

Administrator's Statement

9/13/2016 7:02:07AM

85th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

537 State Health Services, Department of

The mission of the Department of State Health Services (DSHS) is improving the health, safety, and well-being of Texans through good stewardship of public resources and a focus on public health functions. DSHS is responsible for addressing a broad range of health issues impacting Texas, including: chronic disease, infectious disease, emergency preparedness and response, food safety, maternal & children's health. Additionally, DSHS manages public health programs that set minimum standards and ensure safety of radiation devices and sources, drugs and medical devices, and asbestos and other environmental concerns.

As a result of the broader transformation occurring within the Health and Human Services System, DSHS is in the process of undergoing structural changes focusing its core mission on public health functions. Based on these changes, the Department's client services programs, including community behavioral health services, transferred to the Health and Human Services Commission (HHSC) September 1, 2016. Further changes are set to occur September 1, 2017, as certain regulatory functions and the operation of the state hospital system transition to HHSC. Moreover, several occupational and professional regulatory programs are transferring to the Texas Department of Licensing and Regulation and the Texas Medical Board.

As a result of these changes, DSHS will be better positioned to meet the overall public health needs of the state:

- Protecting, promoting and improving the health and wellness of communities and various populations by encouraging healthy behaviors and addressing chronic diseases.
- Detecting, monitoring, preventing and controlling the spread of infectious diseases.
- Analyzing and reporting disease trends and the health status of Texans.
- Promoting injury prevention.
- Identifying, treating, managing, preventing and reducing health problems related to food, drugs and medical devices, radiation, and environmental hazards.
- Conducting emergency preparedness activities and response to natural, man-made, infectious disease and bioterrorism threats.

A refocused DSHS provides an opportunity to identify and work toward addressing important health issues affecting Texans every day. The size and growth of our state increases these public health challenges and the need for resources to address them.

- This past year, the Department has worked to protect the public's health from infectious diseases such as emerging health threats like Zika virus and other more well-established communicable diseases, such as Tuberculosis.
- Chronic diseases including the consequences of tobacco use negatively affect the health of Texans and the health care costs to the state. Additionally, chronic diseases take a toll on maternal morbidity and mortality rates and other health outcomes in our state. The Department is working to address underlying causes of poor health outcomes among Texans but this challenge is significant.
- The department is also continuing its work to: (1) improve the health of children through efforts to reduce infant mortality and prematurity, (2) identify conditions that affect infants and children through newborn screening and the Birth Defect Registry, and (3) improve vaccination rates among children.

THE DSHS LEGISLATIVE APPROPRIATIONS REQUEST

The DSHS appropriations request complies with the guidance provided by the Legislative Budget Board and the Governor's Office of Budget and Policy.

The LAR addresses the current and future public health needs across DSHS responsibilities. Based on the guidelines for developing the LAR, the Department's baseline request is 96 percent of the Department's 2016–17 biennial General Revenue Funds and General Revenue–Dedicated Funds expenditures. The total fiscal impact of the 4% targeted baseline request reduction for DSHS public health programs was approximately \$25 million for the 2018 – 2019 biennium. In order to meet this requirement, the Department underwent a process of identifying areas where reductions in the baseline request would not have broad or immediate impacts to the health

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and safety of Texans. These included:

- Evaluate one-time funding that is not needed; for example, one-time funding for construction, repairs
- Evaluate administrative reductions
- Evaluate programs with low public health risk for de-regulation
- Evaluate remaining balance in public health programs and reduce based on ranking programs by immediacy of public health impact

The Department made the difficult decision of identifying baseline reductions to chronic disease and tobacco prevention programs, in order to not impact immediate issues such as infectious disease control and prevention and basic public health programs. Although particular chronic disease programs were offered as part of the base budget reductions, these programs still have a critical impact for individuals and the health of the state.

The LAR includes 7 exceptional items that span prioritized public health service and infrastructure needs:

- (1) **Restore 4 Percent Reduction in Chronic Disease Programs:** The Department is seeking restoration of a portion of the 4% reduction in General Revenue funding related to programs that support efforts to prevent and reduce chronic diseases in Texas. The programs included in this request are aimed at preventing chronic kidney disease and reducing the effects of cardiovascular disease and stroke.
- (2) **Maintain Capacity for Critical Public Health Services and Tobacco Prevention and Control:** The Department requests funding to maintain FY 2016-17 appropriation levels due to anticipated revenues falling short of estimates from tobacco settlement funds. The budget gap caused by the reduced interest earned from the tobacco settlement funds impacts a variety of state programs including programs aimed at the reduction of tobacco use, support of the EMS/Trauma System, and local public health services and emergency preparedness. Additionally, tobacco funding was included as a part of the department's four percent reduction in the LAR. DSHS requests to restore this funding to continue efforts to reduce the use of tobacco by Texans through prevention and cessation activities, support of the EMS/Trauma System, and local public health services and emergency preparedness.
- (3) **Support Regional and Local Public Health Services:** The Department is seeking to support the provision of local public health services throughout the state, in areas where the Department provides public health services in the absence of local health departments or where Department Regional Offices augment the efforts of local health departments. This request seeks to address service gaps where disease outbreaks are increasing and in locations where local health departments have closed or reduced services, in addition to supporting the public health workforce.
- (4) **Strengthen the State Public Health Laboratory:** The Department is seeking funding to ensure the state public health laboratory remains a vital asset in protecting Texans against public health threats. This request seeks to support the state's public health laboratory by ensuring infrastructure needs are met, ensuring optimal continued operations to meet the state's growing needs, ensuring access to testing services that support public health surveillance programs (such as tuberculosis, food safety, and vector-borne diseases), and retaining a highly skilled and specialized workforce. Laboratory services are essential for making informed public health interventions.
- (5) **Improve Tuberculosis Detection and Control Capacity:** The Department is seeking to improve the surveillance, investigation, and treatment capacity in the state to address the growing risk of Tuberculosis in communities across Texas. This request would seek to fund improvement in tuberculosis surveillance, investigation, and treatment capacity at the local and state level in order to address outbreaks and prevent disease transmission.
- (6) **Secure and Preserve Vital Records:** The Department is seeking to increase the security and protection of vital records in order to safeguard and preserve the integrity

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of birth, death and other critical vital records. This request would also provide enhancements to ensure the preservation of records.

(7) **Ensure Continued Operation of Public Health Information Technology:** The Department is seeking to meet information technology needs of the state's pharmacy inventory system and blood lead surveillance system. These software systems no longer meet the demands of the programs they support and require replacement.

The LAR additionally includes options for a ten percent biennial base reduction schedule following the LBB guidelines. The total fiscal impact of the options included in the ten percent reduction schedule total approximately \$60 million for the 2018–19 biennium. The options included in the schedule would significantly reduce programs critical to protecting public health in Texas.

DSHS looks forward to discussing these and other important public health issues during the upcoming session of the Texas Legislature. Together, we can improve health and well-being in Texas.