



Presentation to the House Appropriations Committee Article II Subcommittee

Texas Department of State Health Services

David L. Lakey, M.D., Commissioner

Bill Wheeler, Chief Financial Officer

February 13, 2013

*The mission of the Department of State Health Services
is to improve health and well-being in Texas.*

DSHS Services

- Disease Control & Prevention Services
- Family & Community Health Services
- Health Information & Vital Statistics
- Mental Health & Substance Abuse Services
- Regional & Local Health Services
- Regulatory Services

Scope

- Alzheimer's and Ambulances to Zoonosis and Zebra Meat
- Impacts every Texan
- Nearly 7900 client services and administrative contracts
- ~160 DSHS sites

DSHS Budget Facts – FY 12-13

- \$5.8 billion biennial budget
- 50% of the DSHS budget is GR-Related Funds; 43% is Federal Funds; and 7% is Other Funds
- 70% of the DSHS GR is for mental health services (community and hospitals)
- Only 8% of DSHS GR funds are for public health
- Regulatory Services are supported by fees
- Lab Services are primarily supported by fees
- DSHS has 220 funding streams/methods of finance (mostly federal grant sources)

- **Improving the Health of Texans**
 - Implemented Healthy Texas Babies initiative
 - Implemented Potentially Preventable Hospitalizations initiative
 - Implemented SCID testing
 - Implemented Community Transformation Grants
 - Improved Childhood Immunization Rates
- **Responded to Public Health Challenges**
 - Supported the statewide response to West Nile Virus outbreak
 - Supported communities with localized tuberculosis outbreaks
 - Investigated causes of food-borne diseases
- **Assessed Major Agency Functions**
 - Rider 59: Regulatory Services Evaluation
 - Rider 63: State Hospital Privatization RFP
 - Rider 71: State Behavioral Health System Evaluation
 - Rider 72: Security of Birth Records Evaluation

FY 2012-13 Accomplishments

- **Met Funding Challenges**
 - Eliminated projected HIV funding shortfall in FY13 through new revenue sources and improved operations
 - Increased forensic capacity in the state hospitals with existing agency funding
 - Met or exceeded cost-containment goals for state hospitals
- **Improved Administrative Efficiencies**
 - Re-designed contracts process, including contract bundling
 - Closed Women's Health Laboratory
 - Outsourced WIC services of four DSHS regional offices
 - Improved online license applications process (Regulatory)
 - Completed vital records imaging project
 - Initiated Moreton Building Recladding Project

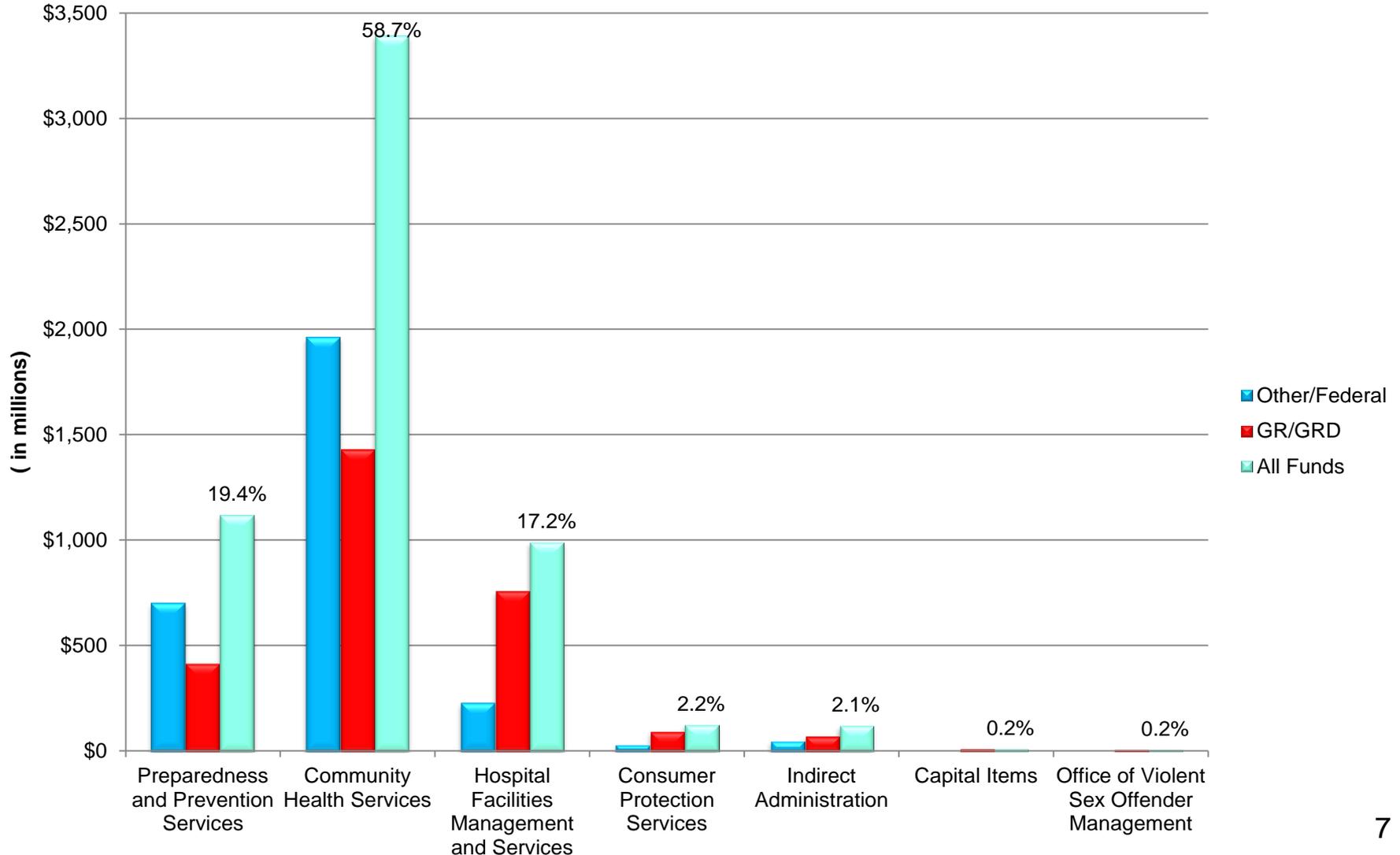


Comparison of Current Biennium with S.B. 1

Description	FY2012-13 Exp/Bud (LBE)	FY2014-15 Senate Bill 1
Goal A Preparedness and Prevention Services	1,147,655,885	1,121,235,367
Goal B Community Health Services	3,394,450,314	3,391,282,253
Goal C Hospital Facilities Management Services	962,448,199	992,422,794
Goal D Consumer Protection Services	127,894,172	127,374,575
Goal E Indirect Administration	109,984,680	123,265,730
Goal F Capital Items	45,164,409	11,903,297
Goal G Office of Violent Sex Offender Management	8,804,198	8,804,198
AGENCY TOTAL	\$5,796,401,857	5,776,288,214
General Revenue	2,135,928,572	2,133,703,135
General Revenue-Dedicated	661,941,408	659,639,120
Other Funds	493,876,208	528,460,086
Federal Funds	2,504,655,669	2,454,485,873
TOTAL, METHOD OF FINANCING	\$5,796,401,857	5,776,288,214
FTEs (FY2013 and FY2015)	12,349	12,318

Senate Bill 1 (the Introduced Appropriations bill):

- Provides an additional \$20 million (All Funds) over the LAR FY 2014 – 2015 base request.
 - Includes additional GR funding to offset lower FMAP (Medicaid) rate
 - Provides partial funding for TB exceptional item request contained in LAR
 - Provides partial funding for vehicle exceptional item request contained in LAR
 - Includes full funding for DCS (data center services) exceptional item request contained in LAR
 - Maintains FY 2012 – 2013 funding for family planning
 - Provides funding for SCID testing
 - Includes the impact of deploying Insurance Exchange with an effective date of June 1, 2014 (agency assumed Sep 1, 2014)
 - Deleted Cancer Registry Rider– Need to clarify funding source
- Includes GR reductions for two items contained on agency base reduction options.
 - Central Administration
 - Kidney drug rebates



Clients Served in Selected Programs

Program	FY2013	FY2014 (SB1)	FY2015 (SB1)
Immunization (Vaccine Doses) – Children	14,000,000	14,493,923	14,725,692
Children with Special Health Care Needs (Average per month)	1,100	1,090	1,060
Community Mental Health Services for Adults (Average per month)	52,484	52,166	51,212
Community Mental Health Services for Children (Average per month)	12,206	12,146	11,964
Substance Abuse – Prevention (Average per month) – Adult and Youth	192,000	192,000	192,000
Substance Abuse – Intervention (Average per month) – Adult and Youth	16,962	16,962	16,962
Substance Abuse – Treatment (Average per month) – Adult and Youth	8,450	8,450	8,450
Mental Health State Hospitals (Average Daily Census)	2,376	2,376	2,376
Regulatory - Surveillance	254,453	254,453	254,453
Regulatory - Enforcement	14,900	14,900	14,900
Regulatory – Licenses / Registrations	162,000	162,000	162,000

Summary of Exceptional Items

Agency Exceptional Items	FY 2014		FY 2015		BIENNIAL TOTAL		FY 2014	FY 2015
	GRR	All Funds	GRR	All Funds	GRR	All Funds	FTEs	FTEs
Introduced Appropriations Base Bill	\$1,402,132,937	\$2,893,081,649	\$1,391,209,318	\$2,883,206,565	\$2,793,342,255	\$5,776,288,214	12,318	12,318
1 State Hospital Patient Safety and Operations	\$11,497,436	\$11,497,436	\$5,004,056	\$5,004,056	\$16,501,492	\$16,501,492		
2 Adult Immunizations	\$13,145,000	\$13,145,000	\$13,377,000	\$13,377,000	\$26,522,000	\$26,522,000		
3 Disease Outbreaks and Disaster Response	\$3,551,653	\$3,551,653	\$3,551,653	\$3,551,653	\$7,103,306	\$7,103,306		
4 Hospital Facilities and Infrastructure		\$76,366,891		\$0	\$0	\$76,366,891		
5 Primary Health Care Expansion	\$34,965,756	\$34,965,756	\$34,965,756	\$34,965,756	\$69,931,512	\$69,931,512		
6 Waiting Lists	\$40,400,000	\$40,400,000	\$40,400,000	\$40,400,000	\$80,800,000	\$80,800,000		
7 Increase Substance Abuse Treatment Services	\$14,568,333	\$14,568,333	\$18,981,751	\$18,981,751	\$33,550,084	\$33,550,084		
8 Increase Behavioral Health Treatment Outcomes	\$9,523,060	\$11,155,253	\$13,690,608	\$16,881,949	\$23,213,668	\$28,037,202		
9 Tobacco Cessation and Chronic Disease Prevention	\$4,049,735	\$4,049,735	\$4,524,967	\$4,524,967	\$8,574,702	\$8,574,702		
10 Preventing Healthcare Associated Infections	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000		
11 Texas Electronic Registrar (TER)	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$6,000,000	\$6,000,000		
Total Agency Exceptional Items	\$135,700,973	\$213,700,057	\$138,495,791	\$141,687,132	\$274,196,764	\$355,387,189	0	0
Total Agency Base + Exceptional Items	\$1,537,833,910	\$3,106,781,706	\$1,529,705,109	\$3,024,893,697	\$3,067,539,019	\$6,131,675,403	12,318	12,318



Appendix – Exceptional Item Requests

Item # 1

State Hospital Patient Safety and Operations

- Install cameras to increase patient safety - **\$6,381,000**
- Renovate Victory Field located at North Texas State Hospital – Vernon to relocate the adolescent forensic program - **\$4,429,436**
- Provide stipends for resident physicians to complete a portion of training in the Texas public mental health system - **\$2,000,000**
- Replace old vehicles with high maintenance costs; current average mileage is 93,662 and is forecasted to be approximately 111,157 in FY 2014: **\$3,691,056**

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	11,497,436	5,004,056	16,501,492
All Funds	11,497,436	5,004,056	16,501,492

FTEs	0.0	0.0	
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Program Impact	FY 2014	FY 2015	Totals
Number of resident physicians per year in rotations in public mental health	24	24	48
Replace vehicles	0	145	145
Number of clients served in Victory Field	462	462	924

Item # 1

State Hospital Patient Safety and Operations



Item # 2 *Adult Immunizations*

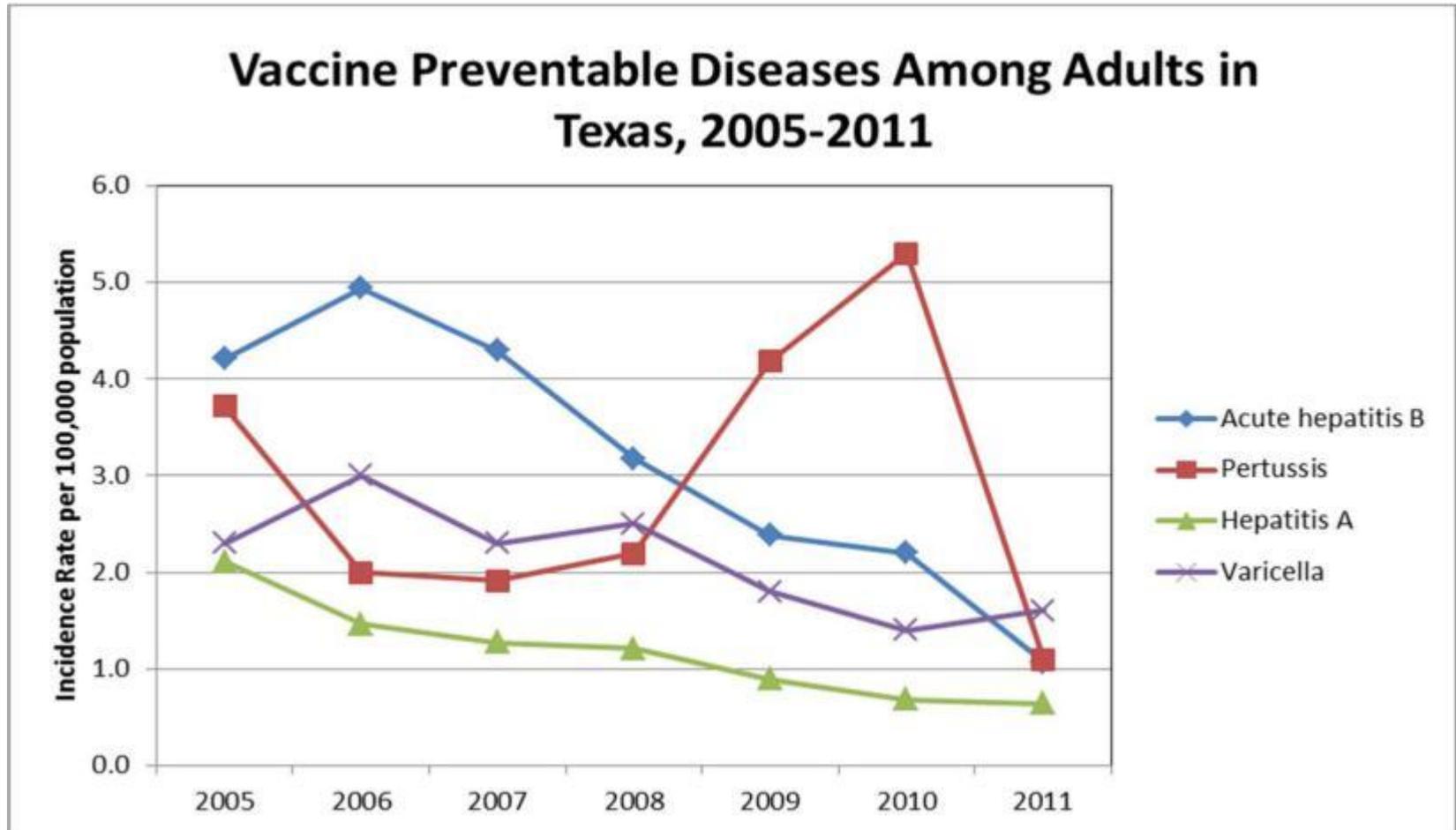
- Fund the adult immunization safety net program by purchasing 66,688 doses per year of vaccines to prevent the following vaccine preventable diseases among adults: Hepatitis B, tetanus, diphtheria, pertussis, measles, mumps, rubella, influenza, and pneumonia - **\$17,942,000**
- With the passing of SB 1107, new college students are required to receive a meningococcal vaccine (MCV4) prior to starting college. DSHS anticipates approximately 65,000 uninsured students per year will need the meningococcal vaccine - **\$8,580,000**

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	13,145,000	13,377,000	26,522,000
All Funds	13,145,000	13,377,000	26,522,000

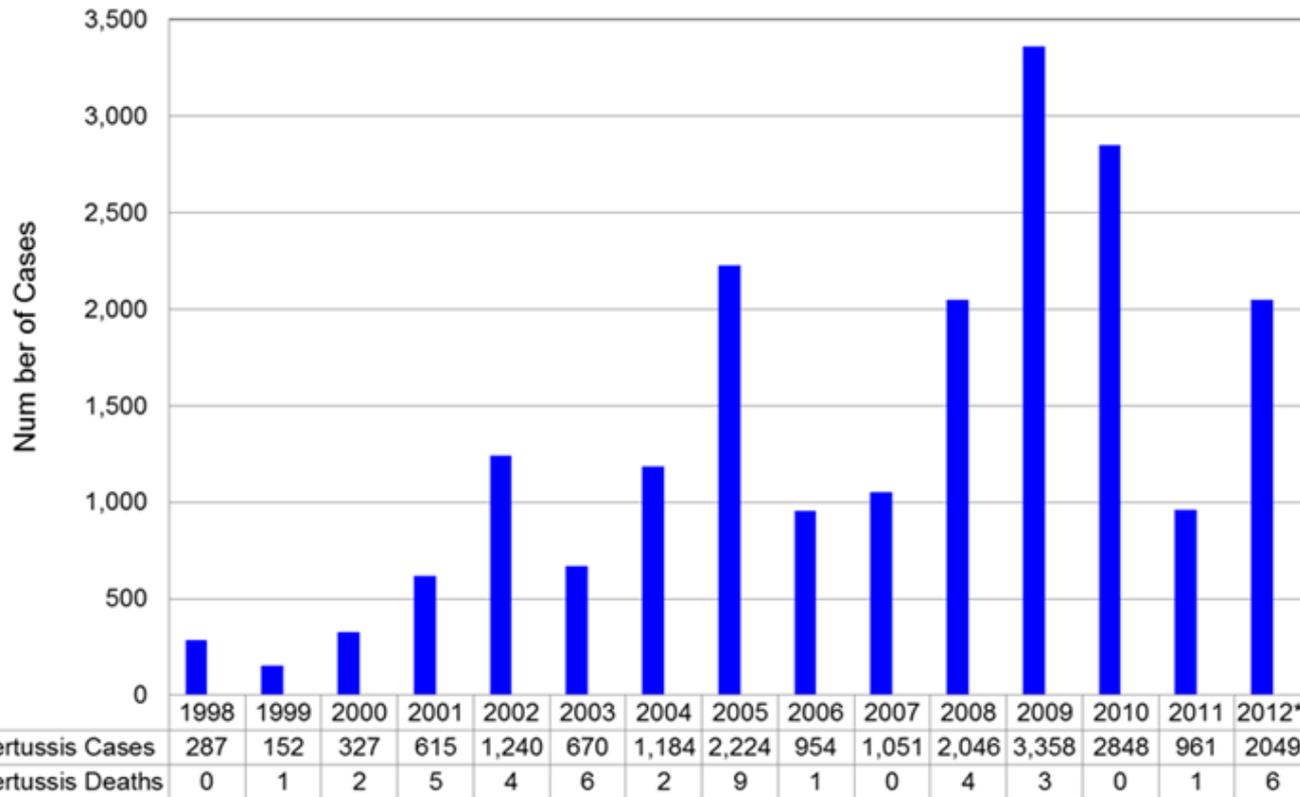
FTEs	0.0	0.0	
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Program Impact	FY 2014	FY 2015	Totals
Number of adult immunizations such as Hep B, Tdap/Td, MMR and limited influenza and/or pneumococcal vaccines	66,688	66,688	133,376
Number of uninsured college students who would receive the MCV4 vaccine	65,000	65,000	130,000

\$16 savings for every \$1 spent on all immunizations

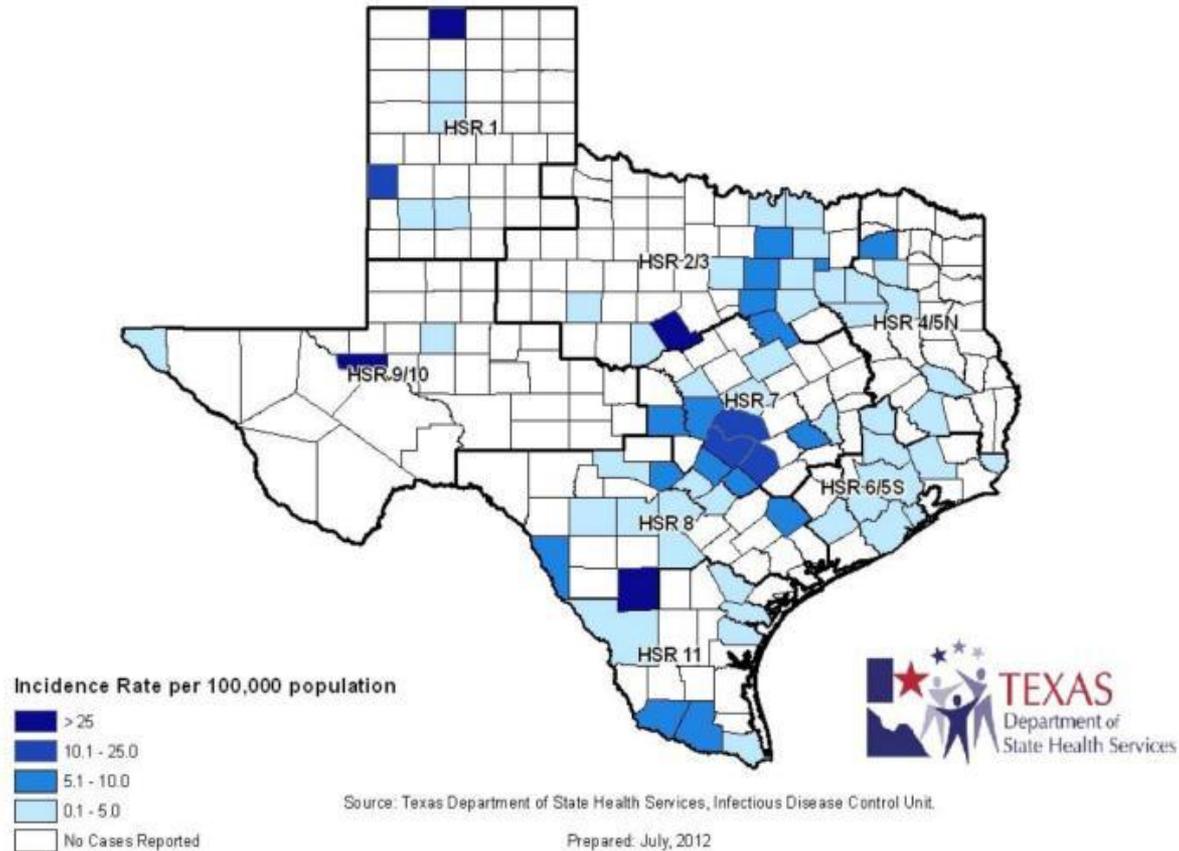


Number of Pertussis Cases and Deaths in Texas,
1998 - 2012



* provisional 2012 data, not all cases reported

Incidence Rates of Pertussis Cases in Texas, 2011



Public Health Saves Healthcare Dollars

Initiative	Savings for Every \$1 Spent
Chronic Disease Management	\$ 5.60
Immunizations	\$16.00
Smoking Cessation for Pregnant Women	\$6.00

Source: Association of State and Territorial Health Officials (ASTHO) analysis of national data: www.astho.org

Item # 3 Disease Outbreaks and Disaster Response

- Approximately **\$1.45M** per year will increase DSHS' capacity to detect and respond to food-borne and other disease outbreaks across the state by funding:
 - 11 epidemiologists (est. one per DSHS Region)
 - 12 sanitarians (staff targeted to high risk areas)
- The epidemiologists will coordinate surveillance and conduct outbreak investigations.
- The sanitarians will conduct food safety and other public health activities.
- Approximately **\$2.1M** per year will be used to contract with local health departments to hire additional epidemiologists focused on food-borne outbreaks.

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	3,551,653	3,551,653	7,103,306
All Funds	3,551,653	3,551,653	7,103,306

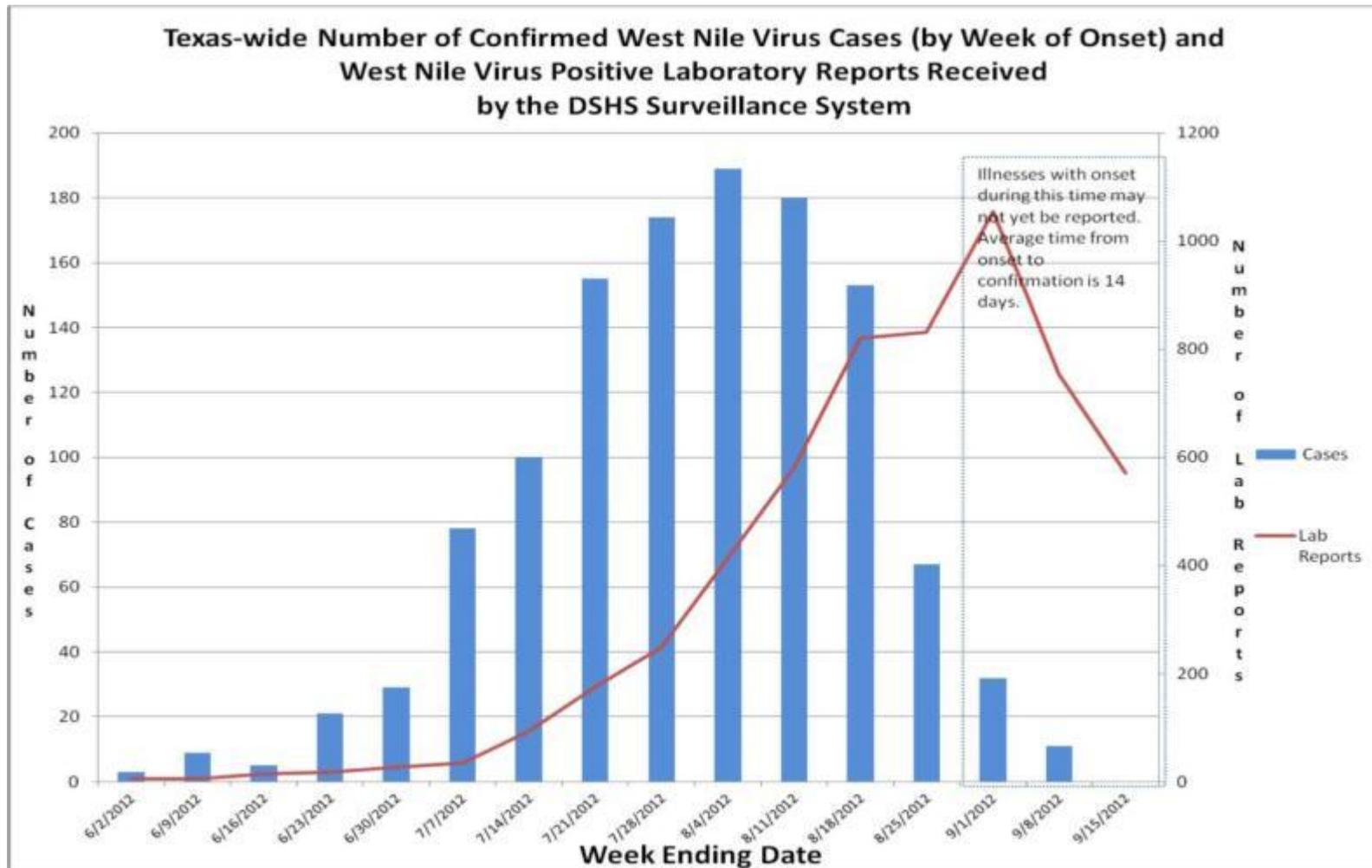
FTEs	0.0	0.0	
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Program Impact	FY 2014	FY 2015	Totals
Increase surveillance activities for high risk inspections	200	200	400
Increase the number of samples collected for foodborne outbreaks	150	150	300

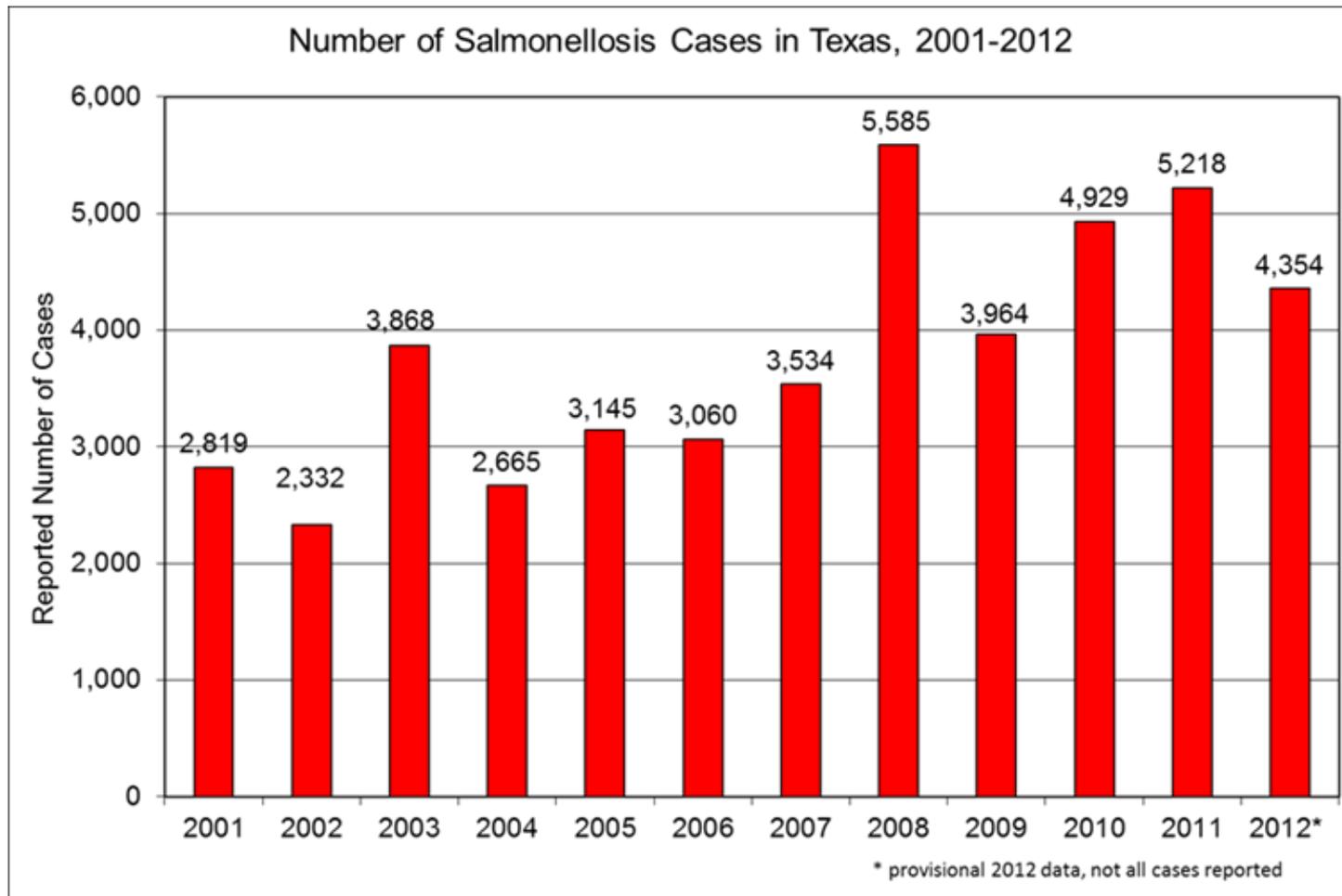
2008-2012 DSHS Emergency Responses

- West Nile Virus Outbreak
- Bastrop Wildfires
- Hurricanes:
 - Alex
 - Dolly
 - Gustav
 - Ike
- Tropical Storm Edouard
- H1N1 Pandemic Response
- Epidemiological Investigations:
 - TB/Mumps/Measles Outbreaks
 - Peanuts, Tomatoes and Jalapeños
 - Mercury in Cosmetic Cream
- Monitored and responded to concerns:
 - BP Oil spill
 - Fukushima Daiichi radiation release in Japan
- San Angelo:
 - Yearning for Zion Ranch

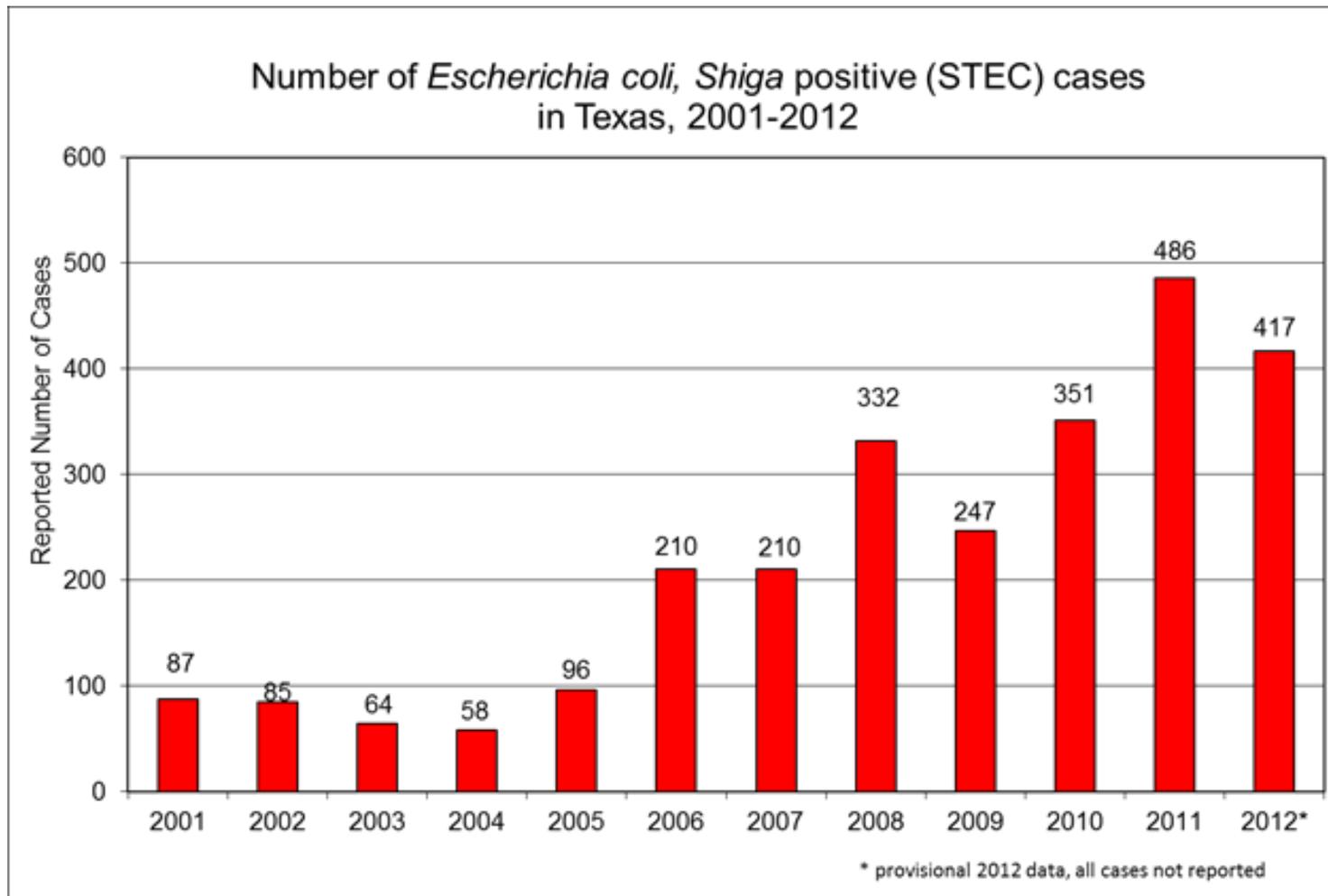
West Nile Virus in 2012



Foodborne Illness in Texas



Foodborne Illness in Texas



Item # 4

Hospital Facilities and Infrastructure

- Fund the repair and renovation of aging state hospitals facilities and their infrastructure.
- Some of the repairs and renovations addressed will impact Joint Commission accreditation and limit future high cost emergency repairs.
- The requested **\$76M** would fund Priority 1 Projects of the total \$181M needed in repair and renovation within the state hospital system.

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	0	0	0
Other Funds	76,366,891	0	76,366,891
All Funds	76,366,891	0	76,366,891
FTEs	0.0	0.0	

Summary of EI Request by State MH Hospital

	Need	Proposed
Austin State Hospital	\$7,095,402	\$6,314,046
Big Spring State Hospital	\$10,267,007	\$5,128,062
El Paso Psychiatric Center	\$989,092	\$830,751
Harris County Psychiatric Center	\$4,278,502	\$4,278,502
Kerrville State Hospital	\$15,913,384	\$6,816,139
North Texas State Hospital: Vernon	\$7,544,613	\$2,436,145
North Texas State Hospital: Wichita Falls	\$23,698,042	\$10,042,115
Rio Grande State Center	\$17,205,300	\$2,672,875
Rusk State Hospital	\$16,538,990	\$8,184,535
San Antonio State Hospital	\$19,916,848	\$10,967,527
Terrell State Hospital	\$51,969,966	\$15,827,354
Texas Center for Infectious Diseases	\$3,080,342	\$844,982
Waco Center for Youth	\$2,180,288	\$2,023,858
Grand Total	\$180,677,775	\$76,366,891

Summary of EI Request by Type of Repair/Renovation

Type of Repair or Renovation	Amount Requested
Life Safety Code	\$23,702,669
Roofing	\$13,825,509
HVAC	\$9,325,564
Utilities	\$4,573,546
Plumbing	\$5,586,783
Electrical	\$813,762
Renovation	\$10,861,927
Americans with Disabilities Act / Texas Accessibility Standards	\$3,909,040
Non-Structure Site Repair	\$2,901,466
Hazardous Material	\$866,624
Grand Total	\$76,366,891

Item # 5

Primary Health Care Expansion

- Expands the Primary Health Care Program to provide an array of priority women's health services.
- In SFY 11, over 80,000 clients were provided primary health services, approximately 31,000 women were screened for breast and/or cervical cancer, and approximately 472 breast and/or cervical cancers were detected.
- Anticipated health care savings are expected from early detection of breast and cervical cancers, lower preterm births, and reduced preventable hospitalizations.

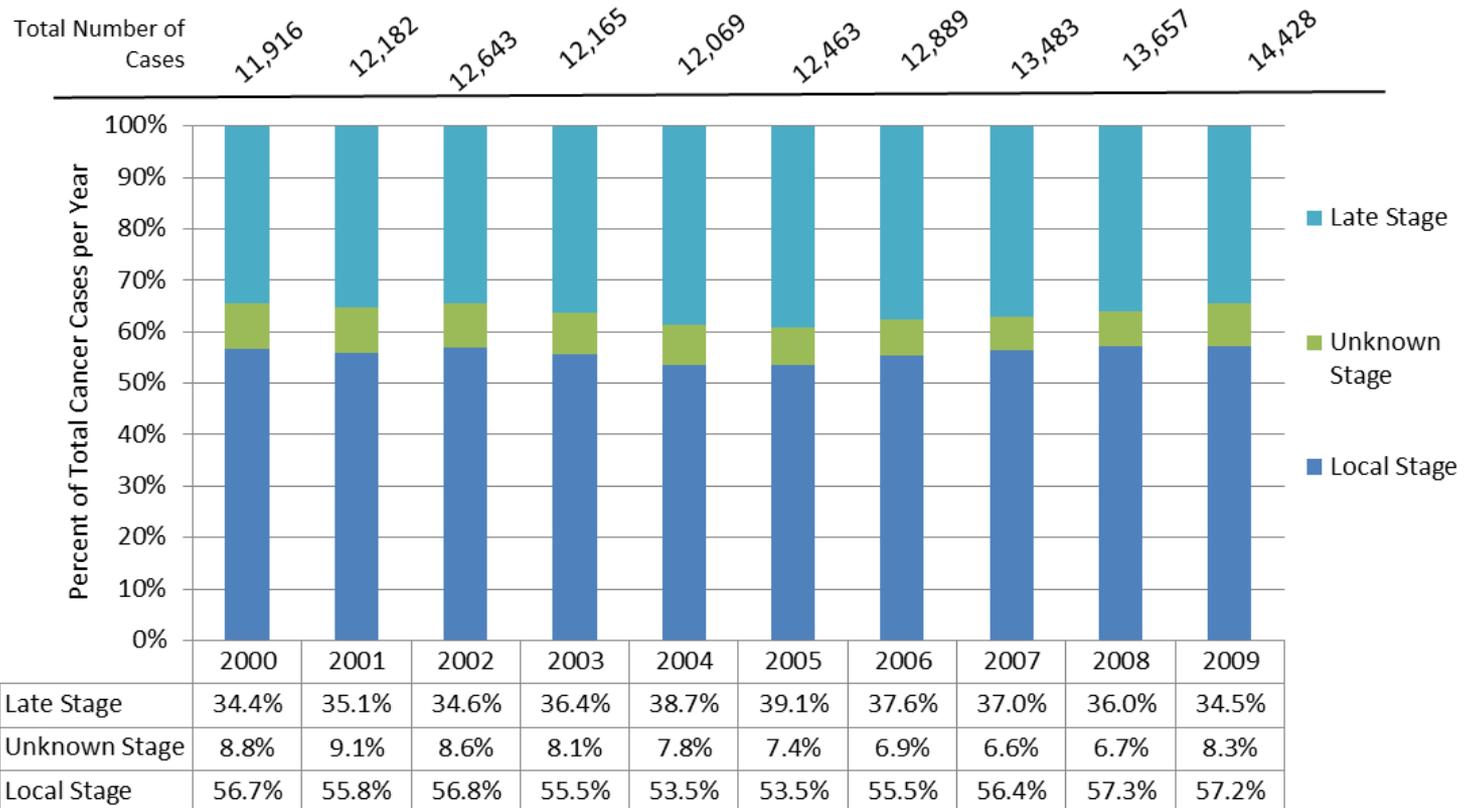
MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	34,965,756	34,965,756	69,931,512
All Funds	34,965,756	34,965,756	69,931,512

FTEs	0.0	0.0	
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Program Impact	FY 2014	FY 2015	Totals
Number of additional women provided primary health care services	119,006	119,006	238,012
Number of women screened for breast and/or cervical cancer	99,478	99,478	198,956
Number of women screened for hypertension	119,006	119,006	238,012
Number of women screened for diabetes	37,011	37,011	74,022
Number of clients with access to perinatal	23,801	23,801	47,602

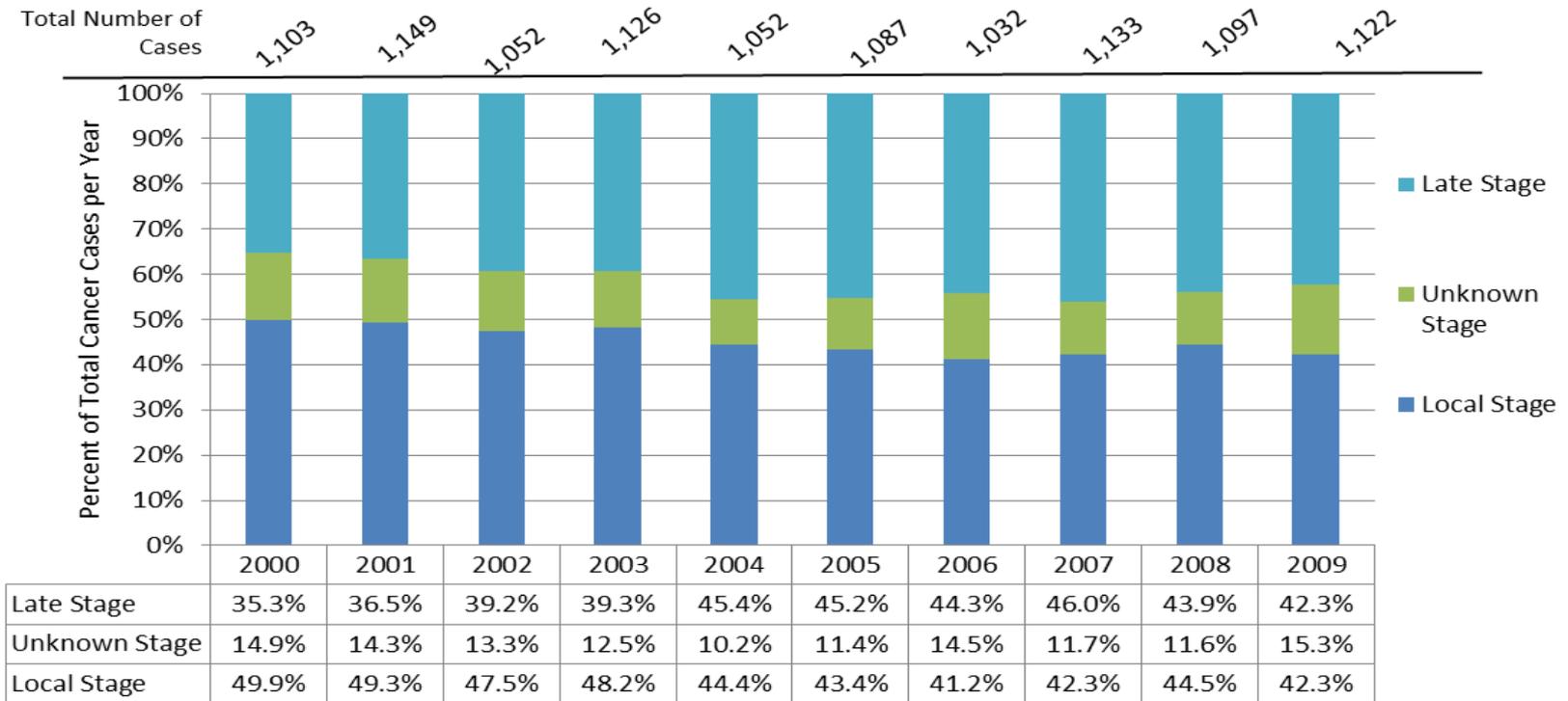
\$35M Investment Results in ~\$64M Savings (All Funds) in Medicaid Per Year

Female Breast Cancer Incidence - Percentages by Year of Diagnosis and Stage at Diagnosis, Texas, 2000-2009



Note: Late Stage - cancer spread to lymph nodes and beyond. Local Stage - cancer still isolated in tumor.

Female Cervical Cancer Incidence - Percentages by Year of Diagnosis and Stage at Diagnosis, Texas, 2000-2009



Note: Late Stage - cancer spread to lymph nodes and beyond. Local Stage - cancer still isolated in tumor.

Item # 5

Primary Health Care Expansion

Cost Savings (Annual)							
Type of Service	Number of Clients	Outcomes	All Clients	Medicaid Clients	Average Cost	Total Cost Savings	Medicaid Cost Savings
Blood Pressure Screening	119,006	Preventable Admissions	43	3	\$24,159 (Charges)	\$1,038,837	\$36,239
Diabetes Screening	37,011	Preventable Admissions	91	10	\$40,264 (Charges)	\$3,664,024	\$201,320
Contraceptive Clients	70,860	Births Averted	5,102	5,102	\$12,000	\$61,224,000	\$61,224,000
Perinatal Clients	23,801	Early Preterm Births Prevented	73	73	\$22,430	\$1,637,390	\$1,637,390
		Late Preterm Births Prevented	181	181	\$4,919	\$890,339	\$890,339
Total Savings Per Year						\$68,454,590	\$63,989,288
Savings per Client (total served=119,006)						\$575.21	\$537.69
Cost Per Client							\$275

Increased Survival Rate Due to Early Detection of Cancer				
Type of Service	Number of Clients	Outcomes	All clients	5 year survival rate
Screening Mammograms	10,690	New Breast Cancer Cases	167	Stage 0 - 1 = 88% - 93%
Diagnostic Mammograms	5,466			Stage 2 = 74% - 81%
				Stage 3 = 41% - 67%
				Stage 4 = 15%
Pap Tests	83,322	New Cervical Cancer Cases	66	Stage 0 - 1 = 80% - 93%
				Stage 2 = 58% - 63%
				Stage 3 = 32% - 35%
				Stage 4 = 15% - 16%

* Medicaid cost savings is All Funds.

Primary Health Care Expansion Summary

- Expand the availability of preventive primary health care services to low-income women and navigate them to appropriate care
 - An additional 119,000 women would be served
- Target women age 18 and above who are Texas residents and who are at or below 200 percent of the federal poverty level (FPL)
- Services include: preventive health screenings (breast and cervical cancer screenings, STD-HIV screenings, hypertension, diabetes, cholesterol, etc.); perinatal services; and dental services
- Incentivize the use of Community Health Workers (CHWs) and lactation consultants

Primary Health Care Expansion Summary

- The Primary Health Care expansion is anticipated to begin on approximately 1/1/14
- Will require a competitive procurement
 - DSHS anticipates funding approximately 100 contracts
- Contractors will be required to be comprehensive primary care providers, such as FQHCs and public health entities
- Funding will be distributed using a hybrid cost reimbursement / fee-for-service model
- Implementation of the expansion will require a new billing/data collection system

- This request would fully fund the number of clients on waiting lists as of May 2012 in the Mental Health (MH) adult, MH children, and Children with Special Health Care Needs (CSHCN) programs:

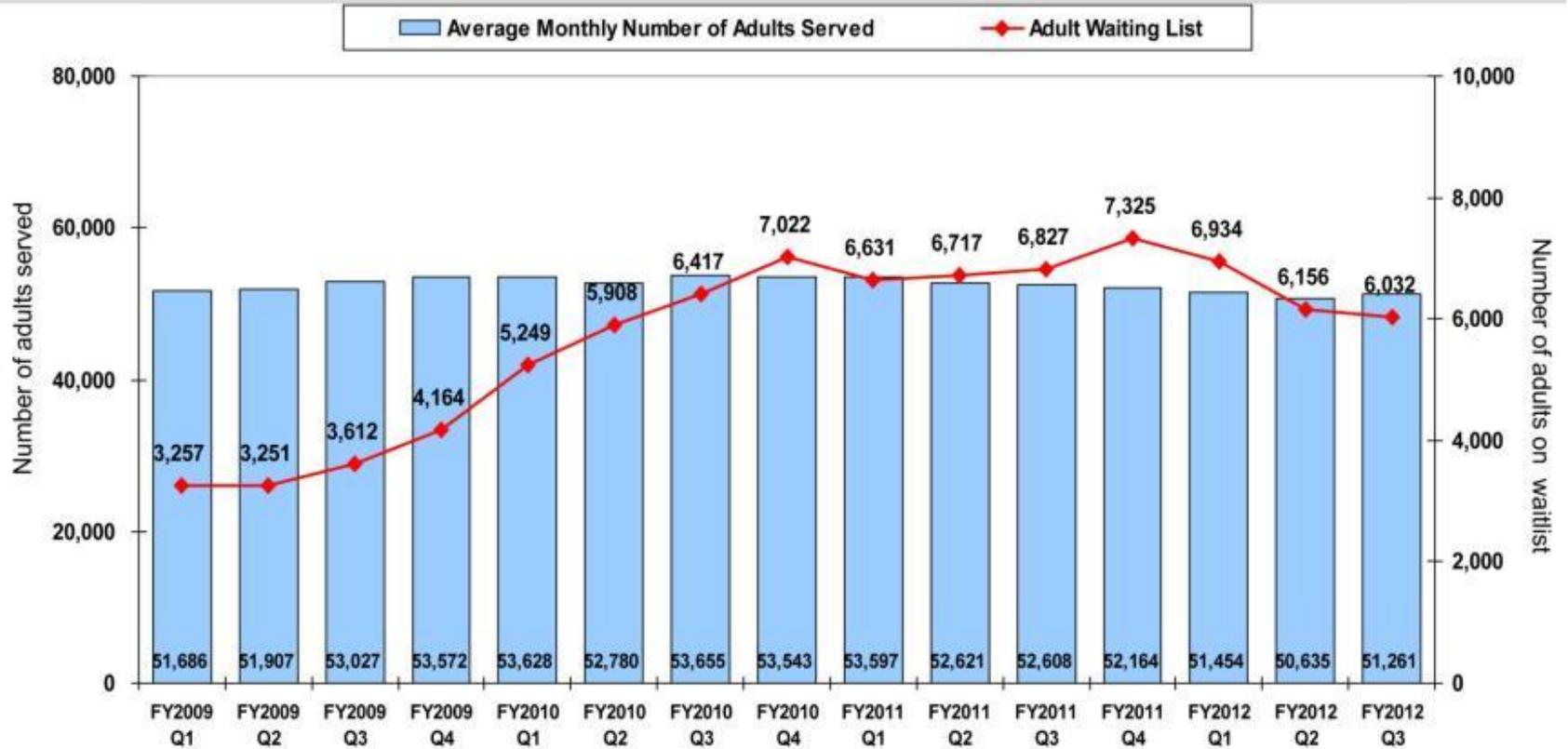
- MH adult wait list: **\$54,100,000**
- MH children wait list: **\$3,100,000**
- CSHCN wait list: **\$23,600,000**

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	40,400,000	40,400,000	80,800,000
All Funds	40,400,000	40,400,000	80,800,000

FTEs	0.0	0.0	
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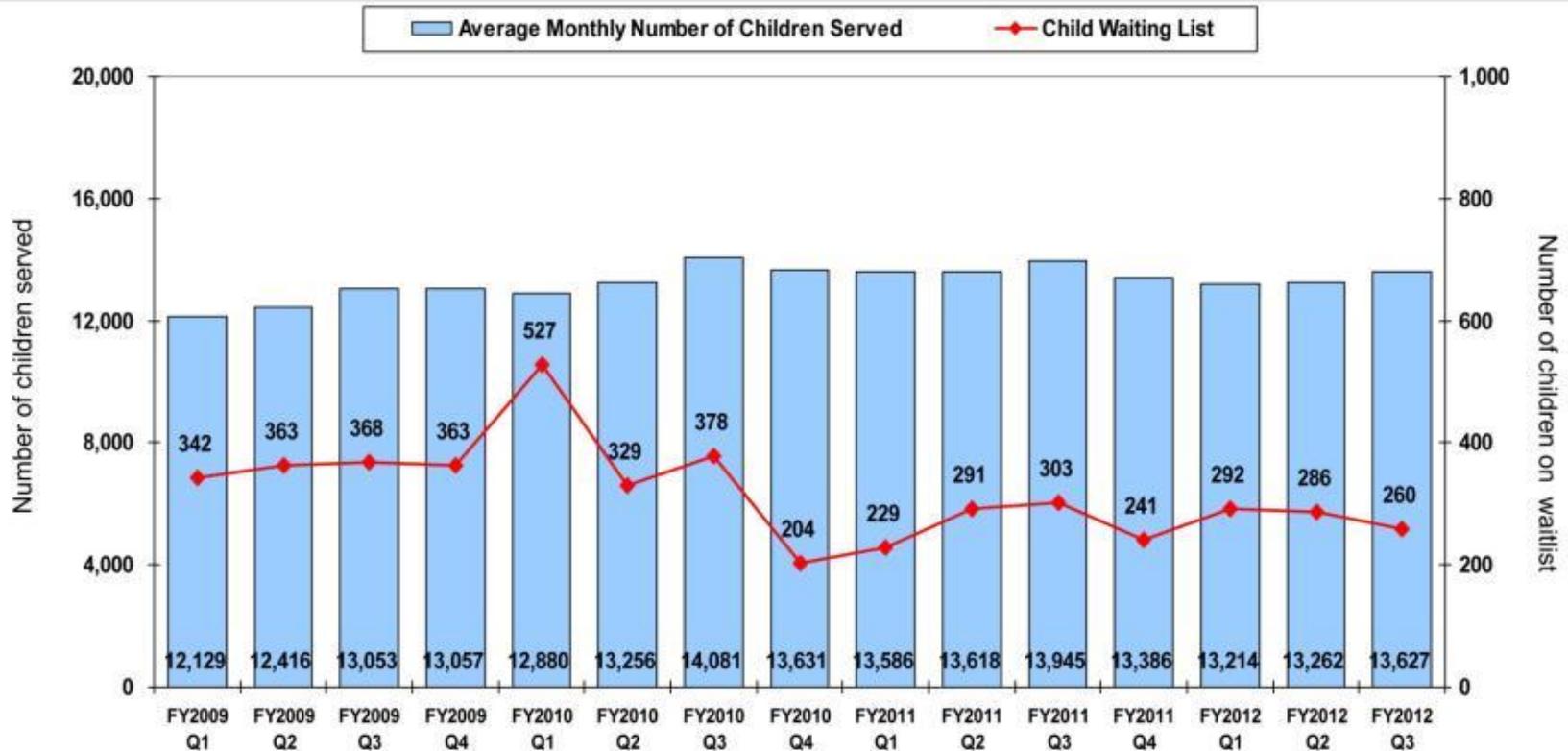
Program Impact	FY 2014	FY 2015	Totals
Increase capacity to serve adults in community mental health	6,242	6,242	6,242
Increase capacity to serve children in community mental health	286	286	286
Increase capacity to serve children in CSHCN	802	802	802

Adult waiting list for community mental health services increased from FY2009 Q1 to FY2012 Q3 by **85%**, as average monthly number of adults served remains constant over time as LMHAs reach capacity.



Source: DSHS Client Assignment Registration (CARE) system.
Notes: Average Monthly Number of Adults Served per LBB performance measures.
Adult Waiting List is number of adults waiting for all services.

Child waiting list for community mental health services decreased from FY2009 Q1 to FY2012 Q3 by **24%** due to special appropriation but still remains a significant barrier to mental health services, as average monthly number of children served has remained constant over time as LMHAs reach capacity.



Source: DSHS Client Assignment Registration (CARE) system.

Notes: Average Monthly Number of Children Served per LBB performance measures.
Child Waiting List is number of children waiting for all services.

Number of CSHCN Clients Served Each Fiscal Year and Number of CSHCN Clients on Waitlist as of August 31 Each Year



Item # 7 *Increase Substance Abuse Treatment Services*

- This request would provide **\$18,471,549** to allow DSHS to:
 - increase the payment rates for substance abuse treatment providers, which have not increased in 5 years

- Funds a substance abuse capacity increase of 948 people: **\$4,941,828**

- Creates additional capacity dedicated to serving individuals referred by DFPS: **\$10,136,707**

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	14,568,333	18,981,751	33,550,084
All Funds	14,568,333	18,891,751	33,550,084

FTEs	0.0	0.0	
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Program Impact	FY 2014	FY 2015	Totals
Increase Substance Abuse treatment capacity	948	948	948
Number of DFPS clients served in Pregnant Postpartum Intervention Services	1,000	1,000	2,000
Number of additional DFPS clients served in substance abuse treatment services	1,000	3,000	4,000

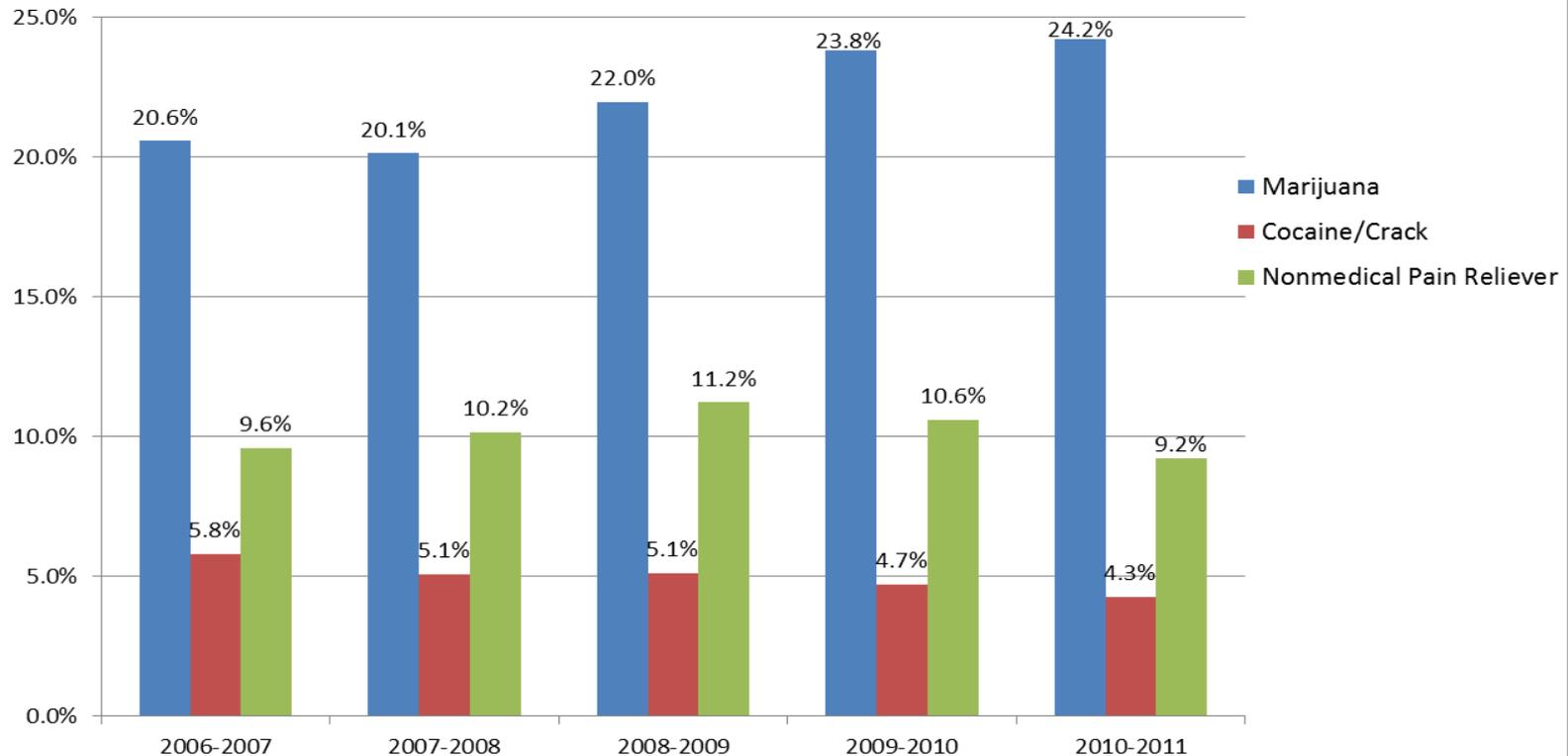
There is a benefit to cost ratio of 7:1 for individuals attending substance abuse treatment.

Item # 7 *Increase Substance Abuse Treatment Services*

- DSHS provides services to low-income Texans with substance abuse problems or who are at risk of developing substance abuse problems.
- In Texas, 38% of individuals who sought treatment and were placed on a waitlist were not admitted into services.
- It is estimated that states saved \$7 for every \$1 that was spent on substance abuse treatment (SAMHSA, 2009).
- These savings were due to reduced health care costs, reduced criminal justice costs, and increased employer earnings.

Item # 7 *Increase Substance Abuse Treatment Services*

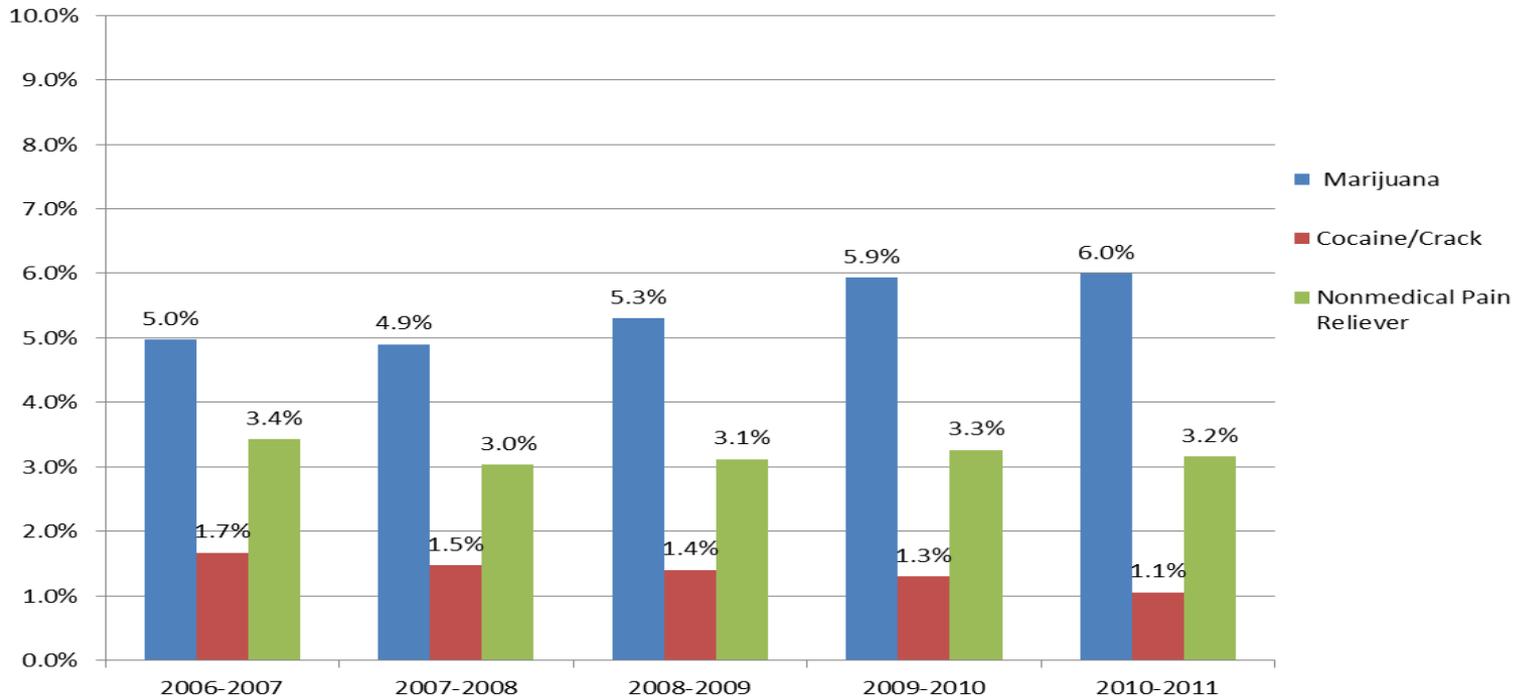
**Past Year Use of Illicit Drugs among Adults Ages 18-25 Years,
Texas, 2006-2012**



Source: National Survey on Drug Use and Health - State Estimates, Office of Applied Studies, Substance Abuse and Mental Health Services Administration.

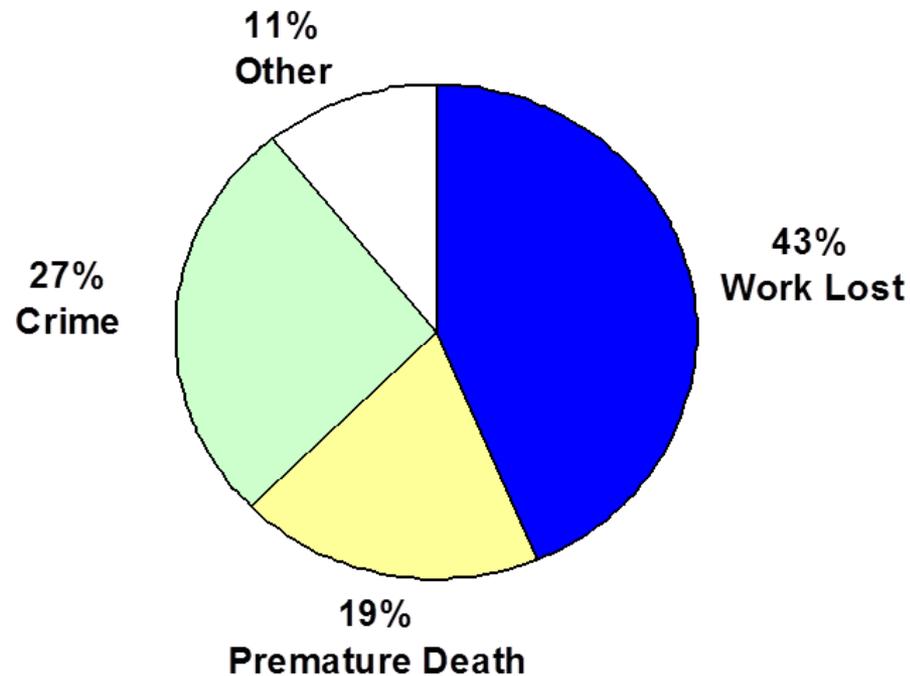
Item # 7 Increase Substance Abuse Treatment Services

**Past Year Use of Illicit Drugs among Adults Ages 25+ Years,
Texas, 2006-2012**



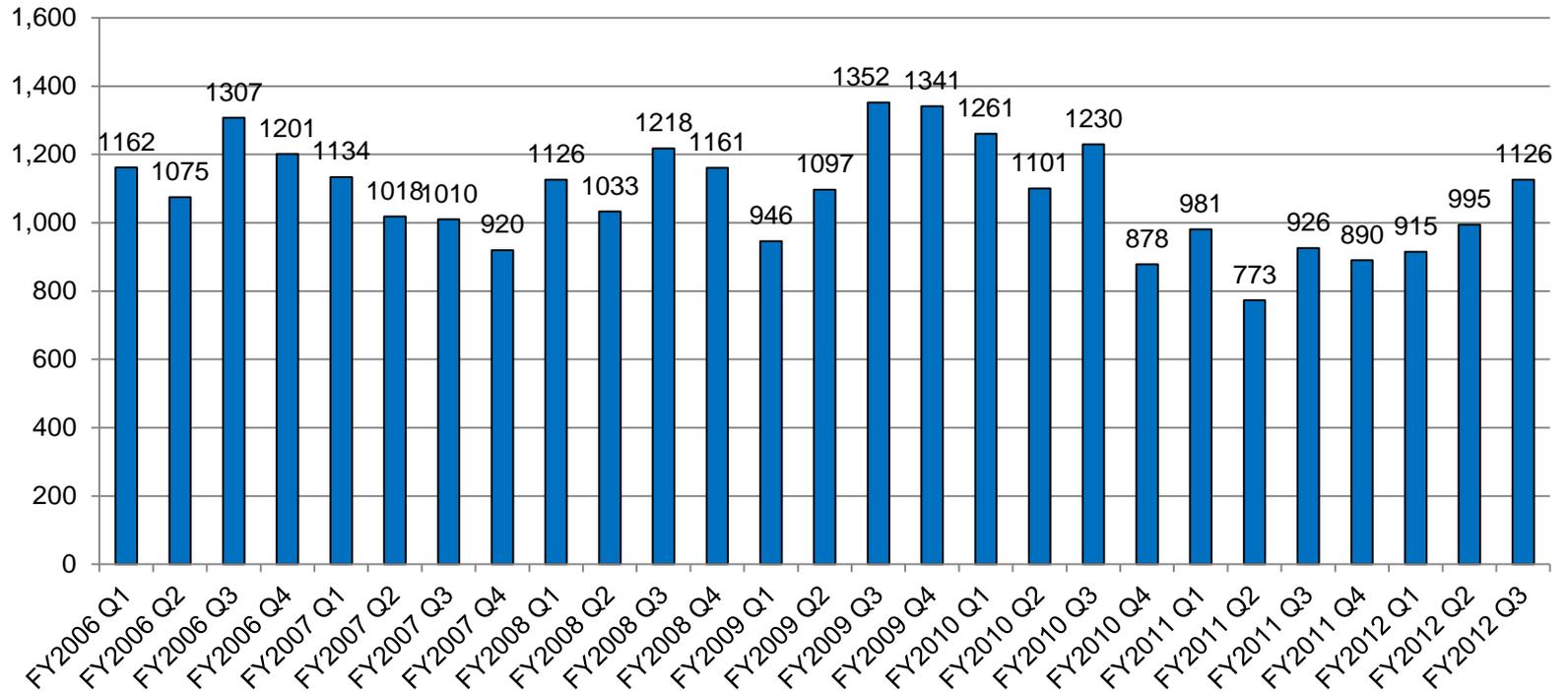
Source: National Survey on Drug Use and Health - State Estimates, Office of Applied Studies, Substance Abuse and Mental Health Services Administration.

**Estimated Economic Costs of Substance Abuse, 2007
by Cost Category (Total: \$33.4 Billion)**

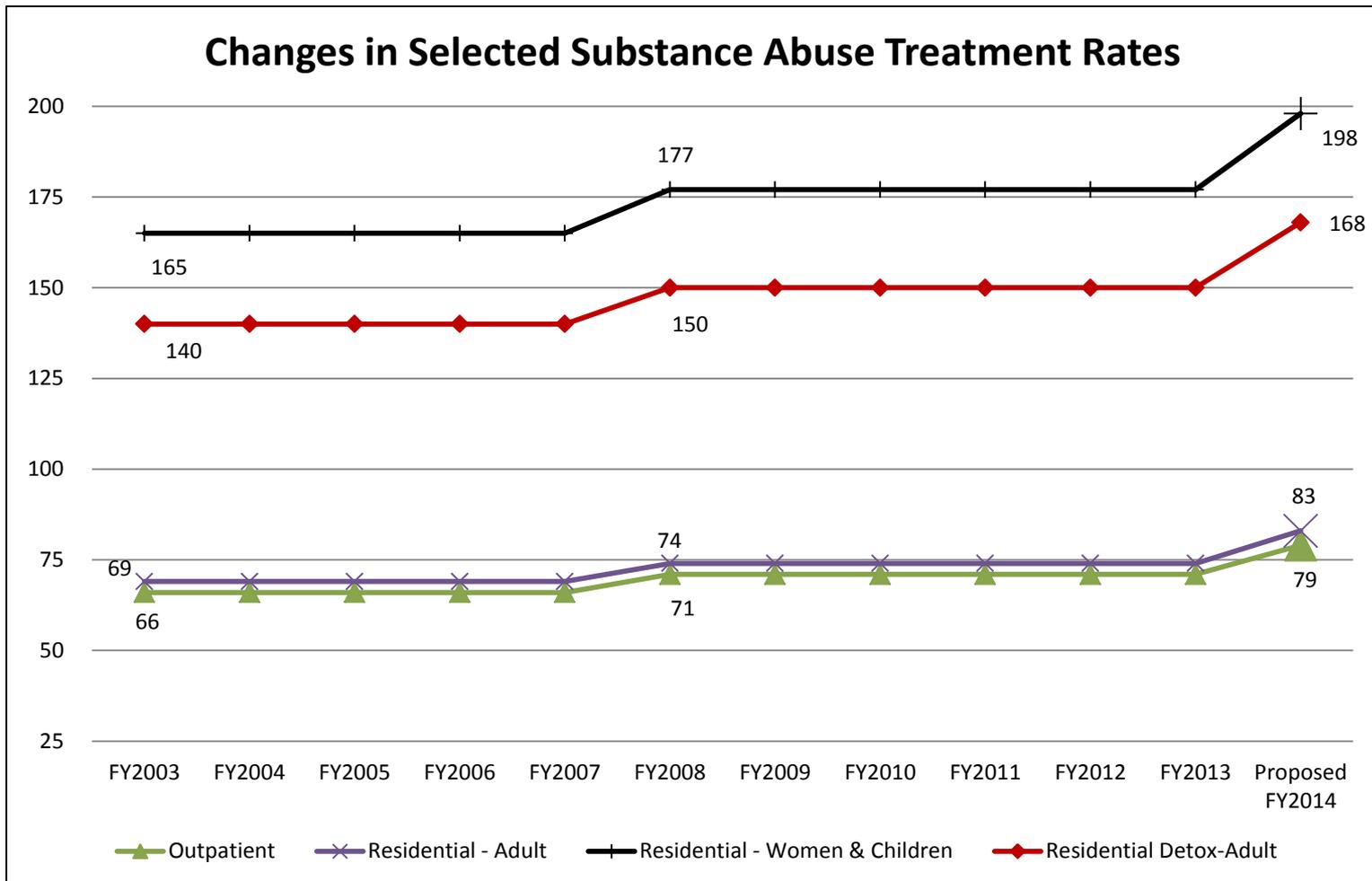


Source: Decision Support Unit, MH & SA, DSHS.

**Average Monthly Clients Needing Access to
Substance Abuse Treatment Services,
FY2006-2012 by Quarter**



Item # 7 Increase Substance Abuse Treatment Services



Item # 7

Increase Substance Abuse Treatment Services

- The Exception Item will provide for additional substance abuse services to promote and hasten safe reunification for children who are in DFPS custody due to parental substance abuse.
- In fiscal year 2012, the number of families served by DFPS with a substance abuse concern was 79,826. Of these, 14,573 had a child in DFPS custody.
- In each of these families at least one parent was in need of a substance abuse screening or assessment and, where appropriate, substance abuse treatment.
- The additional capacity to serve individuals referred by DFPS has the potential to shorten the time children stay in DFPS custody and reduce the number of children living in paid foster care.

Item # 8 Increase Behavioral Health Treatment Outcomes

- Establishes and maintains supportive housing for people in substance abuse recovery:
 - Oxford House: **\$1,140,000**
- Expands housing support options for persons with mental illness who are homeless or at risk of being homeless. Additionally, provides State GR match for a Medicaid home and community based services state plan option for high need persons with extended stays in the state mental health system:
 - Supportive Housing: **\$24,840,940**
- Funds 10 beds in private residential treatment centers (RTCs) for children/youth that are at risk for parental relinquishment of custody to DFPS: **\$2,056,262**

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	9,523,060	13,690,608	23,213,668
Federal Funds	1,632,193	3,191,341	4,823,534
All Funds	11,155,253	16,881,949	28,037,202

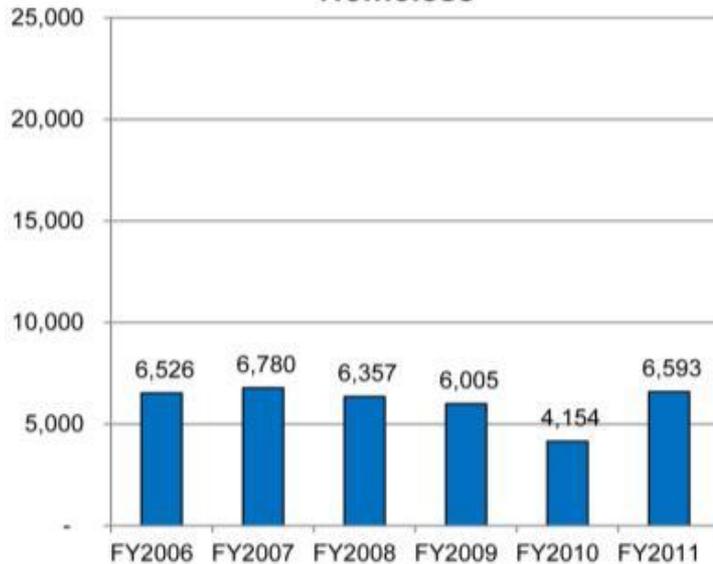
FTEs	0.0	0.0	
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Program Impact	FY 2014	FY 2015	Totals
Number of individuals in substance abuse recovery participating	175	175	350
Number of homeless mental ill provided long term and short term rental assistance	707	977	1684

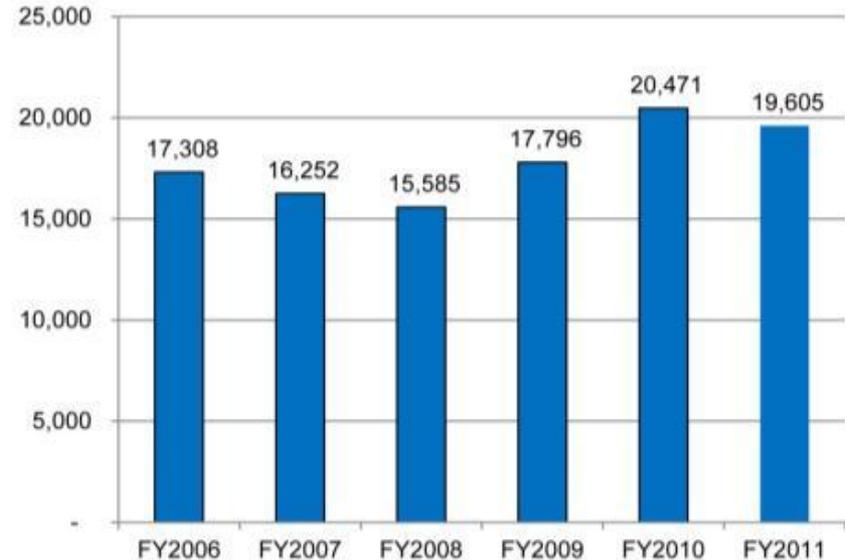
**The \$1.1M investment in Oxford House has a projected ROI of \$5.0M for the biennium.
The \$24.8M investment in MH Supportive Housing has a projected ROI of \$39.2M for the biennium.**

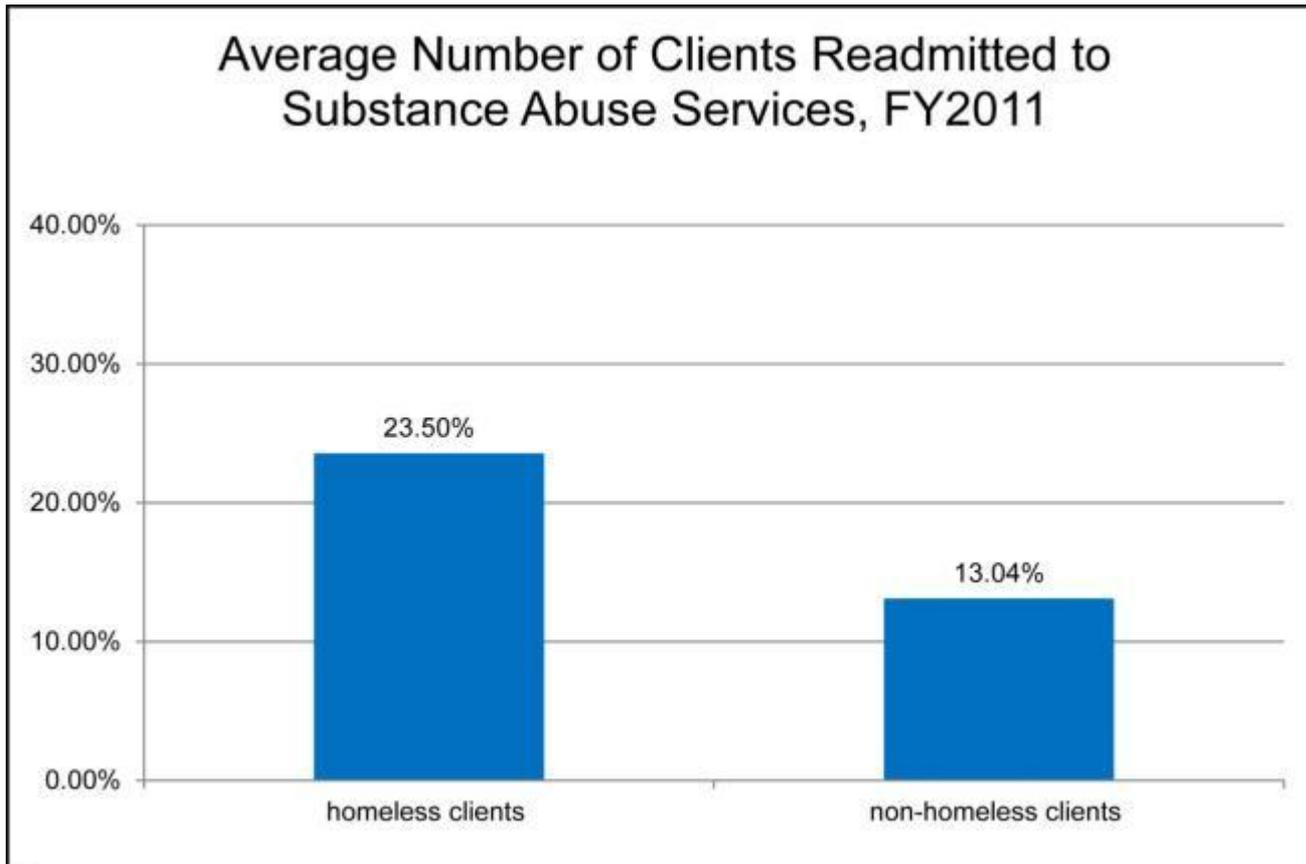
Homelessness Among Substance Abuse and LMHA Clients, 2006-2011

Substance Abuse Clients who were Homeless

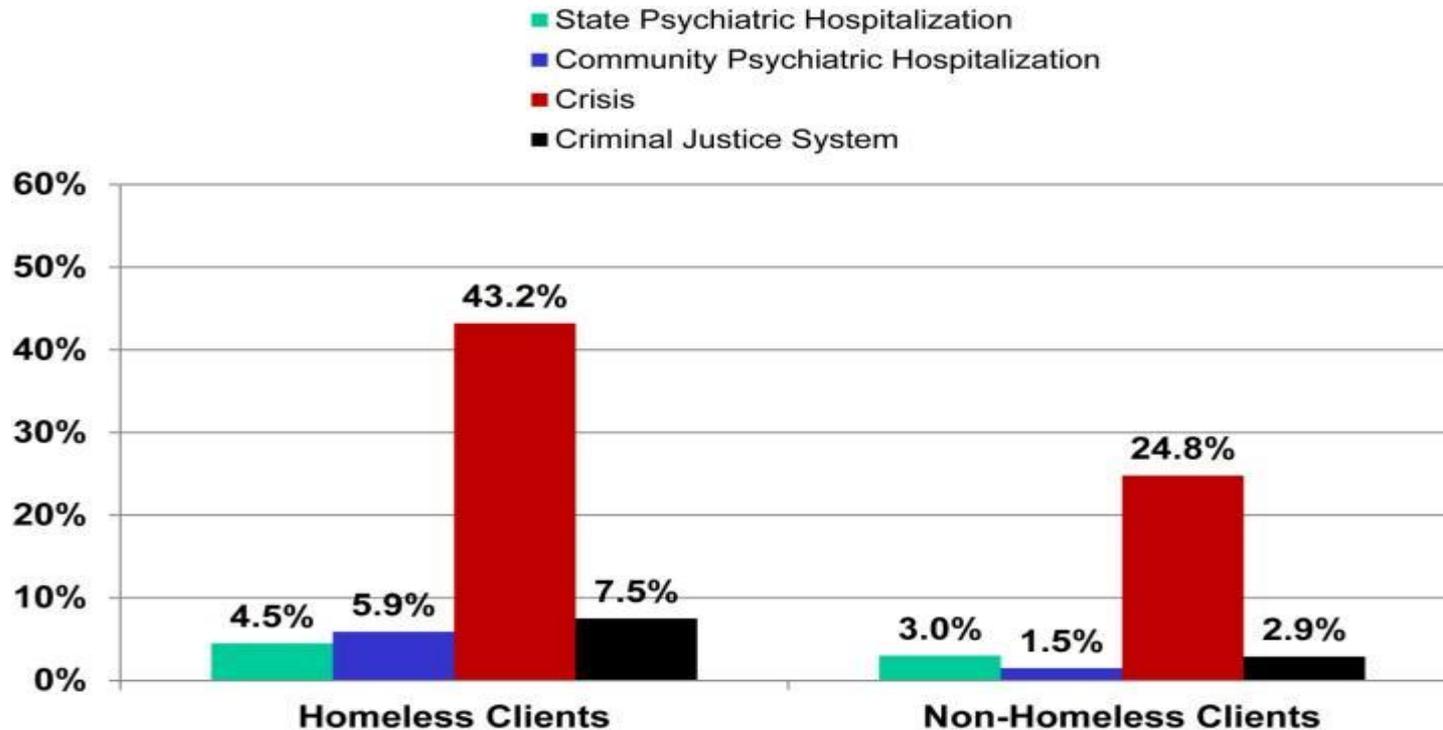


LMHA Clients who were Homeless





Percent of Homeless MH Adults Using Other State Services



Source: System Cost Savings Analysis of Homeless LMHA Clients, Office of Decision Support, MHSA, DSHS.

Item # 9

Tobacco Cessation and Chronic Disease Prevention

- Increase tobacco prevention and cessation funding for the Quitline counseling services, nicotine replacement therapy to callers from targeted communities, smokeless tobacco prevention to youth in rural counties, and targeted tobacco cessation and smokeless tobacco media outreach:
 - Tobacco Cessation: **\$4,574,702.**

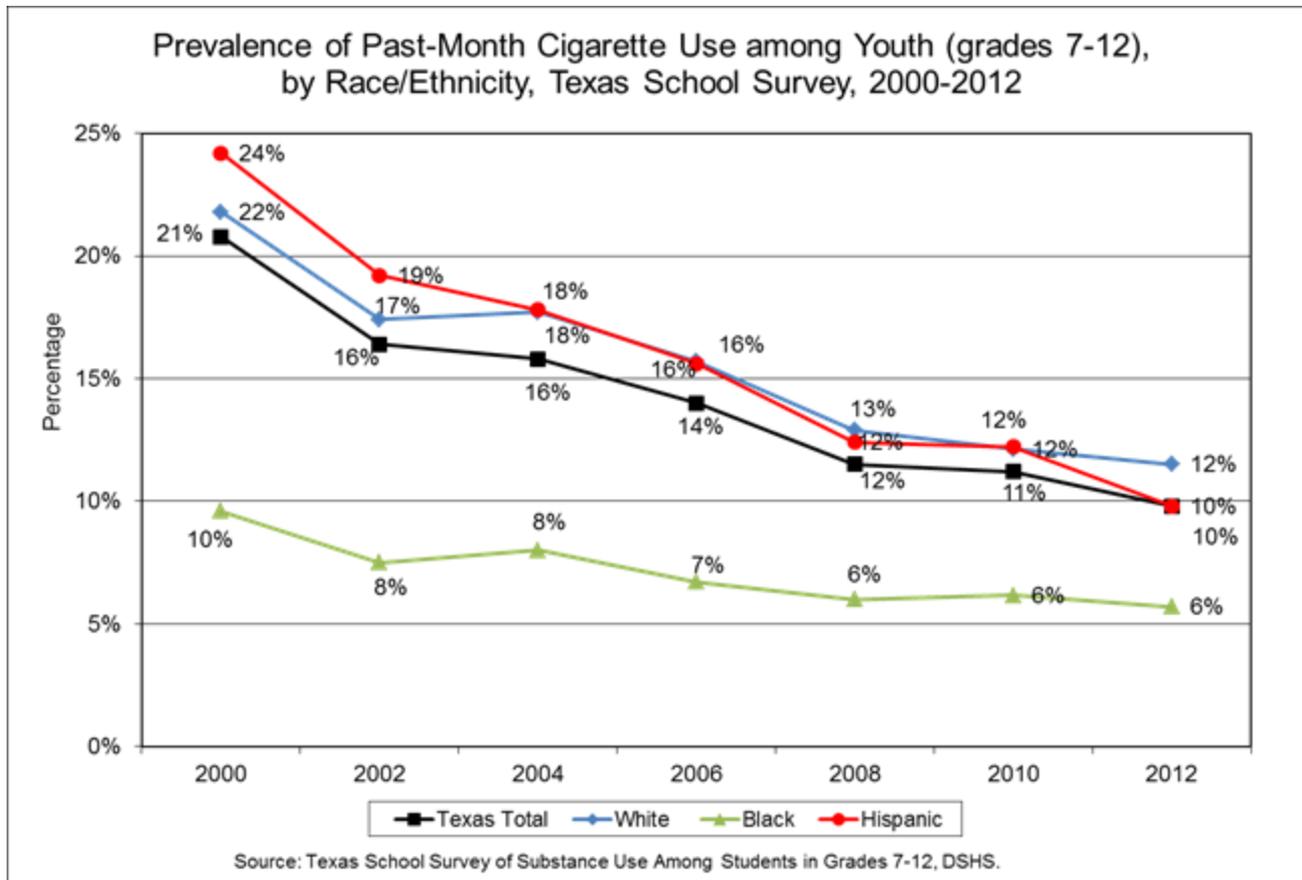
- Expand DSHS' efforts to implement high impact chronic disease reduction and prevention efforts in eight mid to large urban centers, building upon efforts in rural areas covered by Community Transformation Grant funds:
 - Chronic Disease Prevention: **\$4M.**

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	4,049,735	4,524,967	8,574,702
All Funds	4,049,735	4,524,967	8,574,702

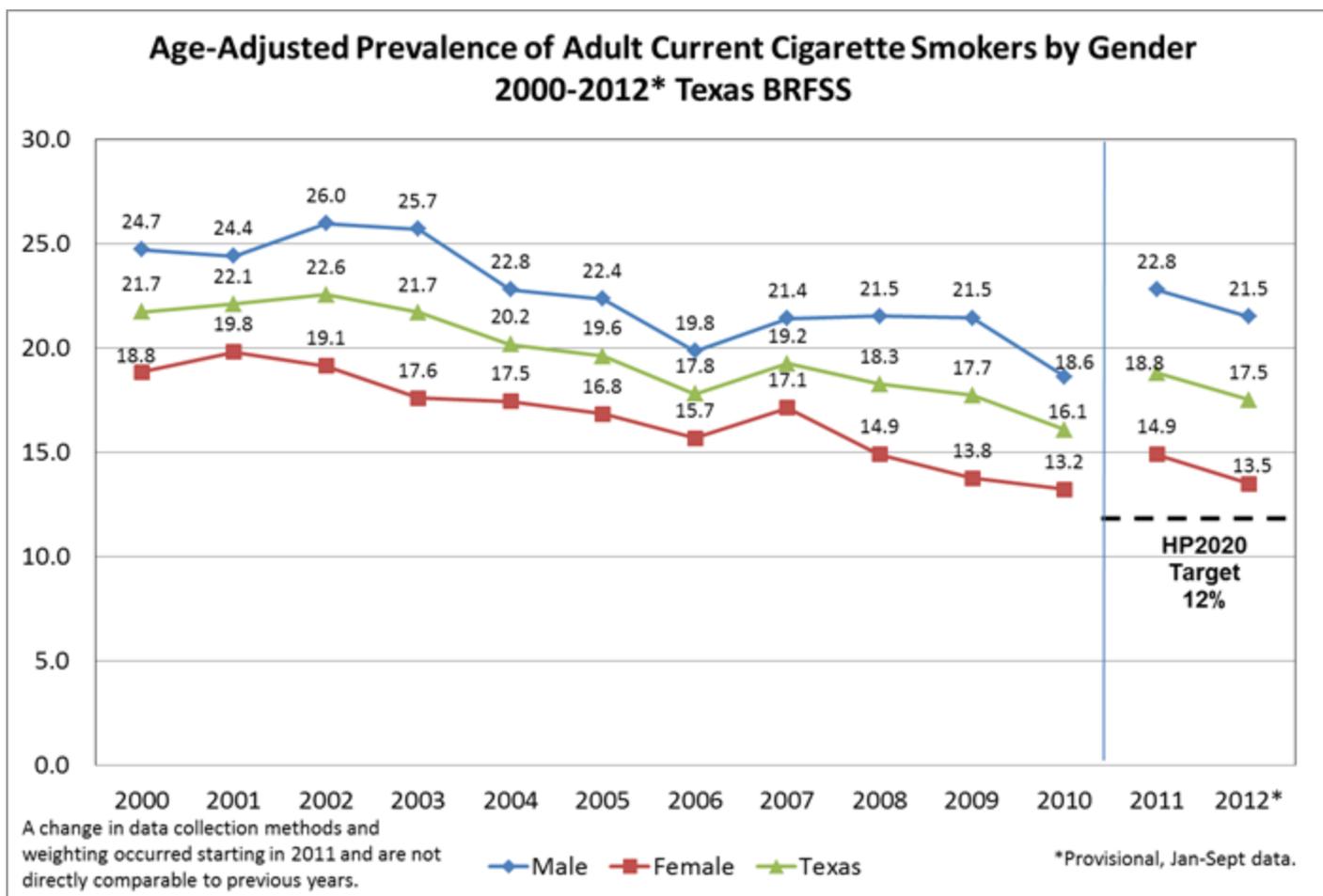
FTEs	0.0	0.0	
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Program Impact	FY 2014	FY 2015	Totals
Additional calls answered on the Quitline	8,388	11,775	20,163
Additional individuals provided smoking cessation counseling	5,452	7,654	13,106
Additional individuals provided nicotine replacement therapy (NRT)	1,908	2,679	4,587
Number of Texans with increased access to evidence based chronic disease strategies to reduce cardiovascular disease, stroke, cancer and diabetes	8,000,000	8,000,000	8,000,000
Percent reduction in CVD deaths	5.0%	5.0%	

In SFY 11, assuming 27% of about 12,000 individuals receiving counseling services quit smoking, an investment of \$2.3M would have generated a potential savings of \$26.6M.



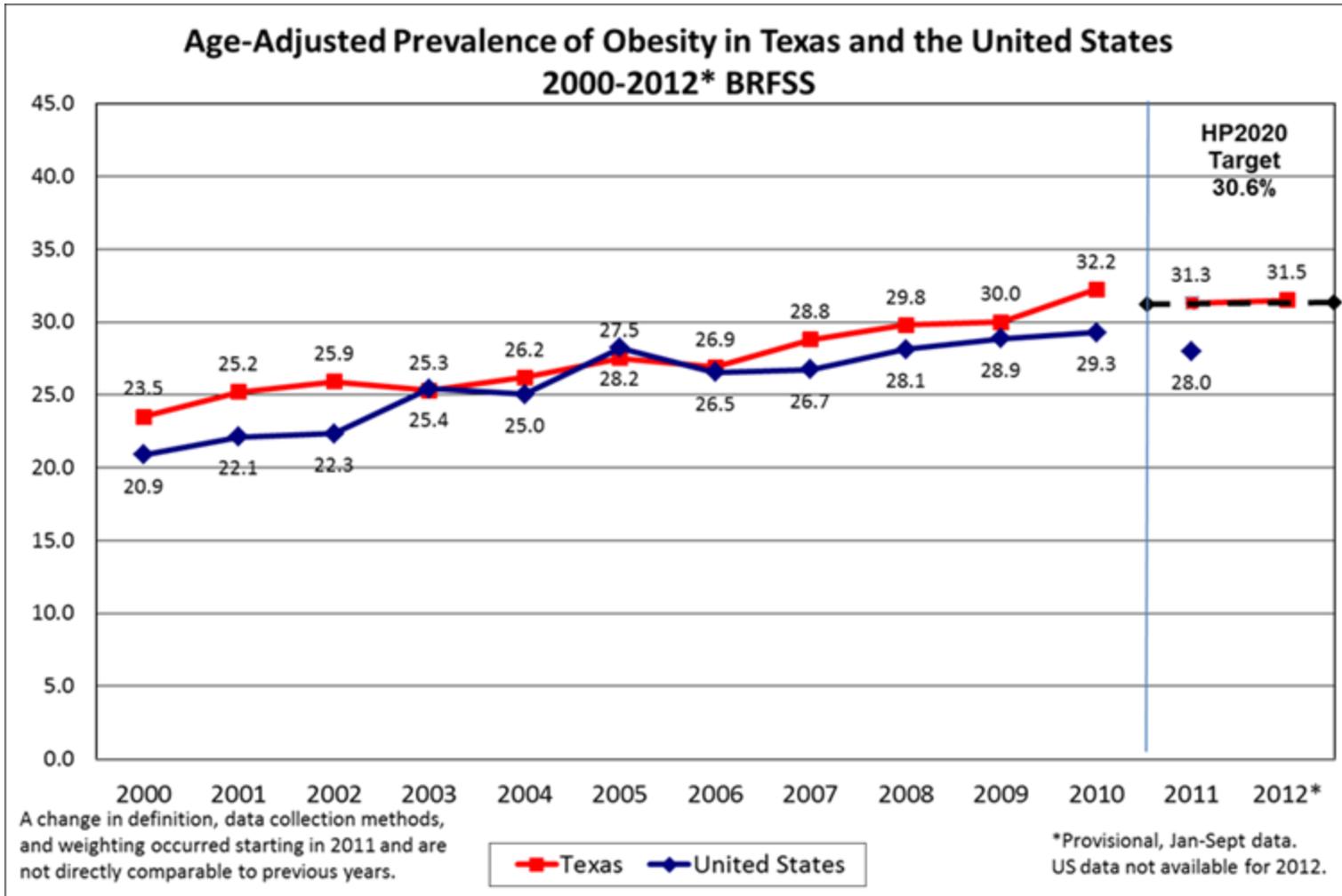
Item # 9 Tobacco Cessation and Chronic Disease Prevention



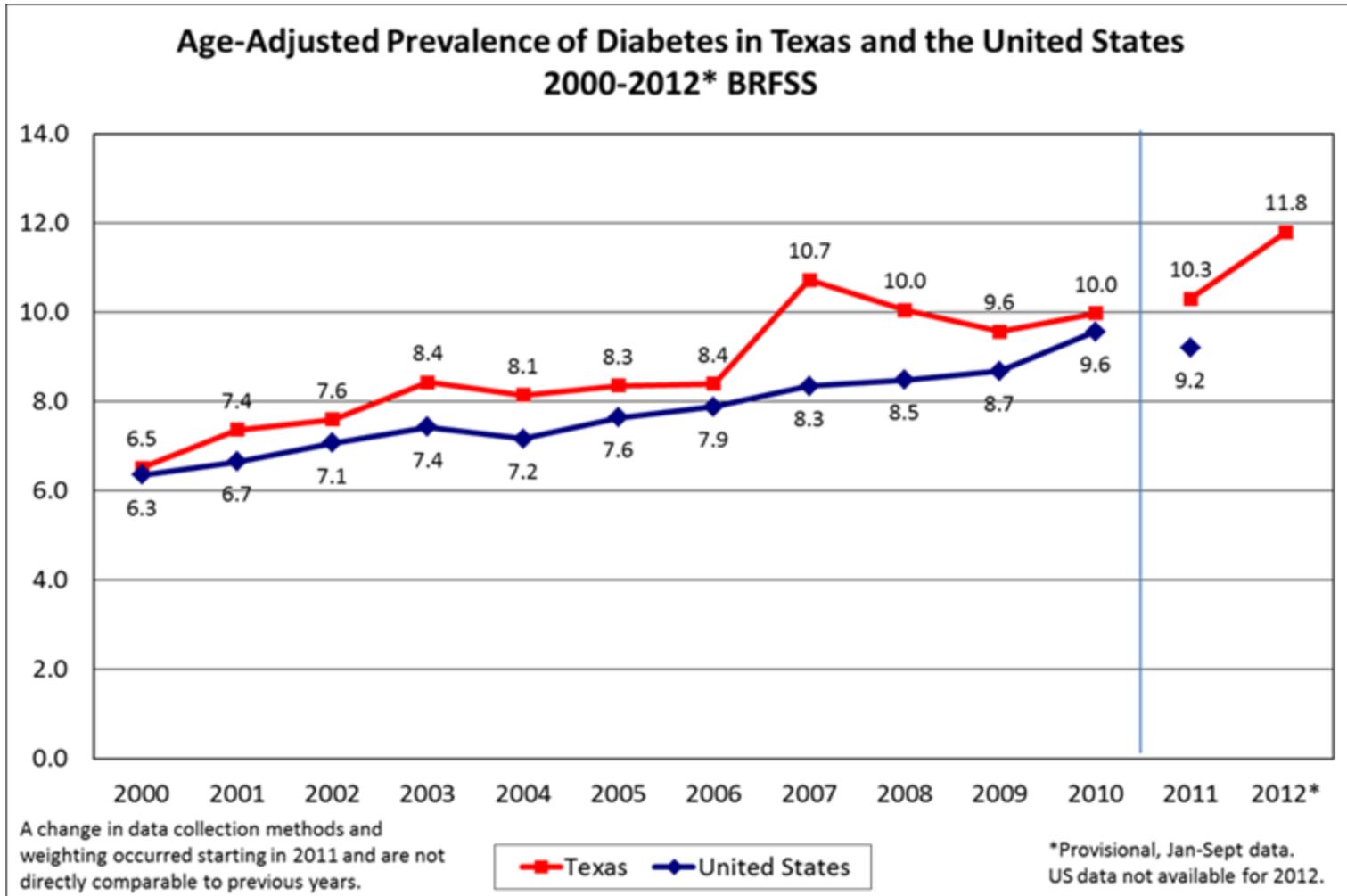
Tobacco Funding Return on Investment

- According to a 2006 study in Texas conducted by the Center for Health Research at Kaiser Permanente, for every Texan who quits smoking, there is a savings of \$8,127 in medical costs and lost productivity just in the first five years.
- In 2012, random sample telephone surveys conducted by Alere Wellbeing indicate that 27 percent of the callers to the state's quitline successfully quit and remained tobacco free seven months after enrolling in the state-funded quitline services.
- Combining the 27% quit rate with the ROI calculated by the Kaiser study could generate a potential savings of \$26,579,435 on an investment of \$2,296,960.

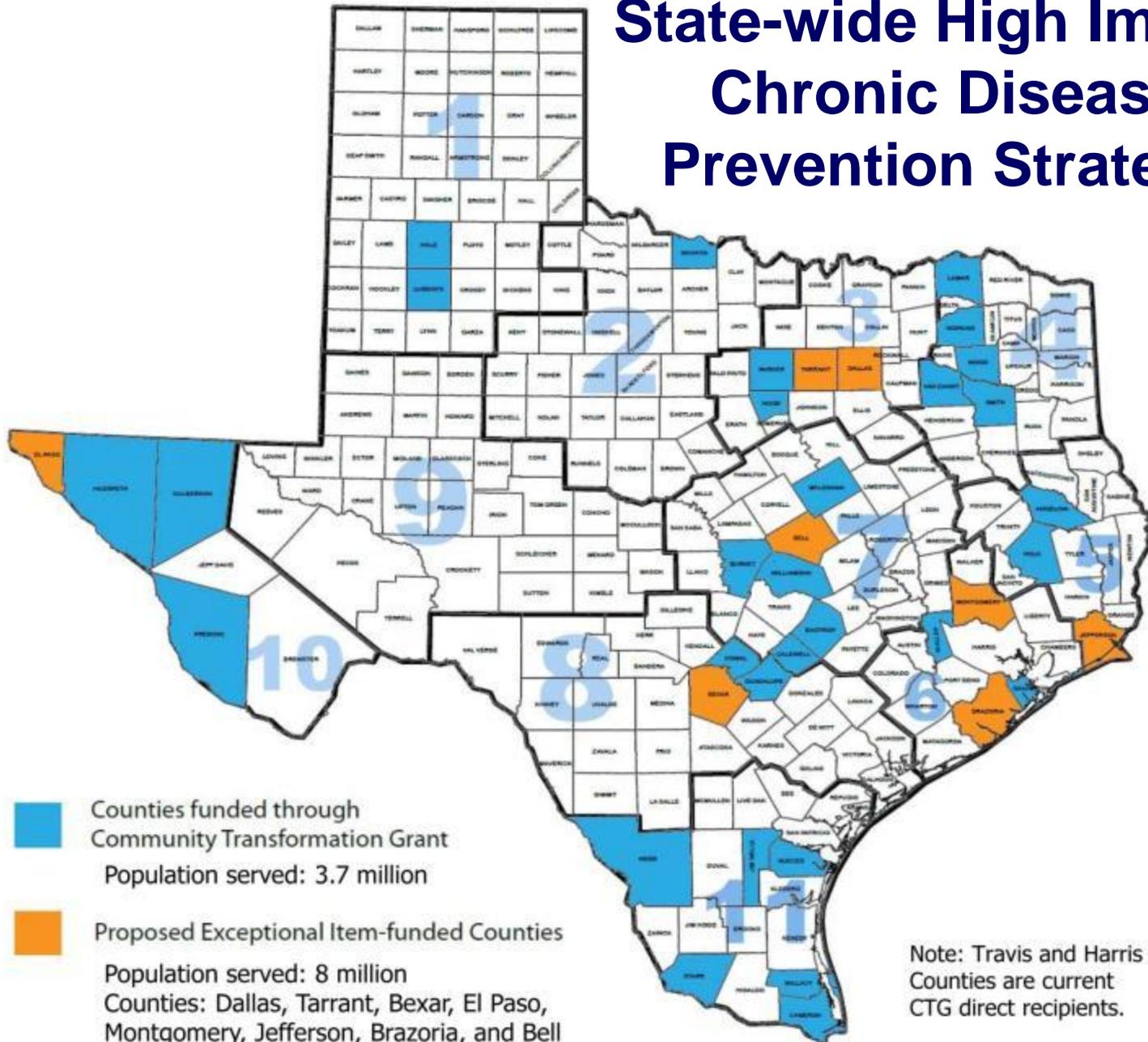
Item # 9 Tobacco Cessation and Chronic Disease Prevention



Item # 9 Tobacco Cessation and Chronic Disease Prevention



State-wide High Impact Chronic Disease Prevention Strategy



Community Transformation Goals

- The Community Transformation high-impact chronic disease prevention strategy emphasizes reductions in obesity, reductions in cardiovascular disease, and tobacco cessation.
- The Community Transformation Grant (CTG) has a five year target to improve in these three areas in the targeted communities:
 - reduce death and disability due to tobacco use by 5%;
 - reduce the rate of obesity by 5% through nutrition and physical activity interventions; and,
 - reduce death and disability by 5% due to heart disease and stroke.
- The metrics for the urban areas covered by the funding request are the same as those of the rural areas covered by CTG funds. These include prevention activities (such as increasing access to quality food), process measures (such as community coalition meetings), and overall outcome measures (such as reductions in CVD deaths).

Item # 10 Preventing Healthcare Associated Infections

- Fund the implementation of hospital prevention projects in multiple healthcare facilities across Texas.
- This request will specifically focus on teaching healthcare providers the necessary *Clostridium difficile* (CDI) prevention and control measures.

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	1,000,000	1,000,000	2,000,000
All Funds	1,000,000	1,000,000	2,000,000

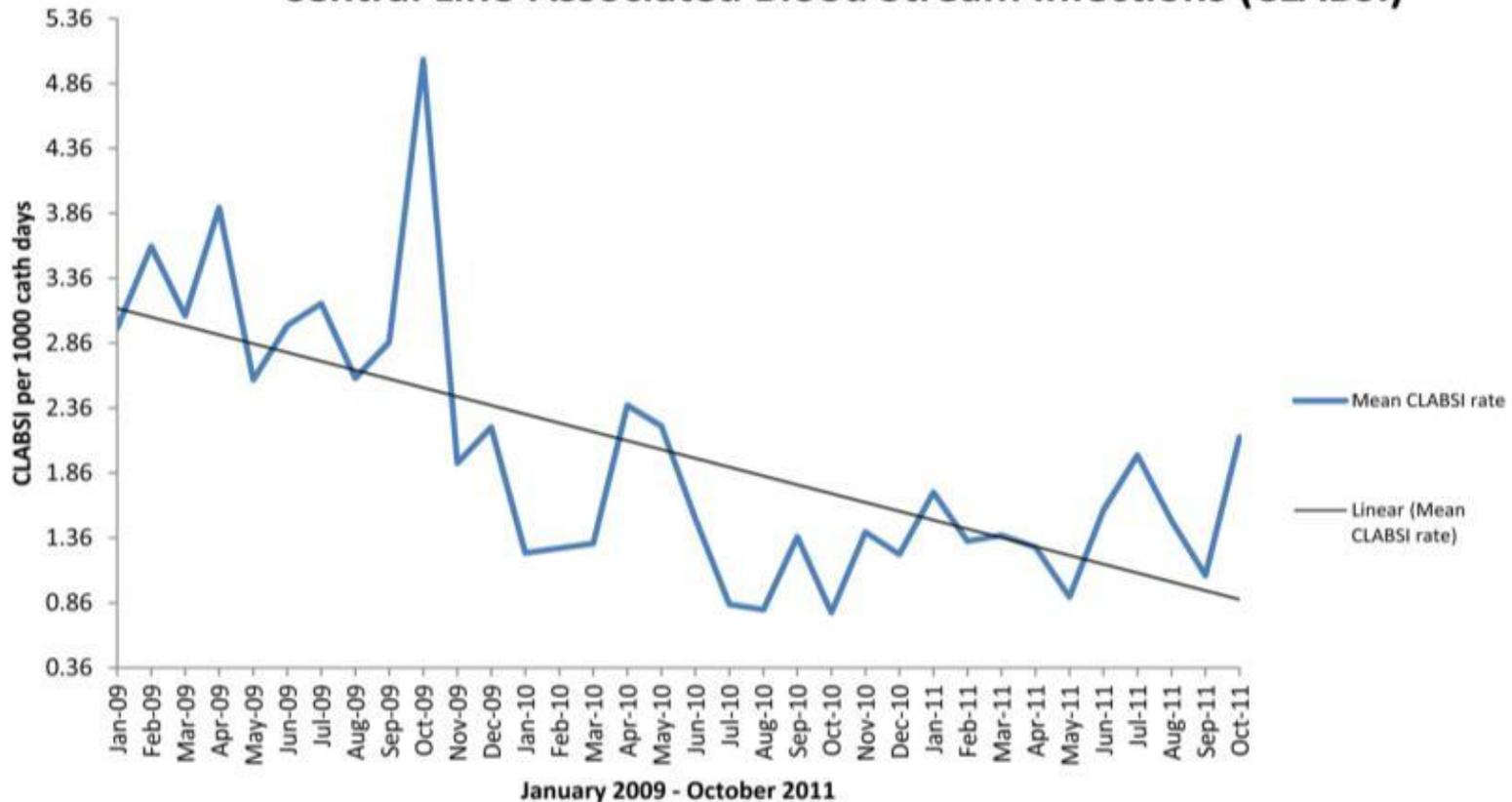
FTEs	0.0	0.0	
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Program Impact	FY 2014	FY 2015	Totals
Number of CDI infections reduced	80	80	160
Savings achieved in Medicaid hospital costs	\$1,000,000	\$1,000,000	

10% Reduction in Medicaid CDI Hospitals Stays Results in ~\$1.76M Savings for Texas Medicaid per year (All Funds)

**Healthcare Setting
Infection Control Interventions**

Central Line-Associated Blood Stream Infections (CLABSI)



**Estimated Costs of *Clostridium difficile* Infections (CDI)
Principal/Secondary Diagnosis
by Payer, Texas, 2009**

Payer	CDI as Principal Diagnosis		CDI as Secondary Diagnosis		Total \$000s
	Number	\$000s	Number	\$000s	
Medicare	3,133	30,189	7,688	90,404	120,593
Commercial Insurance	835	7,466	1,694	26,041	33,507
HMO&HMO Medicare	668	5,028	1,094	12,353	17,381
Medicaid	347	2,770	946	16,876	19,646
Self-Pay/Charity	228	1,630	519	8,031	9,661
Other Federal	100	725	230	3,829	4,554
Other	67	389	140	2,865	3,254
Missing/Imputed	15	134	1,040	13,550	13,684
Total	5,393	48,330	13,351	173,949	222,280

CDI Return on Investment

- Patients with CDI have hospital stays that are 8-9 days longer and have hospital costs \$11,000 to \$13,000 higher when compared with patients without CDI.
- In Texas in 2009, the total estimated cost of care for 18,734 hospital patients with CDI was \$222,000,000.
 - Medicaid is the payer for 9% of these costs, approximately \$19,646,000.
- Each 1% reduction (187 hospital patients) in CDI results in ~\$2M savings for all payers and ~\$170,000 in Texas Medicaid.
 - 10% reduction would result in ~\$1.76M savings (all funds) in Texas Medicaid each year
 - The CDC found that the pooled CDI rate declined 20% over approximately 21 months among 71 hospitals participating in the CDI prevention programs.

Item # 11

Texas Electronic Registrar (TER)

- This request will fund the replacement of the existing Texas Electronic Registrar (TER), which was implemented in 2004 and uses outdated technology.
- TER is the vital records system for Texas.
- TER processes 3 types of data:
 - birth records (~ 400,000 per year)
 - death records (~165,000 per year)
 - marriage records (~185,000 per year)
- Replacement will provide for a system that conforms to national standards for Vital Records, ensures accessibility and protection of records, and provides greater ease of use to customers.

MOF (\$ in millions)	Request FY 2014	Request FY 2015	Totals
GR Related	3,000,000	3,000,000	6,000,000
All Funds	3,000,000	3,000,000	6,000,000
FTEs	0.0	0.0	