Preventing infections through interventions like the Michigan Keystone Project.

Quality Assurance Teams

- A.1.2 – GRR \$564,076
- Two quality assurance teams who will provide training and promote best practices for reducing health care-associated infections.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	1,550,446	1,074,236	2,624,682
All Funds	1,550,446	1,074,236	2,624,682

FTEs	8	8
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Program Impact	FY 2012	FY 2013
Health Care Facilities served with educational and training activities	1,000	1,000

Item #7

Healthy Babies

Reduce Causes of Infant Mortality

- A.1.2 - GRR \$4,100,000
- Expect preterm birth rate to decrease by 8 percent over 2 years
- Translates into savings of approximately \$7.2 million in Medicaid costs over 2 years
- Evidence-based interventions will be used, but communities will have flexibility to adapt those that fit their population the best
- Local partnerships and coalitions will have a major role in shaping programs in their communities
- Based on successful strategies implemented in Kentucky.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	2,050,000	2,050,000	4,100,000
All Funds	2,050,000	2,050,000	4,100,000

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Medicaid Preterm Births Averted	392	392

Preventable Hospitalizations

Grants to Counties for Preventive Hospitalization Projects

- A.3.1 - GRR \$2,000,000
- Grants to eligible counties to reduce adult hospitalizations and/or non-Medicare hospital charges by 15% through the implementation of evidence-based community interventions (e.g., immunizations and patient case management).
- The estimated savings is \$9.6 million in non-Medicare hospital charges. It is projected that the savings of \$9.6 million would include \$2 million in reduced charges to Medicaid and \$2.3 million in reduced charges to Uninsured (Self-Pay/Charity/Indigent).
- Based on proven interventions implemented in Red River and Freestone counties.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	1,000,000	1,000,000	2,000,000
All Funds	1,000,000	1,000,000	2,000,000

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Interventions Funded	32	32

Infectious Disease Prevention & Treatment

Texas Center for Infectious Diseases – full capacity

- C.1.1 - GRR \$3,815,808
- Funding is required to staff the 40 additional beds that will now be available to treat tuberculosis patients, many who are awaiting admission and/or being served in communities across the state.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	2,685,654	3,630,154	6,315,808
All Funds	2,685,654	3,630,154	6,315,808

FTEs	21.0	21.0
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Pediatric Protection

- A.2.3 – GRR \$1,000,000
- This exceptional item will: (1) promote vaccination to protect newborns against pertussis disease and (2) promote vaccination against rotavirus, a leading cause of unnecessary hospitalizations of young infants.

Program Impact	FY 2012	FY 2013
Increased bed capacity at TCID	40	40
Additional mothers receiving Tdap vaccine as a result of education and awareness	2,750	11,000
Increase in rotavirus vaccine rate	50%	50%

Other Surveillance Systems

- A.2.3 – GRR \$1,500,000
- Critical modifications to HIV/STD/TB systems

Item #10

Environmental Safety

Child Blood Lead Poisoning

- A.1.2 - GRR \$2,000,000
- This funding would provide additional case management and improve automation systems
 - Increase the number of children screened (on/before second birthday)
 - Identify more children with lead exposure earlier to avoid long-term effects
 - Target high-risk areas
 - Allow DSHS to conduct environmental investigations more quickly to identify the cause
 - Improve case management to help children get treatment

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	1,000,000	1,000,000	2,000,000
All Funds	1,000,000	1,000,000	2,000,000

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Screening caseload per year	70,000	70,000
Services to additional children identified with elevated blood levels	900	900

Critical Repairs - Moreton Building

Critical Repairs to the Moreton Building

- New - GRR \$0
- Bonds \$20,000,000

A report from the Texas Facilities Commission that was recently provided to DSHS indicates that critical repairs are necessary for the Robert Moreton Building, 49th Street, Austin, to extend the life of the building (the current life of the building is estimated to be 3-5 years left.)

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	0	0	0
All Funds	20,000,000	0	20,000,000

FTEs	0	0
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Program Impact	FY 2012	FY 2013
N/A	N/A	N/A