



**Department of State Health Services
Joint Hearing of
the Legislative Budget Board and
the Governor's Office of Budget, Policy, and Planning**

September 25, 2014

David L. Lakey, M.D., Commissioner

Bill Wheeler, Chief Financial Officer

- Agency Mission and Overview
- Current Budget Makeup and Issues
- FY 2016 - 2017 Issues and Challenges
- FY 2016 - 2017 Summary of Base Request Table
- Exceptional Items Summary Table
- Exceptional Items Details

DSHS Mission

- To improve health and well-being in Texas

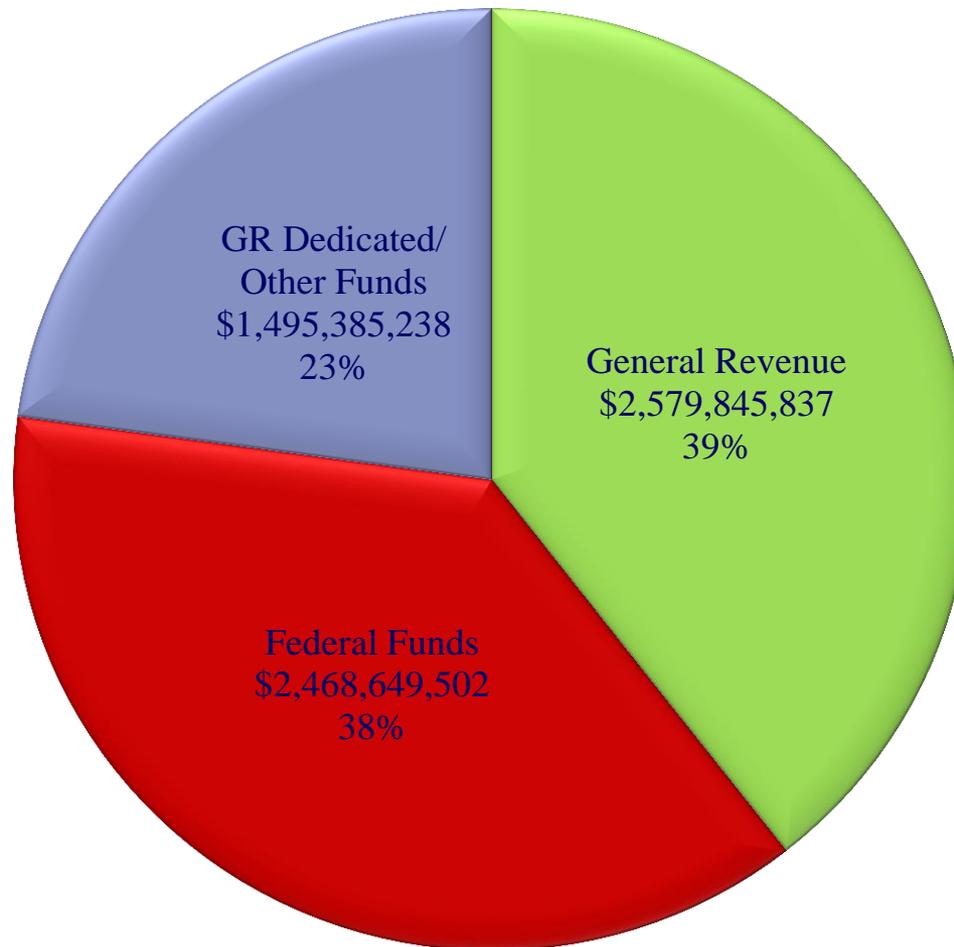
Scope of Services

- Alzheimer's and Ambulances to Zoonosis and Zebra Meat
- Nearly 7,900 client services and administrative contracts
- Approximately 160 sites statewide

Functions

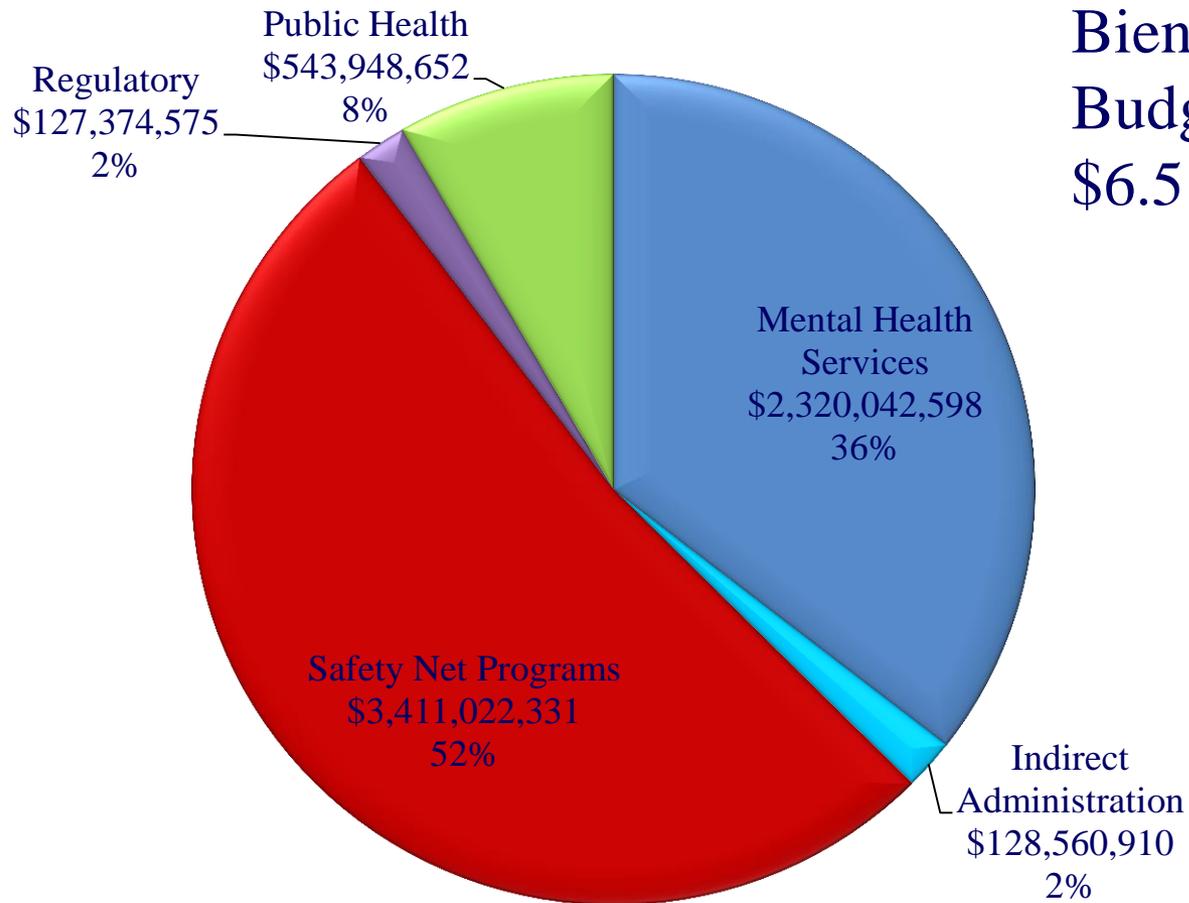
- Family and Community Health Services
- Health Information and Vital Statistics
- Mental Health and Substance Abuse Services
- Prevention and Preparedness Services
- Regional and Local Health Services
- Regulatory Services

FY 2014 - 2015 Budget: By Source



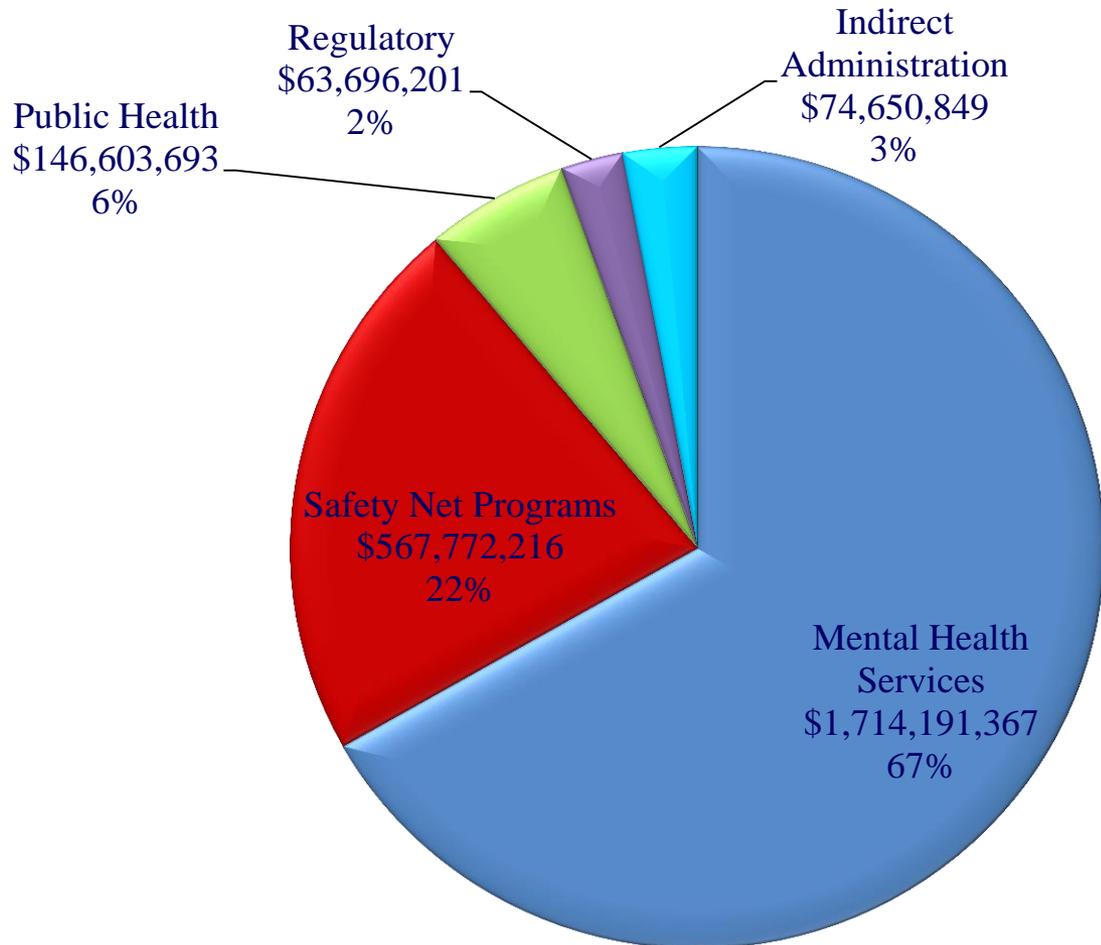
*Excludes Office of Violent Sex Offender Management (OVSOM)

FY 2014 - 2015 Budget: All Funds



*Excludes OVSOM

FY 2014 - 2015 Budget: General Revenue and General-Revenue Dedicated



*Excludes OVSOM

Top Ten Federal Funding Sources

Federal Funding Source	Program	FY 2016 - 2017 Base Request	FY 2016 - 2017 Exceptional Items	FY 2016 - 2017 Total Request
Women, Infants, and Children (WIC) Special Supplemental	Provide WIC Services: Benefits, Nutrition, Education & Counseling	\$1,228,993,960	-	\$1,228,993,960
Substance Abuse Prevention & Treatment Block Grant	Substance Abuse Prevention, Intervention, and Treatment	\$254,495,026	-	\$254,495,026
XIX FMAP	Mental Health Services	\$243,473,430	\$14,097,538	\$257,570,968
Ryan White Care Act II	HIV/STD Prevention	\$170,230,554	-	\$170,230,554
Maternal and Child Health Services - Title V	Women & Children's Health Services	\$75,918,838	-	\$75,918,838
Public Health Emergency Preparedness (PHEP) - Base	Public Health Preparedness and Coordination Services	\$72,271,012	-	\$72,271,012
Block Grants for Community and Mental Health Services	Mental Health Services	\$68,511,238	-	\$68,511,238
Temporary Assistance for Needy Families to Title XX	Women & Children's Health Services	\$44,007,376	-	\$44,007,376
Immunizations and Vaccines for Children Program	Immunize Children & Adults in Texas	\$38,819,992	-	\$38,819,992
Hospital Preparedness Program (HPP)	Public Health Preparedness and Coordination Services	\$31,821,186	-	\$31,821,186
	Total Method of Finance	\$2,228,542,612	\$14,097,538	\$2,242,640,150

FY 2015 Budget

- NorthSTAR projected caseload growth
- Federal approvals of 1915(i) and YES Waiver expansion
- Federal funding and policy changes

FY 2016 - 2017 Budget

- Mental Health initiatives enacted by the 83rd Legislature
- Capacity and maintenance issues for state hospitals
- Shifts in federal law and policies



FY 2016 - 2017 Base and Exceptional Requests

Department of State Health Services Goals	FY 2014 - 2015	FY 2016 - 2017	FY 2016 - 2017	FY 2016 - 2017
	Exceptional Items/ Budget	Base Request	Exceptional Items	Total Request
Goal 1: Preparedness and Prevention	\$1,205,200,756	\$1,160,561,336	\$70,519,530	\$1,231,080,866
Goal 2: Community Health Services	\$4,027,832,636	\$3,803,914,209	\$171,548,113	\$3,975,462,322
Goal 3: Hospitals	\$1,044,270,693	\$1,035,203,316	\$61,767,845	\$1,096,971,161
Goal 4: Regulatory	\$127,776,880	\$123,953,210	–	\$123,953,210
Goal 5: Indirect Administration	\$94,296,725	\$92,932,647	\$6,200,000	\$99,132,647
Goal 6: Capital	\$43,576,784	\$31,069,422	\$88,595,240	\$119,664,662
Total Agency Request	\$6,542,954,474	\$6,247,634,140	\$398,630,728	\$6,646,264,868
General Revenue	\$2,580,656,088	\$2,592,564,178	\$289,926,050	\$2,882,490,228
General Revenue - Dedicated	\$953,759,884	\$652,926,009	\$5,000,000	\$657,926,009
Federal Funds	\$2,456,963,864	\$2,486,100,331	\$15,109,438	\$2,501,209,769
Other Funds	\$551,574,638	\$516,043,622	\$88,595,240	\$604,638,862
Total Agency Method of Finance	\$6,542,954,474	\$6,247,634,140	\$398,630,728	\$6,646,264,868
Full Time Equivalents (FTEs)	12,266	12,266	–	12,266

*Excludes OVSOM



Summary of Exceptional Items

Exceptional Item	FY 2016 GR/GRD	FY 2016 All Funds	FY 2017 GR/GRD	FY 2017 All Funds	Biennial GR/GRD	Biennial All Funds
Department of State Health Services Base Request	\$1,623,173,050	\$3,124,245,027	\$1,622,317,137	\$3,123,389,113	\$3,245,490,187	\$6,247,634,140
1. Maintain FY 2015 Service Levels	\$14,881,456	\$15,650,041	\$14,881,456	\$15,647,846	\$29,762,912	\$31,297,887
2. Facilities and Vehicles	\$6,036,305	\$94,631,545	-	-	\$6,036,305	\$94,631,545
3. Enhance Expanded Primary Health Care Program	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$20,000,000	\$20,000,000
4. Enhance Substance Abuse Services	\$17,245,836	\$17,245,836	\$27,638,553	\$27,638,553	\$44,884,389	\$44,884,389
5. Community Mental Health Initiatives	\$30,365,432	\$36,259,099	\$46,897,728	\$54,578,524	\$77,263,160	\$90,837,623
6. State Hospital System Improvement	\$18,641,415	\$18,641,415	\$37,090,125	\$37,090,125	\$55,731,540	\$55,731,540
7. Fund Waiting Lists (CSHCN)	\$8,623,403	\$8,623,403	\$9,245,290	\$9,245,290	\$17,868,693	\$17,868,693
8. STD Prevention and Treatment	\$3,062,498	\$3,062,498	\$3,062,498	\$3,062,498	\$6,124,996	\$6,124,996
9. Improve Prevention of Chronic Diseases	\$8,684,685	\$8,684,685	\$17,369,370	\$17,369,370	\$26,054,055	\$26,054,055
10. Improve Mobile Technology	\$3,000,000	\$3,000,000	\$3,200,000	\$3,200,000	\$6,200,000	\$6,200,000
11. Emergency Planning	\$2,500,000	\$2,500,000	\$2,500,000	\$2,500,000	\$5,000,000	\$5,000,000
Total	\$1,746,214,080	\$3,342,543,549	\$1,794,202,157	\$3,303,721,319	\$3,540,416,237	\$6,646,264,868

*Excludes OVSOM



EI 1: Maintain FY 2015 Service Levels

Exceptional Item 1	FY 2016	FY 2017	Biennium
1.a) Mental Health (Ramp Up) Initiatives			
1) Collaborative Projects	\$4,250,000	\$4,250,000	\$8,500,000
2) Mental Health Home and Community-Based Services 1915i	\$1,341,336	\$1,339,140	\$2,680,476
1.b) Reduction in Tobacco Settlement Funds			
1) Tobacco Strategy	\$5,287,000	\$5,287,000	\$10,574,000
2) Preparedness Strategy	\$2,448,893	\$2,448,893	\$4,897,786
3) EMS/Trauma Strategy	\$2,322,813	\$2,322,813	\$4,645,626
Total Request	\$15,650,042	\$15,647,846	\$31,297,888
<u>Method of Finance:</u>			
General Revenue	\$14,308,706	\$14,308,706	\$28,617,412
GR Match for Medicaid	\$572,750	\$572,750	\$1,534,975
Federal Funds	\$768,585	\$766,390	\$1,145,500
Total Method of Finance	\$15,650,041	\$15,647,846	\$31,297,887

- 1.a.1)** Annualize funding for the Healthy Community Collaborative Grant program established by Senate Bill 58 (83R) and DSHS Rider 90, FY 2014 - 2015 General Appropriations Act.
- 1.a.2)** Annualize funding for the Home and Community-Based Services-Adult Mental Health program established by DSHS Rider 81, FY 2014 - 2015 General Appropriations Act.
- 1.b.1)** Continue tobacco community coalitions to implement locally-driven tobacco cessation and prevention services; public awareness; youth access enforcement; and program evaluation to measure outcomes.
- 1.b.2)** Support disaster and disease outbreak preparedness efforts of the agency and local health departments.
- 1.b.3)** Maintain the state's trauma system and continue grants to rural and resource-scarce EMS providers and first responders for equipment, training and supplies.

EI 2: Facilities and Vehicles

Exceptional Item 2	FY 2016	FY 2017	Biennium
2.a) Vehicles	\$6,036,305	-	\$6,036,305
2.b) Facilities/Demolition	\$88,595,240	-	\$88,595,240
Total Request	\$94,631,545	-	\$94,631,545
<u>Method of Finance:</u>			
General Revenue	\$6,036,305	-	\$6,036,305
Bond Proceed-General Obligation	\$88,595,240	-	\$88,595,240
Total Method of Finance	\$94,631,545	-	\$94,631,545

- 2.a)** Replace 220 vehicles, including vehicles for state hospitals, that have met or exceeded established replacement criteria.
- 2.b)** Address life and safety issues for state hospital patients and staff through critical facility maintenance and demolition of condemned or unsafe buildings.

EI 2: Facilities and Vehicles

Purpose: Ensure safe living conditions at state hospital facilities, and demolish condemned or unsafe buildings



Note: The above buildings are not in current use.

EI 2: Facilities and Vehicles

Kerrville State Hospital - Air Chiller



Austin State Hospital - Twenty Year Old Kitchen Hot Water Holding Tanks



EI 2: Facilities and Vehicles

Summary of EI Request For Facilities by Type of Repair

Type of Need	Amount Requested
Life Safety Code Compliance	\$18,297,097
Roofing	\$5,701,123
HVAC for State Hospitals	\$7,198,357
Utilities	\$2,976,424
Plumbing	\$4,852,853
Electrical	\$7,770,706
Renovation	\$21,848,685
Americans with Disabilities Act/Texas Accessibility Standards Compliance	\$6,890,066
Non-Structure Site Repair	\$4,493,891
HVAC for Harris County Psychiatric Center	\$3,672,240
Demolition	\$4,894,000
Total	\$88,595,240

EI 2: Facilities and Vehicles

Summary of EI Request for Facilities by State Hospital

Facility	Need	Amount Requested
Austin State Hospital	\$19,531,371	\$3,184,860
Big Spring State Hospital	\$17,552,891	\$6,373,619
El Paso Psychiatric Center	\$743,065	\$743,065
Kerrville State Hospital	\$13,028,687	\$6,704,200
North Texas State Hospital - Vernon	\$8,250,834	\$2,512,855
North Texas State Hospital - Wichita Falls	\$40,284,216	\$19,096,968
Rio Grande State Center	\$7,705,309	\$629,243
Rusk State Hospital	\$22,239,811	\$10,754,857
San Antonio State Hospital	\$19,964,563	\$13,889,003
Terrell State Hospital	\$33,638,556	\$10,764,643
Texas Center for Infectious Disease	\$3,534,420	\$3,534,420
Waco Center for Youth	\$2,931,240	\$1,841,469
DSHS Repair Subtotal	\$189,404,963	\$80,029,000
HVAC for Harris County Psychiatric Center	\$3,672,240	\$3,672,240
Demolition	\$4,894,240	\$4,894,000
Total	\$197,971,443	\$88,595,240



EI 3: Enhance Expanded Primary Health Care Program

Exceptional Item 3	FY 2016	FY 2017	Biennium
3. Primary Health Care Expansion	\$10,000,000	\$10,000,000	\$20,000,000
Total Request	\$10,000,000	\$10,000,000	\$20,000,000
<u>Method of Finance:</u>			
General Revenue	\$10,000,000	\$10,000,000	\$20,000,000
Total Method of Finance	\$10,000,000	\$10,000,000	\$20,000,000

3. Increase the existing Expanded Primary Health Care (EPHC) program by an additional 34,286 clients for each year in the FY 2016 - 2017 biennium, bringing the total number served by the EPHC program to approximately 204,286 clients.



EI 3: Enhance Expanded Primary Health Care Program

EI Request: \$20 million over the FY 2016 – 2017 biennium

Purpose

- Access to primary care for 34,286 additional women who are 18 years or older and at or below 200% Federal Poverty Level, and who live in densely populated or underserved areas
- Primary care services include: health screenings, including for breast and cervical cancer, STD/HIV, and diabetes; family planning; perinatal services; immunizations; and prenatal medical and dental services.
- 60% of clients will receive contraception services.

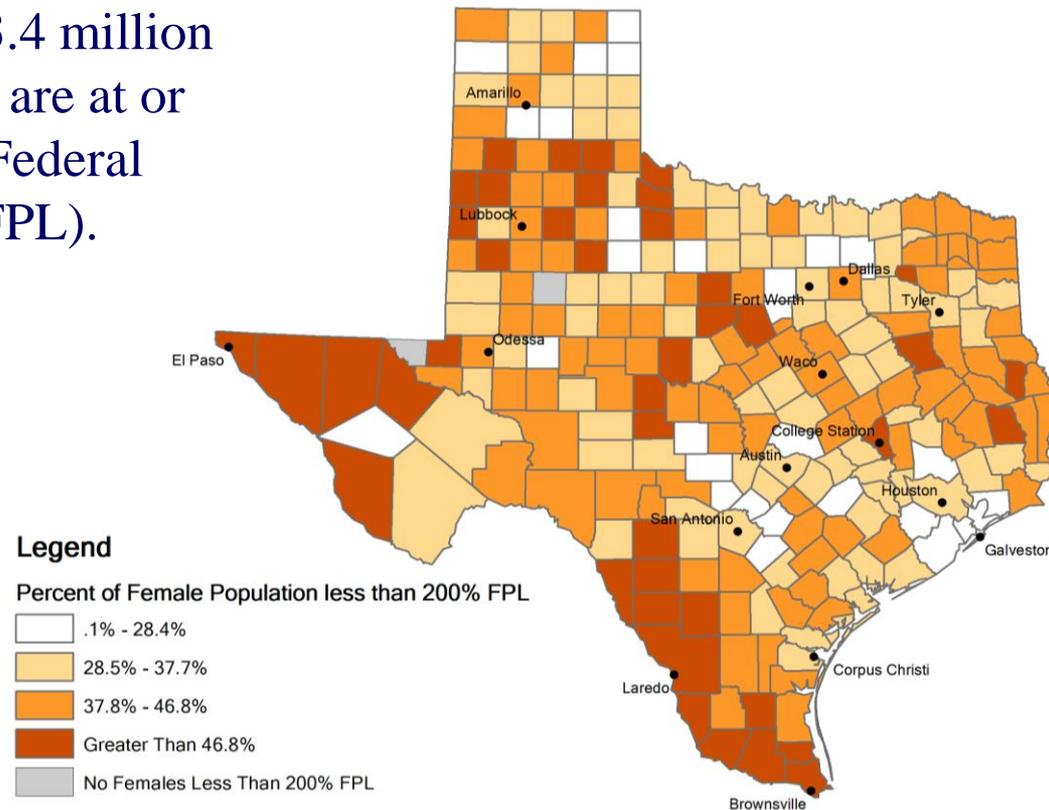
Outcome

- An estimated 1,481 Medicaid births averted
- Avoidance of an estimated 35 preterm births
- Detection of 389 potential breast cancer and 58 potential cervical cancer cases

EI 3: Enhance Expanded Primary Health Care Program

Female Population < 200% FPL in Texas: 2012

Approximately 3.4 million women in Texas are at or below 200% of Federal Poverty Level (FPL).

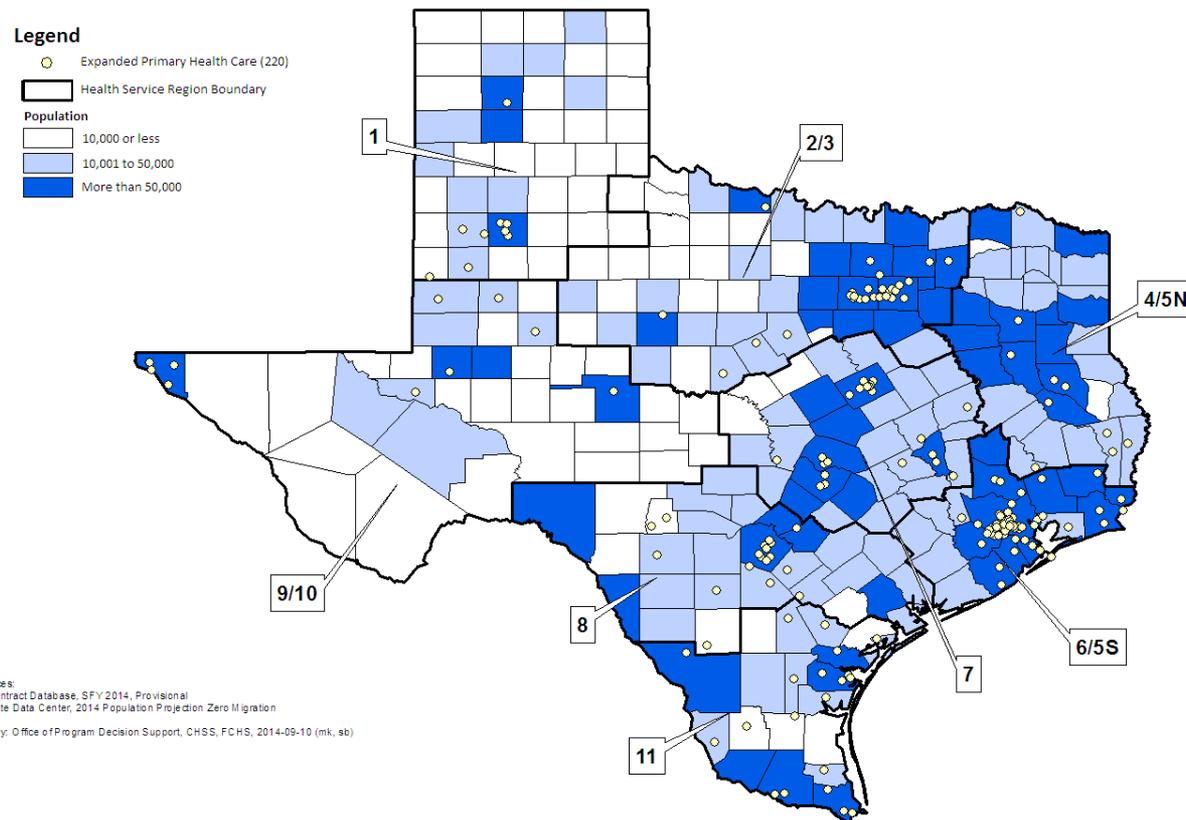


Sources:
-American Community Survey 2008-2012 Tables B17001 and S1701
-Texas State Data Center 2014 Population Projections

Prepared by: Office of Program Decision Support, 9/9/2014

EI 3: Enhance Expanded Primary Health Care Program

Current Expanded Primary Health Care Clinic Sites



EI 4: Enhance Substance Abuse Services

Exceptional Item 4	FY 2016	FY 2017	Biennium
4.a) Behavioral Health - Prevention Expansion	\$9,498,487	\$18,381,855	\$27,880,342
4.b) Neonatal Abstinence Syndrome (NAS) Prevention Pilot	\$7,747,349	\$9,256,698	\$17,004,047
Total Request	\$17,245,836	\$27,638,553	\$44,884,389
<u>Method of Finance:</u>			
General Revenue	\$686,093	\$704,280	\$1,390,373
Maintenance of Effort General Revenue for Substance Abuse Prevention	\$16,559,743	\$26,934,273	\$43,494,016
Total Method of Finance	\$17,245,836	\$27,638,553	\$44,884,389

- 4.a)** Increase substance abuse prevention services for youth and families; expand the *Speak Your Mind* public awareness campaign to target Texas' prevention priorities of alcohol, marijuana, and prescription drug abuse; and develop online behavioral health risk awareness training for elementary educators.
- 4.b)** Reduce incidence, severity, and cost associated with Neonatal Abstinence Syndrome through expansion of substance abuse disorder intervention and treatment, and through implementation of a pilot project for pregnant and post-partum women needing services.



EI 4.a: Behavioral Health Prevention Expansion

EI Request: \$27.88 million over the FY 2016 - 2017 biennium

Purpose

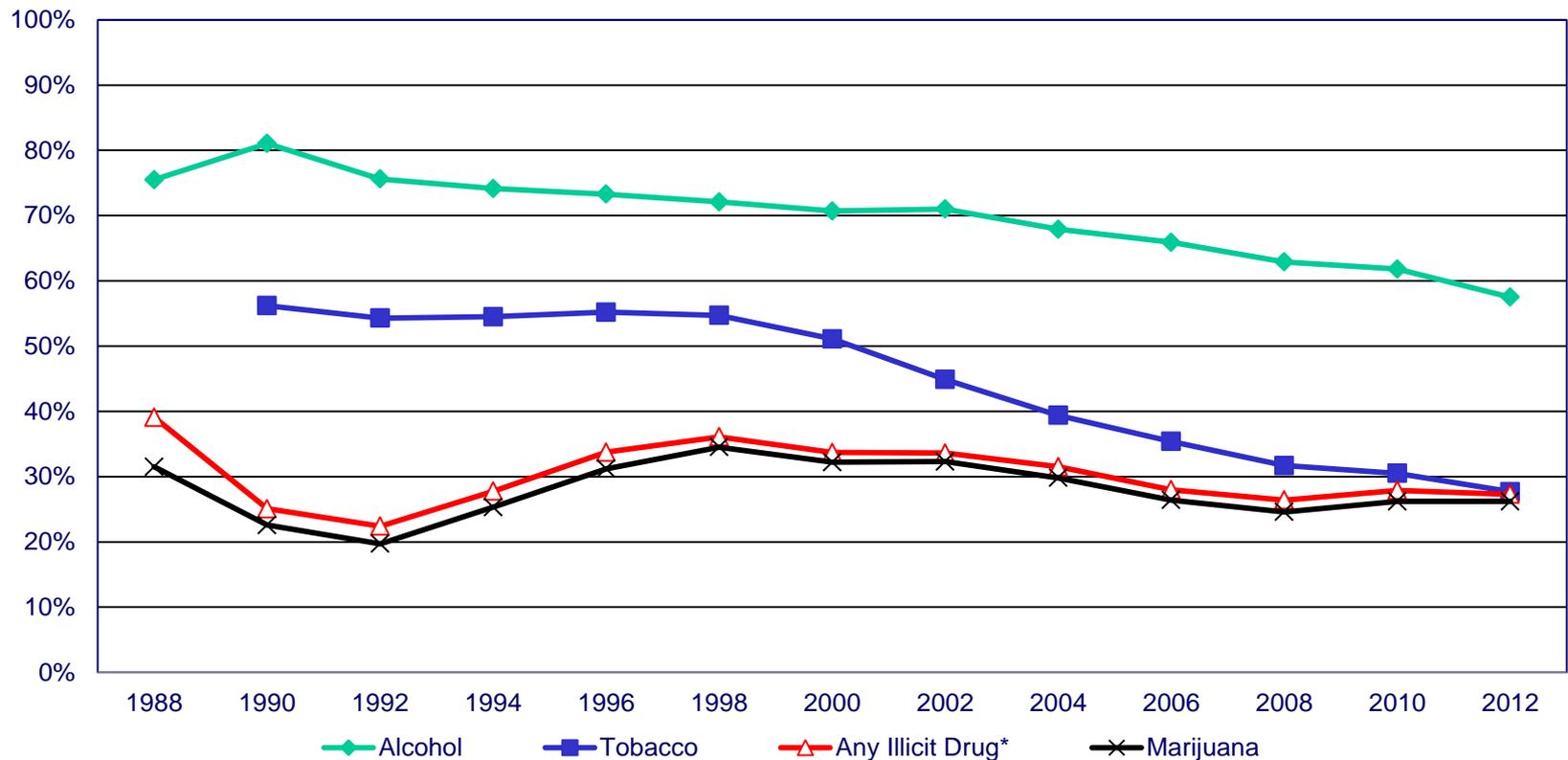
- Serve an additional 596,284 youths and their families through the expansion of substance abuse Youth Prevention programs into new counties
- Broaden the *Speak Your Mind* public awareness campaign to include the state's three prevention priorities of alcohol, marijuana, and prescription drugs
- Extend online interactive behavioral health risk factor awareness training to elementary educators

Outcomes

- Decreases in juvenile delinquency
- Reduced adverse physical and mental health consequences
- Increases in academic success, family stability, and lifetime self-sufficiency
- Growth in the number of Texans seeking information and resources for behavioral health issues through the 2-1-1 hotline and public awareness campaign websites
- Better elementary educator ability to identify potential mental health concerns among their students, and to respond appropriately

EI 4.a: Behavioral Health Prevention Expansion

Trends in Use of Selected Substances Grades 7 – 12: 1988 - 2012



Source: *Texas School Survey of Substance Use*, DSHS and Texas A&M Public Policy Research Institute

EI 4.b: Neonatal Abstinence Syndrome (NAS) Prevention Pilot

- Neonatal Abstinence Syndrome (NAS) is neonatal withdrawal after exposure to certain illicit or prescription drugs in the womb, which occurs with the abrupt cessation of the exposure resulting from birth.
- NAS cases grew by 300% in the U.S. between 2000 and 2009
 - In 2000, there were 1.20 cases per 1,000 U.S. births.
 - In 2009, there were 3.30 cases per 1,000 U.S. births.
 - Bexar, Harris, and Dallas counties have the highest incidence of NAS.
 - NAS cases in Bexar County account for over 30% of all NAS cases in Texas.
- In Texas, one out of four pregnant women admitted to DSHS-funded treatment services are dependent on opioids.



EI 4.b: Neonatal Abstinence Syndrome (NAS) Prevention Pilot

EI Request: \$17.0 million over the FY 2016 - 2017 biennium

Purpose

- Provide a continuum of care for at-risk women by increasing: Screening, Brief Intervention, and Referral to Treatment (SBIRT) services; Opioid Substitution Therapy (OST); case management services; and Pregnant and Postpartum Intervention (PPI) services
- Target outreach services for over 1,000 pregnant women with substance abuse disorders
- Implement a residential substance use disorder treatment pilot program for over 150 clients
- Expand the “Mommies” program to hospitals with highest incidence of NAS, serving about 560 more families
- Ensure availability of best practices education for a broad array of providers about how to provide appropriate care for at-risk women

Outcomes

- Improved health outcomes for children born to women who receive services
- Reduced use of Neonatal Intensive Care Units (NICUs) for children born to women who receive assistance
- Fewer hospitalizations, arrests, and injuries for women who are referred to and receive services
- Reduced rate of removal by Child Protective Services due to parental substance abuse



EI 5: Community Mental Health Initiatives

Exceptional Item 5	FY 2016	FY 2017	Biennium
5.a) Expand and Enhance Mental Health Crisis Sites	\$12,281,531	\$24,541,344	\$36,822,875
5.b) Mental Health Surge - Nursing Facilities	\$17,116,931	\$21,929,207	\$39,046,138
5.c) Relinquishment Prevention (DFPS)	\$2,354,860	\$2,450,744	\$4,805,604
5.d) Expansion and Development of Recovery-Focused Clubhouses	\$805,529	\$1,742,697	\$2,548,226
5.e) CMBHS and other IT Improvements	\$3,700,248	\$3,914,532	\$7,614,780
Total Request	\$36,259,099	\$54,578,524	\$ 90,837,623
<u>Method of Finance:</u>			
General Revenue	\$26,181,852	\$41,367,062	\$67,548,914
GR Match for Medicaid	\$4,183,580	\$5,530,666	\$9,714,246
Federal - XIX FMAP	\$5,387,717	\$7,174,846	\$12,562,563
Federal - XIX ADM at 75%	\$505,950	\$505,950	\$1,011,900
Total Method of Finance	\$36,259,099	\$54,578,524	\$90,837,623

5.a) Expand crisis services to unserved areas or enhance existing crisis services based on assessment of community needs.
5.b) Address the service needs of individuals in nursing facilities or those at risk of placement in nursing facilities by enhancing the referral system and relocation support.
5.c) Increase funded beds in private residential treatment centers (RTC) for children/youth with severe emotional disturbances who are at risk of parental relinquishment of custody to DFPS due solely to lack of mental health resources.
5.d) Enhance the scope and capabilities of existing community-based support centers for individuals with mental illness using the Clubhouse Model of Rehabilitation, and provide start-up funding for additional Clubhouses.
5.e) Upgrade the functionality of the Clinical Management for Behavioral Health Services (CMBHS) information system and establish technology services to provide real-time bed availability and crisis service information.

EI 5.a: Expand and Enhance Mental Health Crisis Sites

EI request: \$36.8 million for the FY 2016 - 2017 biennium

Purpose

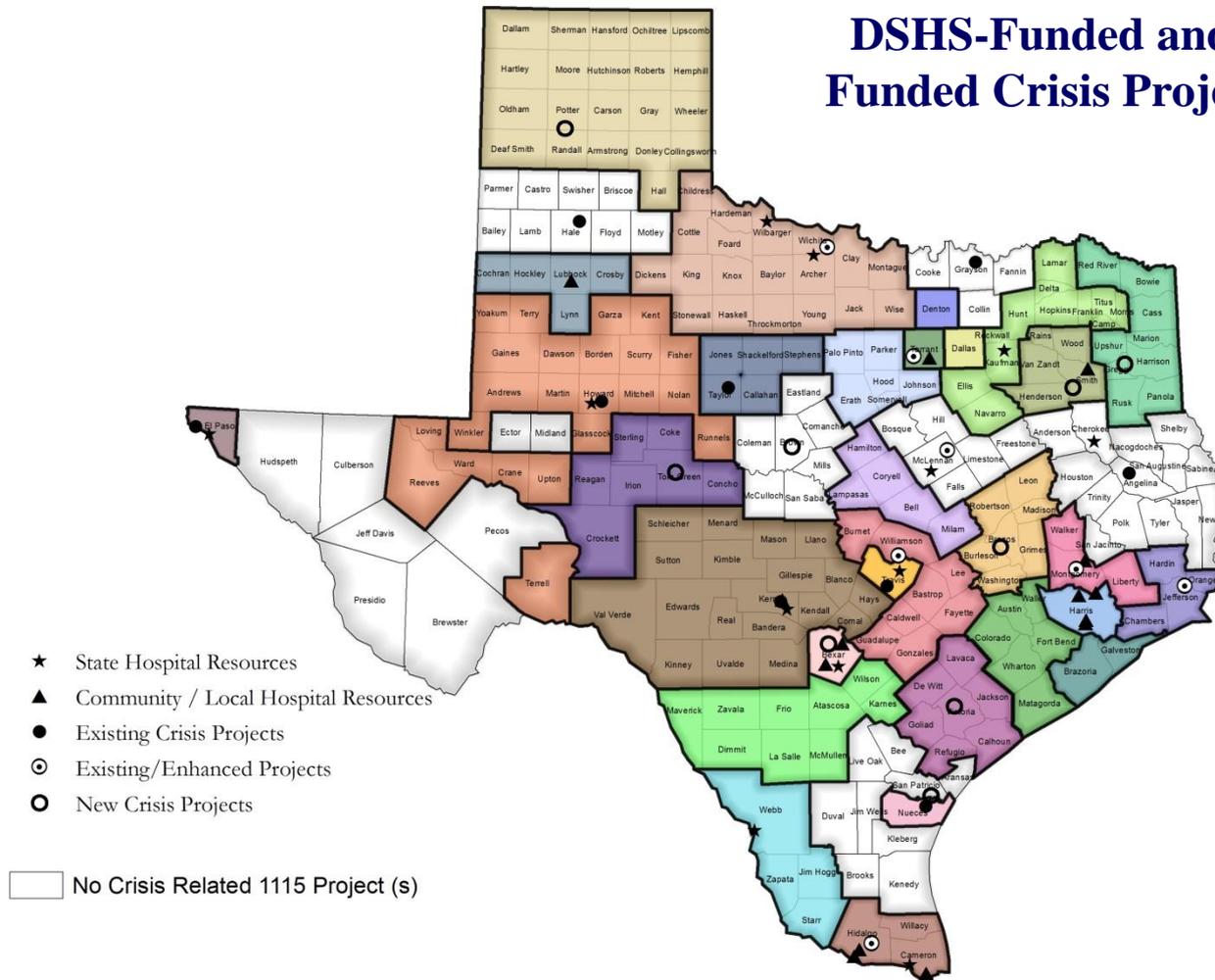
- Build on efforts by the 80th and 83rd Legislatures to support an array of crisis services
- Ensure crisis capacity at all 37 Texas Local Health Mental Authorities and NorthSTAR
- Develop crisis sites in 57 counties without beds or a facility-based option
- Increase service types at existing crisis service sites to include: expedited access and transport; coordinated medical care; and substance abuse services

Outcomes

- Diversion from hospitals to community-based solutions
- Reduced hospitalizations and associated costs
- Increased likelihood of crisis stabilization

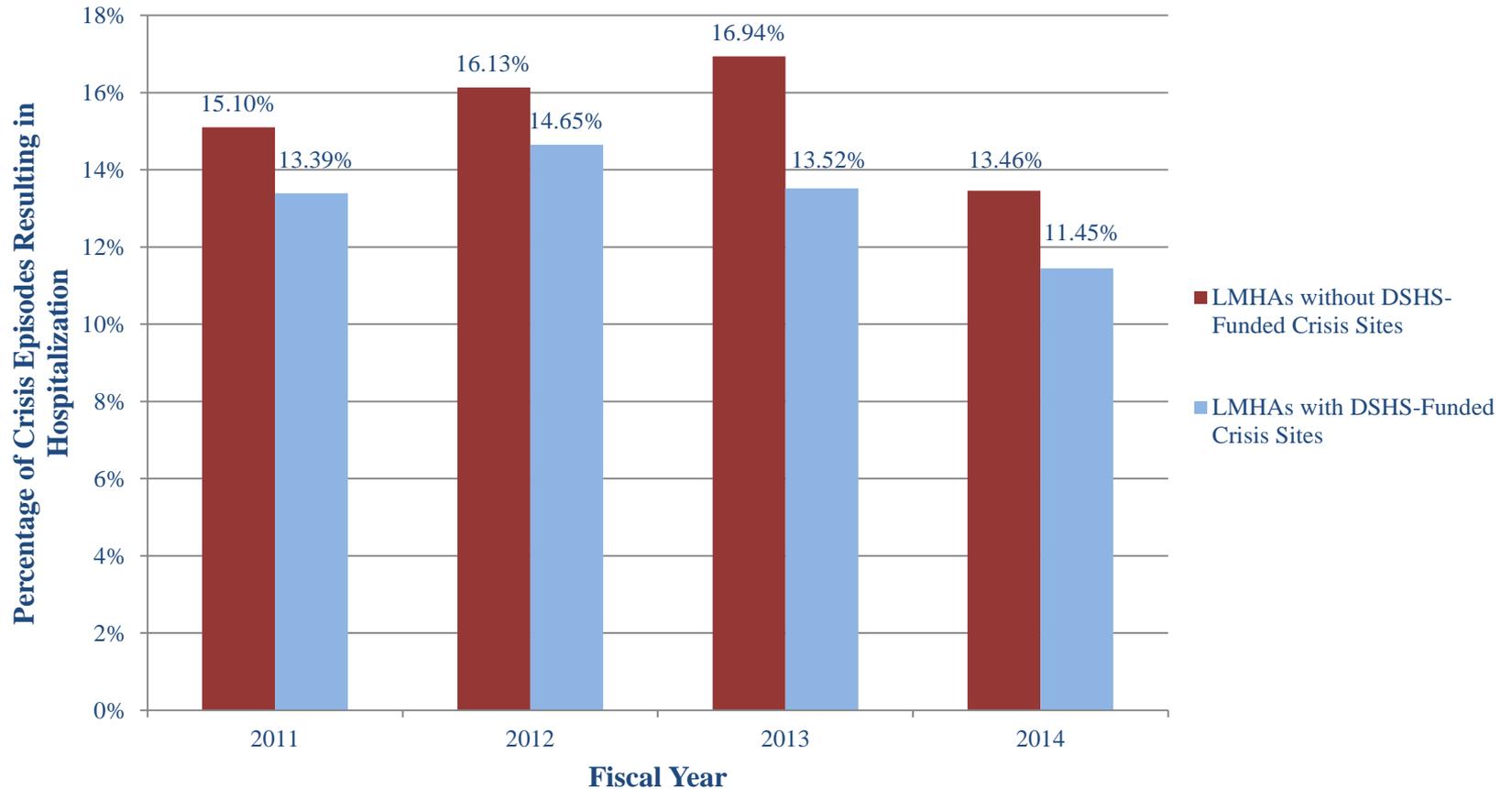
El 5.a: Expand and Enhance Mental Health Crisis Sites

DSHS-Funded and DSRIP Funded Crisis Projects: 2014



EI 5.a: Expand and Enhance Mental Health Crisis Sites

Crisis Episodes Resulting in Hospitalization



Source: DSHS Mental Health and Substance Abuse Division

EI 5.b: Mental Health Surge Nursing Facilities

EI Request: \$39.0 million over the FY 2016 - 2017 biennium

Purpose

- Enhance referral for individuals with mental illness or an intellectual or developmental disability to suitable long-term support and other services
- Coordinate with DADS, HHSC, and other partners to ensure standardized screening for potential clients and that there is “no wrong door” into services
- Deliver mental health targeted case management and psychosocial rehabilitation services for nearly 10,000 individuals in nursing homes
- Provide housing and relocation assistance for at risk individuals and nursing home residents ready for movement into the community

Outcomes

- Compliance with federal Preadmission Screening and Resident Review (PASSR) regulations
- Continuum of services to provide quality care for individuals in the most appropriate and least restrictive setting

EI 5.c: Relinquishment Prevention

EI Request: \$4.8 million over the FY 2016 - 2017 biennium

Purpose

- Expand the DSHS residential treatment center (RTC) program's capacity by 20 beds, for a total of 30 state-purchased beds in private licensed RTCs
- Provide intensive residential treatment for an additional 40 children with severe emotional disturbance (SED) per year, for a total of 60 children served.

Outcomes

- Preservation of families by providing parents and guardians options outside of relinquishment to DFPS
- Avoided placement in foster care and related expenses
- Decreased psychiatric hospitalizations due to stabilization of youths receiving appropriate interventions and levels of continuing care
- Reduced likelihood of juvenile justice issues for children who receive assistance and stay with their families

EI 5.d: Expansion and Development of Recovery-Focused Clubhouses

EI Request: \$2.5 million over the FY 2016 - 2017 biennium

Purpose

- Allow more individuals with mental health issues access to accredited Clubhouses
- Support existing Clubhouses to expand infrastructure, staffing, systems, days, and service hours in order to increase capacity
- Develop new or early-stage Clubhouses in areas without robust options, requiring a local match of 25%
- Ensure quality of services by requiring that Clubhouses become nationally accredited and meet contract performance measures
- Require Clubhouses to meet a sustainability plan to ensure lasting impact to communities

Outcomes

- Fewer psychiatric hospitalizations for individuals engaged in local Clubhouses
- Increased and sustained employment for Clubhouse members

EI 5.d: Expansion and Development of Recovery-Focused Clubhouses

- Clubhouses are local community centers that provide members with assistance and peer support outside treatment or clinical settings.
- The Clubhouse Model's evidenced-based approach includes:
 - Opportunities to obtain paid employment through a Transitional and Independent Employment Program;
 - Help obtaining housing in the community;
 - Assistance with accessing community-based educational resources; and
 - Integration into society.
- Outcomes include a 96% decrease in hospitalization rate for Clubhouse members.
- Start up and accreditation costs are a barrier to Clubhouses offering full services and obtaining a self-sustaining model.

EI 5.e: CMBHS and Other IT Improvements

EI Request: \$7.6 million over the 2016 - 2017 biennium

Purpose

- Make improvements to the Clinical Management for Behavioral Services (CMBHS) electronic records system, which supports the state's community mental health and substance abuse providers
- Make technical upgrades to allow third party billing, to streamline processes, and to eliminate dependence on outsourcing and legacy outdated systems
- Automate invoicing and client services tracking for the Home and Community Based Services – Adult Mental Health program
- Create a Mental Health Crisis mobile application for use by emergency responders, emergency rooms, and other organizations to identify available resources and bed space

Outcomes

- Expedited billing for services in accordance with federal requirements for automation of claims processing
- Secure data exchange between medical records systems
- Quicker identification of available hospital or crisis facility beds
- More efficient transfer of patients between facilities such as emergency departments, psychiatric hospitals, and jails
- Simplified information access for individuals needing crisis services
- Better utilization of bed space and available resources



EI 6: State Hospital System Improvements

Exceptional Item 6	FY 2016	FY 2017	Biennium
6.a) Ten-Year Plan Preliminary Assessment	\$10,000,000	\$30,000,000	\$40,000,000
6.b) Expand Medical Residency Program in State Mental Health Hospitals and Community Centers	\$611,736	\$611,736	\$1,223,472
6.c) Supported Decision-Making Program	\$887,640	\$1,579,633	\$2,467,273
6.d) Hospital IT Improvements	\$7,142,039	\$4,898,756	\$12,040,795
Total Exceptional Item Request	\$18,641,415	\$37,090,125	\$55,731,540
<u>Method of Finance:</u>			
General Revenue	\$18,641,415	\$37,090,125	\$55,731,540
Total Method of Finance	\$18,641,415	\$37,090,125	\$55,731,540

- 6.a)** Address increased demand for public inpatient psychiatric beds by purchasing beds outside the state hospital system. DSHS will purchase 50 beds in FY 2016 and an additional 100 beds in FY 2017 for a total of 150 new beds in the biennium.
- 6.b)** Expand the current state hospital residency training program from 15 to 19 slots.
- 6.c)** Create a supported decision-making program at DSHS to reduce the number of patients who cannot be discharged from the state hospitals because they lack the capacity for independent decision-making.
- 6.d)** Support the full cost of the state hospital electronic medical record system; replace the state hospital IT infrastructure, software for quality improvement, and wireless technology for delivery of patient care.

EI 6.a: Ten-Year Plan Preliminary Assessment

EI Request: \$40.0 million over the FY 2016 - 2017 biennium

Purpose

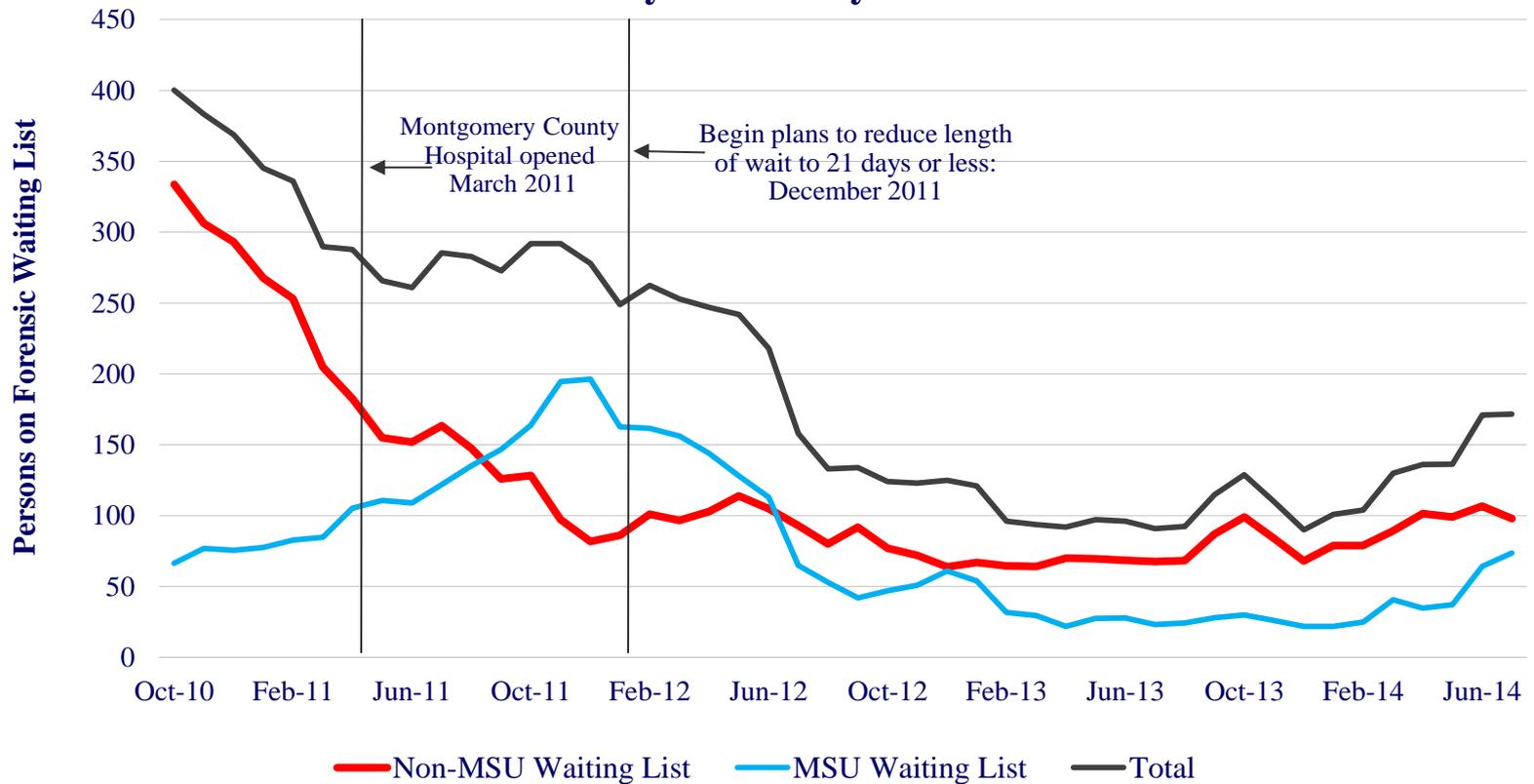
- Purchase private psychiatric hospital beds throughout the state in locations where services are needed
- Provide services using an additional 150 beds over the biennium: 50 beds in FY 2016 and 100 additional beds in FY 2017
- Address interim needs pending implementation of the Ten-Year State Hospital Plan required by DSHS Rider 83 of the FY 2014 - 2015 General Appropriations Act

Outcomes

- Reduced time of stay for forensic patients waiting in jails for transfer to psychiatric facilities
- Increased capacity without increased facility maintenance costs
- Flexibility to purchase beds in high need areas to met the state's changing needs

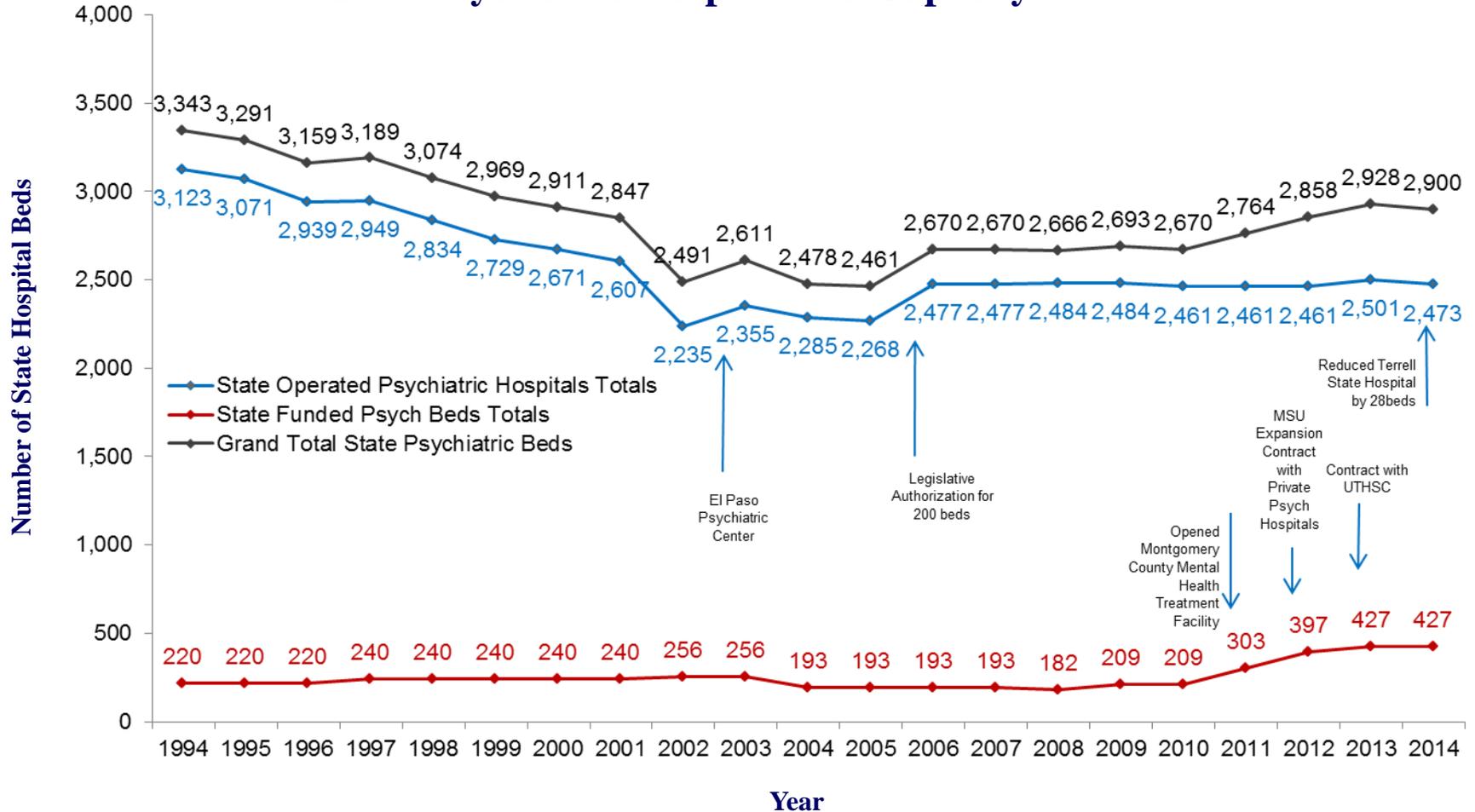
EI 6.a: Ten-Year Plan Preliminary Assessment

**Forensic Waiting Lists for State Mental Hospitals:
January 2010 - July 2014**



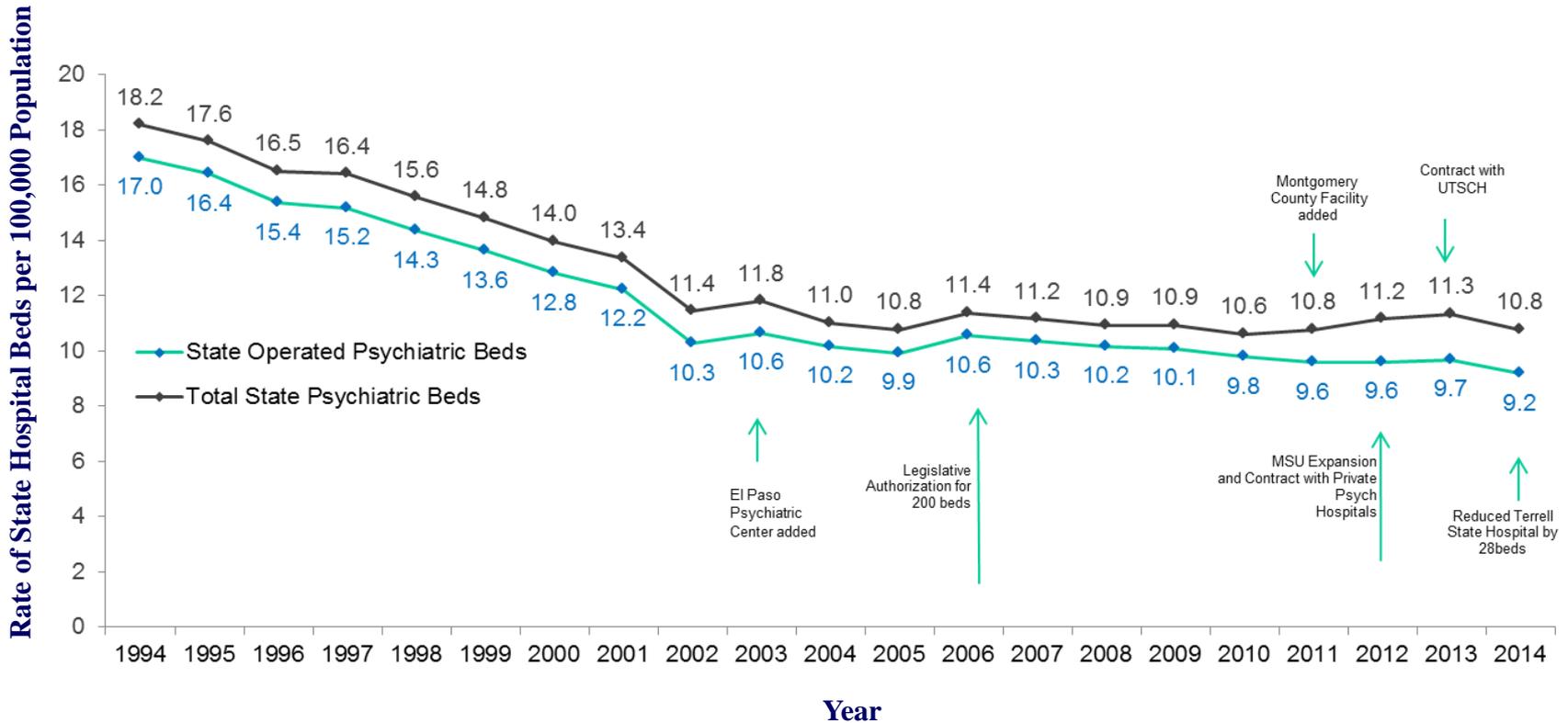
EI 6.a: Ten-Year Plan Preliminary Assessment

State Psychiatric Hospital Bed Capacity: FY 1994 - 2014



EI 6.a: Ten-Year Plan Preliminary Assessment

State Psychiatric Hospital Bed Capacity: FY 1994 - 2014



Source: DSHS Mental Health and Substance Abuse Division



6.b: Expand Residency Program in State Mental Health Hospitals

EI Request: \$1.2 million over the FY 2016 - 2017 biennium

Purpose

- Purchase an additional four full time equivalent residency slots each year, for a total of 19 slots
- Offer rotations in both state psychiatric hospitals and community mental health centers

Outcomes

- Improved recruitment of physicians into the public behavioral health system
- Exposure to and increased training in public mental health care for new physicians
- An estimated 75% retention rate within the public sector after residency completion

EI 6.c: Supported Decision-Making

EI Request: \$2.5 million over the FY 2016 - 2017 biennium

Purpose

- Create a supported decision-making program to facilitate the discharge of certain long-term state hospital patients to more appropriate community-based facilities
- Provide housing decision-making assistance for 100 state hospital patients who no longer need inpatient mental health services but cannot be discharged to the community due to lack of support
- Train supported decision-makers to ensure individuals smoothly transition into appropriate community-based services

Outcomes

- Individuals provided appropriate care in the least restrictive setting possible
- Additional patients served in state hospital settings due to quicker turnover of state hospital beds
- Reduced state costs for individuals served by the supported decision-making program

Return on Investment: For every one long-term patient moved to a community setting, approximately three individuals can be served in the state hospital system each year.

EI 6.d: Hospital IT Improvements

EI Request: \$12.0 million over the 2016 - 2017 biennium

Purpose

- Replace components of the state hospital IT core infrastructure
- Fund 100% of the operations and maintenance cost of the secured electronic health record (EHR) system if DADS procures a separate system for State Supported Living Centers
- Upgrade software for quality improvement
- Expand secure wireless network capability to support provider delivery of patient care

Outcomes

- Improved patient care
- Increased staff efficiency
- Reduction of duplicative data entry
- Avoided system failures and potential loss of access to critical IT systems
- Maintenance of Joint Commission accreditation and Centers for Medicare and Medicaid Services certification

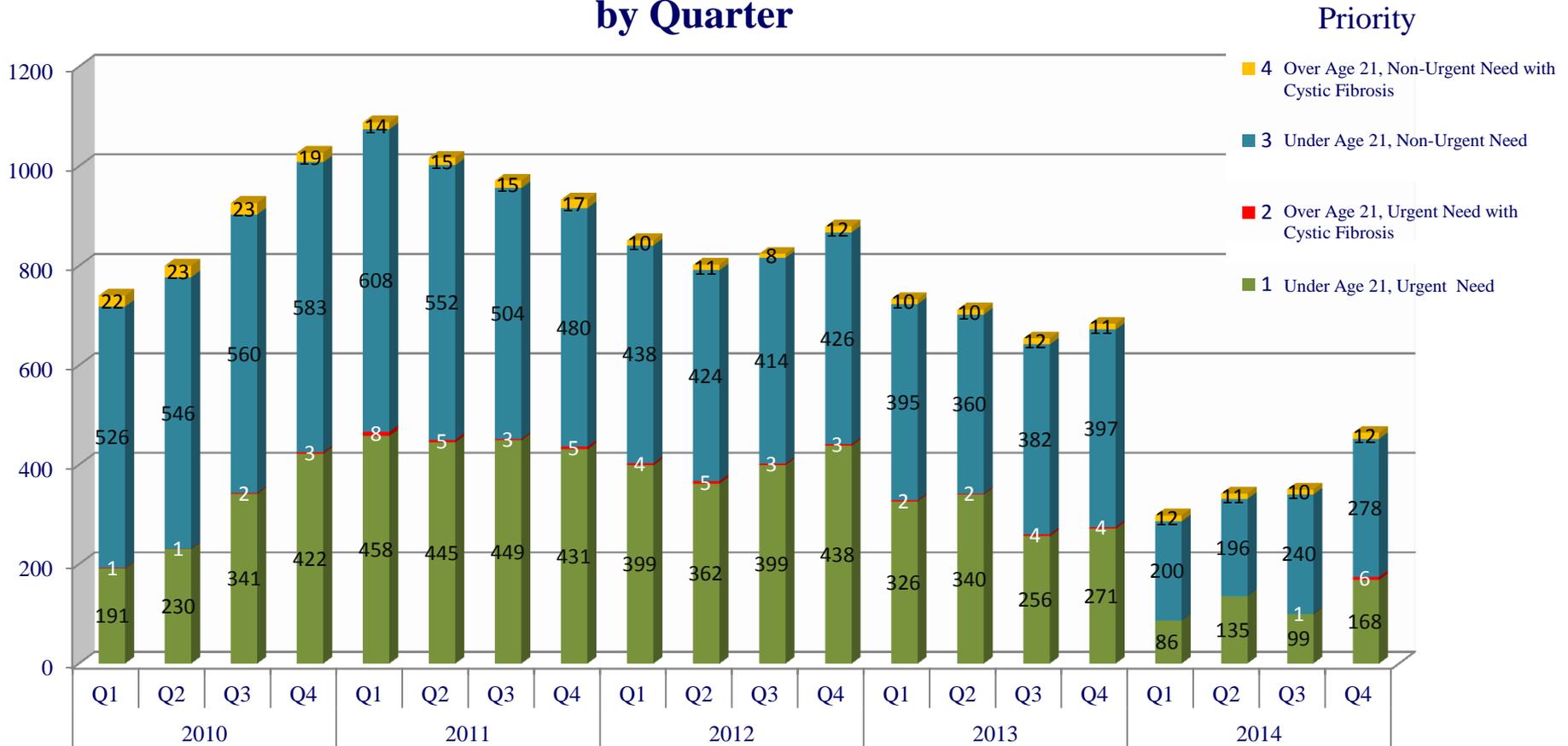
EI 7: Fund Waiting Lists (CSHCN)

Exceptional Item 7	FY 2016	FY 2017	Biennium
7. Fund Waiting Lists (CSHCN)	\$8,623,403	\$9,245,290	\$17,868,693
Total Request	\$8,623,403	\$9,245,290	\$17,868,693
<u>Method of Finance:</u>			
General Revenue	\$8,623,403	\$9,245,290	\$17,868,693
Total Method of Finance	\$8,623,403	\$9,245,290	\$17,868,693

7. Provide health care benefits to 780 high-need children and youth by moving them off the Children with Special Health Care Needs waiting list and into full program services.

EI 7: Fund Waiting Lists (CSHCN)

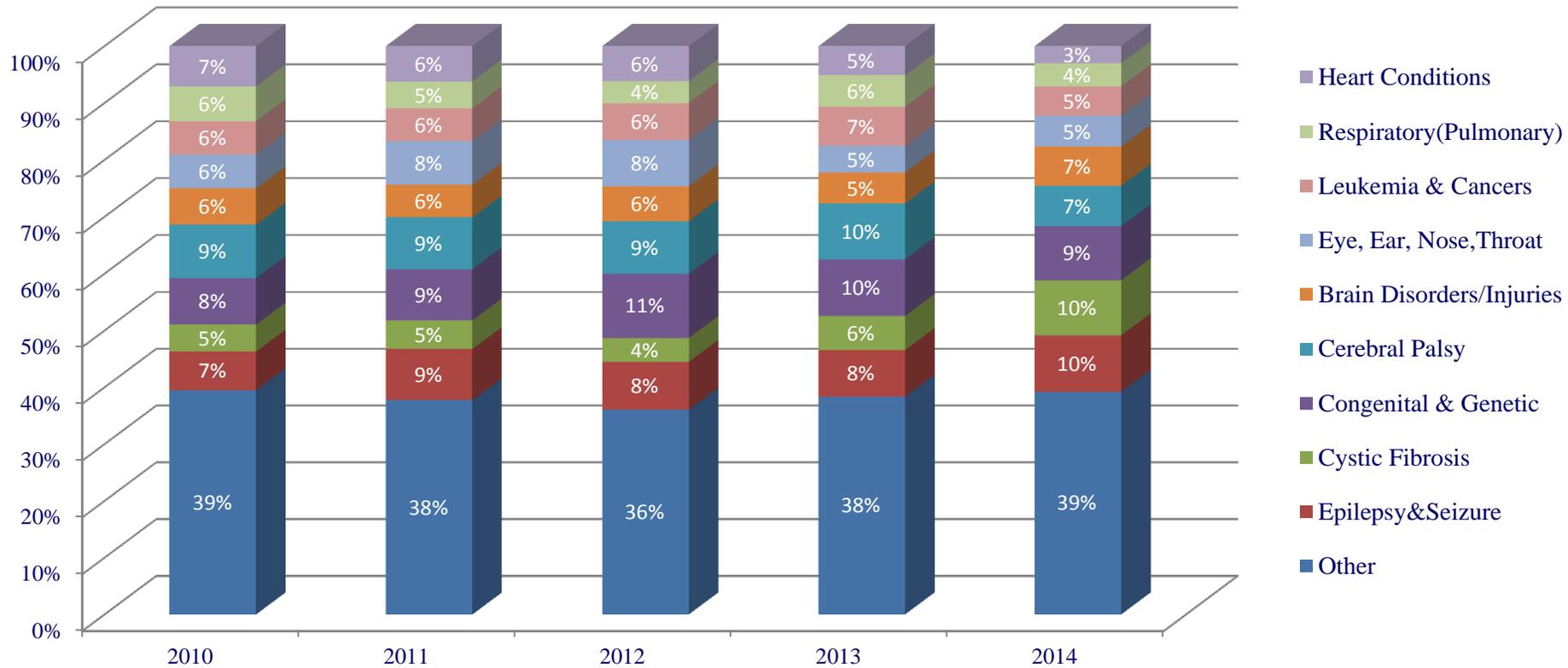
CSHCN Services Program Clients on the Waiting List by Quarter



Source: Family and Community Health Services Division, DSHS

EI 7: Fund Waiting Lists (CSHCN)

CSHCN Services Program Top Diagnosis Categories



EI 8: STI Prevention and Treatment

Exceptional Item 8	FY 2016	FY 2017	Biennium
8. STI Prevention and Treatment	\$3,062,498	\$3,062,498	\$6,124,996
Total Request	\$3,062,498	\$3,062,498	\$6,124,996
<u>Method of Finance:</u>			
General Revenue	\$3,062,498	\$3,062,498	\$6,124,996
Total Method of Finance	\$3,062,498	\$3,062,498	\$6,124,996

8. Enhance testing, treatment and contact tracing for persons diagnosed with sexually transmitted infections (STIs) in high-prevalence counties, and increase current efforts related to STI surveillance and laboratory capacity.

EI 8: STI Prevention and Treatment

EI Request: \$6.1 million over the FY 2016 - 2017 biennium

Purpose

- Offer approximately 2,800 additional people STI testing, treatment, and services each year in counties with the highest incidence of gonorrhea
- Detect and treat gonorrhea cases in counties served
- Concurrently identify and treat chlamydia infections, which can lead to infertility and adverse pregnancy outcomes
- Break the chain of disease transmission through public health follow-up for gonorrhea in high-incidence counties

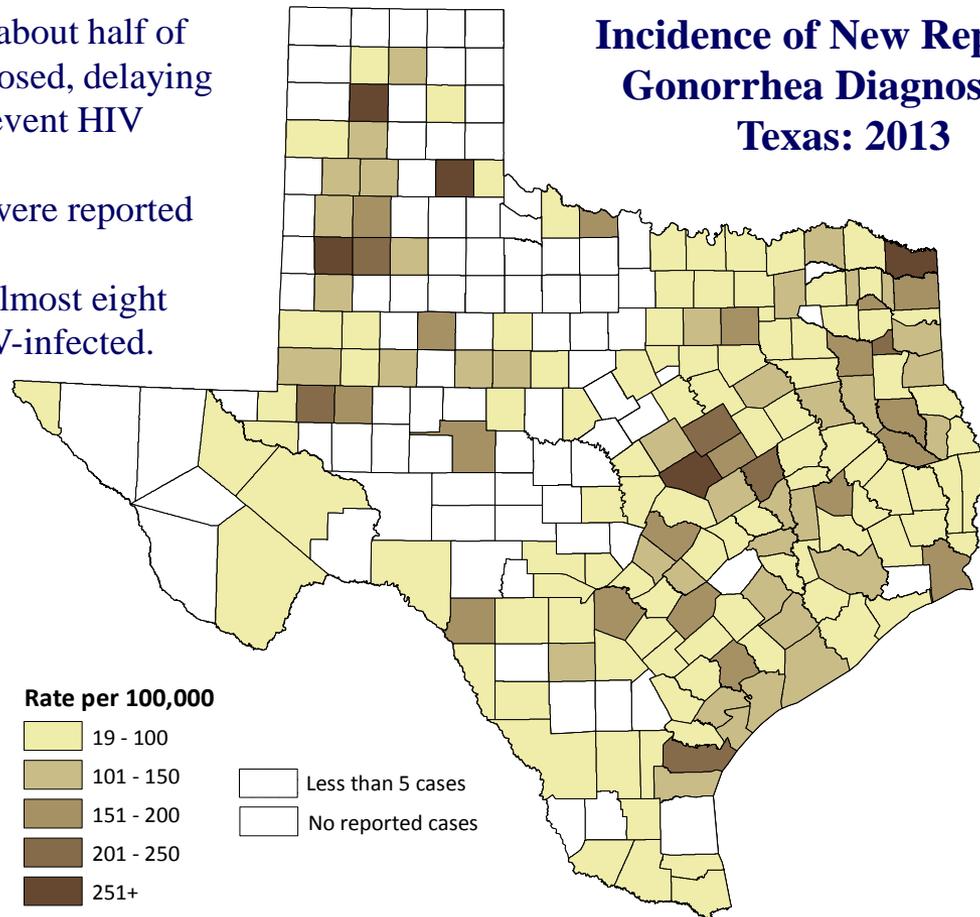
Outcomes

- Earlier treatment of STIs, leading to fewer adverse health outcomes and related costs
- Prevention of drug-resistant gonorrhea in Texas
- Reduction in transmission of gonorrhea, which can facilitate HIV transmission
- Quicker identification of HIV infection for individuals with co-occurring infections, allowing more timely treatment

EI 8: STI Prevention and Treatment

- National evidence suggests that about half of gonorrhea cases remain undiagnosed, delaying the opportunity to identify or prevent HIV infection.
- 33,116 new cases of gonorrhea were reported in Texas in 2013.
- Individuals with gonorrhea are almost eight times more likely to become HIV-infected.

**Incidence of New Reported
Gonorrhea Diagnoses in
Texas: 2013**



EI 9: Improve Prevention of Chronic Diseases

Exceptional Item 9	FY 2016	FY 2017	Biennium
9.a) Asthma Prevention and Control	\$1,250,000	\$2,500,000	\$3,750,000
9.b) Potentially Preventable Hospitalizations	\$1,135,785	\$2,271,570	\$3,407,355
9.c) Diabetes Prevention and Control Initiatives	\$2,548,900	\$5,097,800	\$7,646,700
9.d) Tobacco Prevention and Control	\$3,750,000	\$7,500,000	\$11,250,000
Total Request	\$8,684,685	\$17,369,370	\$26,054,055
<u>Method of Finance:</u>			
General Revenue	\$8,684,685	\$17,369,370	\$26,054,055
Total Method of Finance	\$8,684,685	\$17,369,370	\$26,054,055

9.a) Reduce pediatric asthma-related hospitalizations through locally-contracted asthma management services for children with asthma.
9.b) Broaden the Adult Potentially Preventable Hospitalizations project to include additional high-prevalence counties, with a focus on four conditions with the greatest expected outcomes: Congestive Heart Failure; Chronic Obstructive Pulmonary Disease or asthma in older adults; short and long-term diabetes complications; and Urinary Tract Infections.
9.c) Reduce incidence and complications of pre-diabetes and diabetes through evidence-based programming in high prevalence areas.
9.d) Expand existing tobacco prevention, control, and cessation activities throughout the state, with an emphasis on youth prevention, smokeless tobacco, and youth access enforcement.

EI 9.a: Asthma Prevention and Control

EI Request: \$3.8 million over the FY 2016 - 2017 biennium

Purpose

- Provide interventions for 3,300 uninsured children who have previously been hospitalized due to the effects of uncontrolled asthma
- Individualize case management through evidence-based services, including: environmental control; self-management education for patients and their families; and smoking cessation
- Coordinate with patient medical homes and, as appropriate, specialty care providers
- Target ten high-need counties and harness local relationships and resources to provide services at a community level

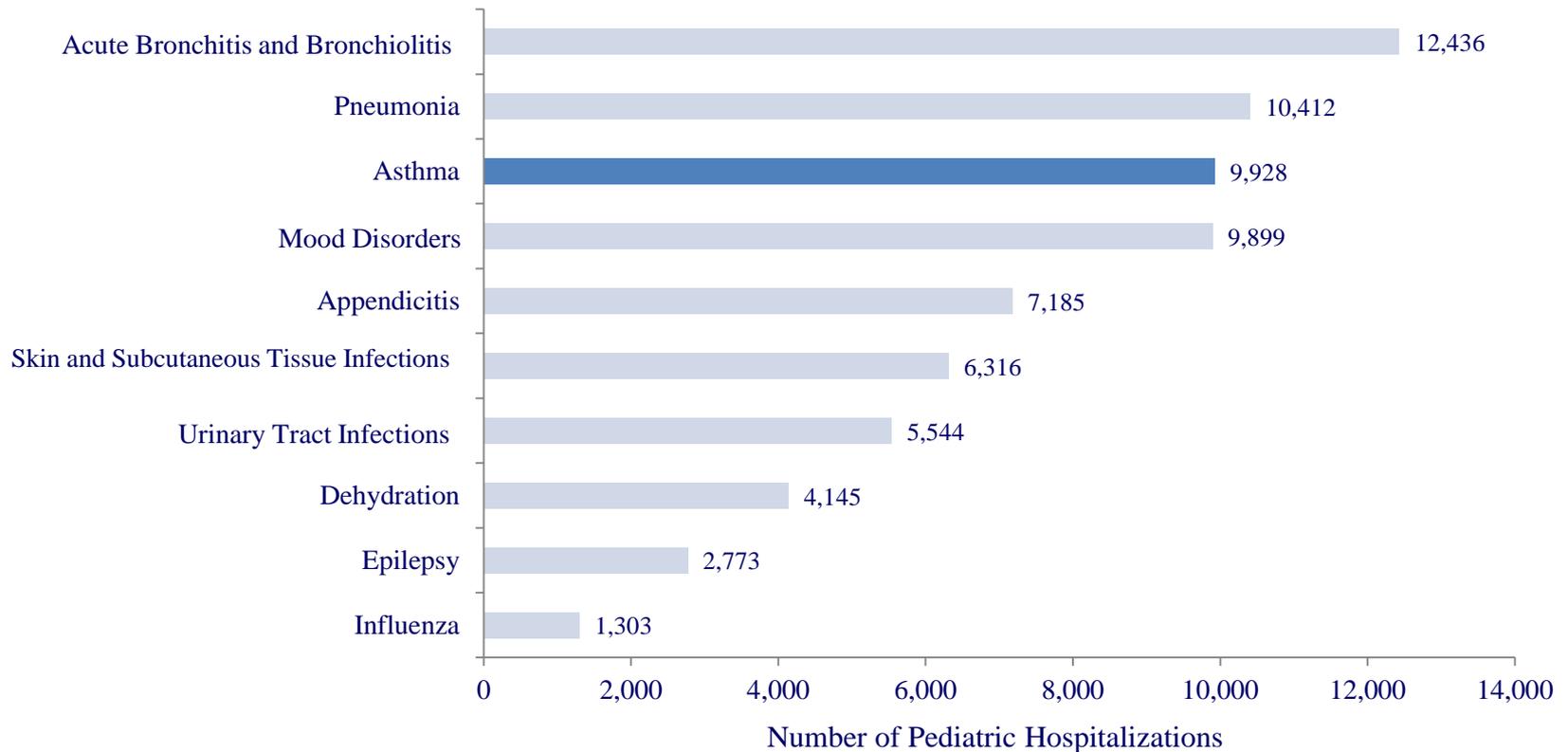
Outcomes

- Decreased visits to the emergency room by 20%
- 40% fewer asthma-related hospitalizations for children served
- Reduced burden for uncompensated hospital care costs

Return on Investment: \$20.8 million in cost savings in medical costs and school absenteeism over the FY 2016 - 2017 biennium, \$5.56 per every dollar spent

EI 9.a: Asthma Prevention and Control

Most Common Reasons for Pediatric Hospital Admissions in Texas: 2012



Data Source: Texas Health Care Information Collection, Center for Health Statistics, DSHS

Most common conditions based on Healthcare Cost and Utilization Project Report by <http://www.hcup-us.ahrq.gov/reports/statbriefs/sb118.pdf>



EI 9.b: Adult Potentially Preventable Hospitalizations (PPH)

EI Request: \$3.4 million over the FY 2016 - 2017 biennium

Purpose

- Expand the PPH Initiative by 14 counties for a total of 27 county-wide initiatives targeting: Congestive Heart Failure; Chronic Obstructive Pulmonary Disease or asthma in older adults; and short and long-term diabetes complications
- Target low to moderately-populated counties most severely impacted by PPHs
- Implement locally-driven and coordinated evidence-based interventions, including at a minimum: case management, community engagement, healthcare provider training, and patient education

Outcomes

- Improved healthcare by reducing PPHs
- Reduced health disparities by reducing PPHs among African Americans
- Reduced healthcare costs by avoiding hospital charges for PPHs for adult residents of the funded counties

*The PPH initiative was awarded with an Association of Territorial and Health Officials Vision Award in 2014.



EI 9.b: Adult Potentially Preventable Hospitalizations (PPH)

Potentially Preventable Hospitalizations (PPHs)	Non-Funded Period 01/01/10 - 09/30/11	Funded Period 01/01/12 - 09/30/13	Change	% Change
Amount of PPH charges for adults in the funded counties	\$269.5 M	\$246.4 M	\$23.1 M↓	08.6%↓
Amount of PPH charges for adults in Texas	\$10.2 B	\$9.9 B	\$300 M↓	02.9%↓
Number of PPHs for vulnerable adults in the funded counties	1,119	872	247↓	22.1%↓
Number of PPHs for vulnerable adults in Texas	51,359	50,291	1,068↓	02.1%↓
Amount of PPH charges for vulnerable adults in the funded counties	\$32.5 M	\$27.4 M	\$5.1 M↓	15.7%↓
Amount of PPH charges for vulnerable adults in Texas	\$1.6 B	\$1.7 B	\$110 M↑	06.3%↑

PPHs means Congestive Heart Failure; Chronic Obstructive Pulmonary Disease or Asthma in Older Adults; Diabetes Complications (Short-term and Long-term); and Urinary Tract Infections.

Funded counties means the counties DSHS contracted with in FY12/13 to target one or more of the PPHs.

Vulnerable adults means adults who were uninsured or on Medicaid.

EI 9.c: Diabetes Prevention and Control

EI Request: \$7.6 million over the FY 2016 - 2017 biennium

Purpose

- Provide 3,500 persons with accredited diabetes self-management education through community-based diabetes projects over the course of the biennium
- Facilitate lifestyle changes for 1,200 high-risk pre-diabetic patients through local diabetes prevention programs that provide individual counseling and support for diet, exercise, and behavior modification
- Focus on unserved areas of the state with high prevalence of diabetes
- Promote Texans' understanding of diabetes prevention and available resources through a public awareness campaign, with a focus on high-prevalence areas

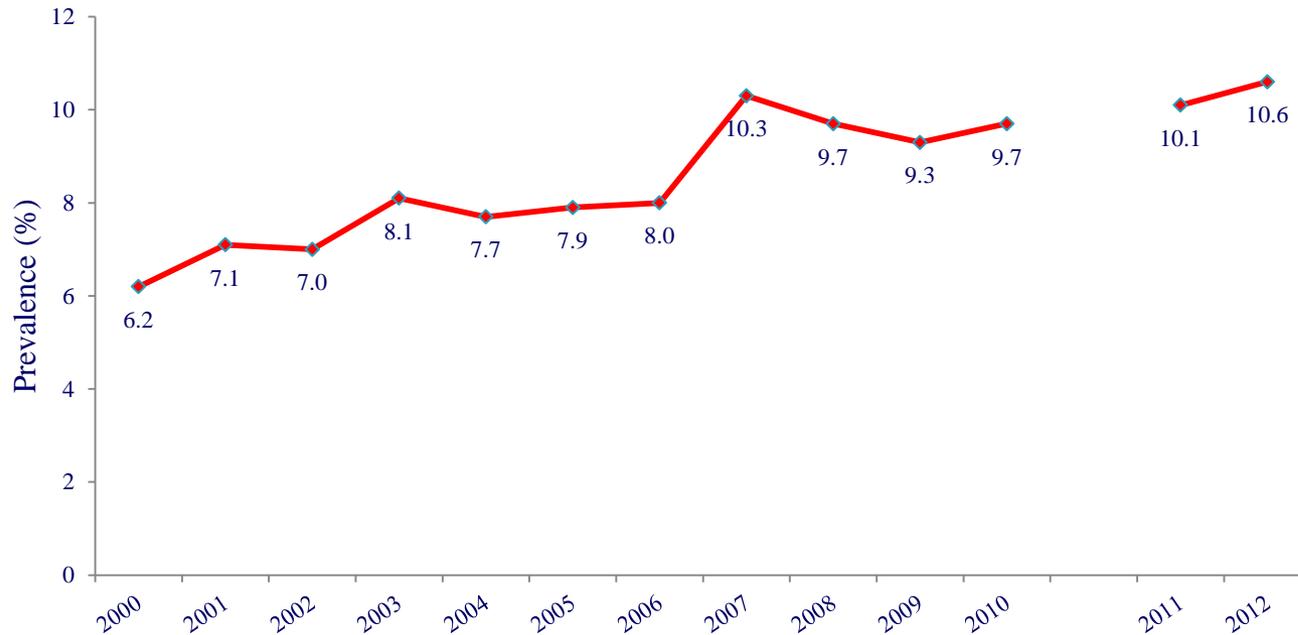
Outcomes

- Reduced risk of eye disease, kidney disease, nerve damage, and cardiovascular disease through diabetes self-management
- Reduced likelihood of costs associated with adverse health outcomes resulting from diabetes
- Reduced risk of developing type 2 diabetes by 58% through pre-diabetic lifestyle changes
- Decreased undiagnosed cases due to better public awareness of diabetes risk in high-prevalence areas

EI 9.c: Diabetes Prevention and Control

In 2012, approximately 2.5 million Texans had diabetes, 457,819 of which are estimated to be undiagnosed.*

Prevalence of Diabetes in Texas: 2000 - 2012

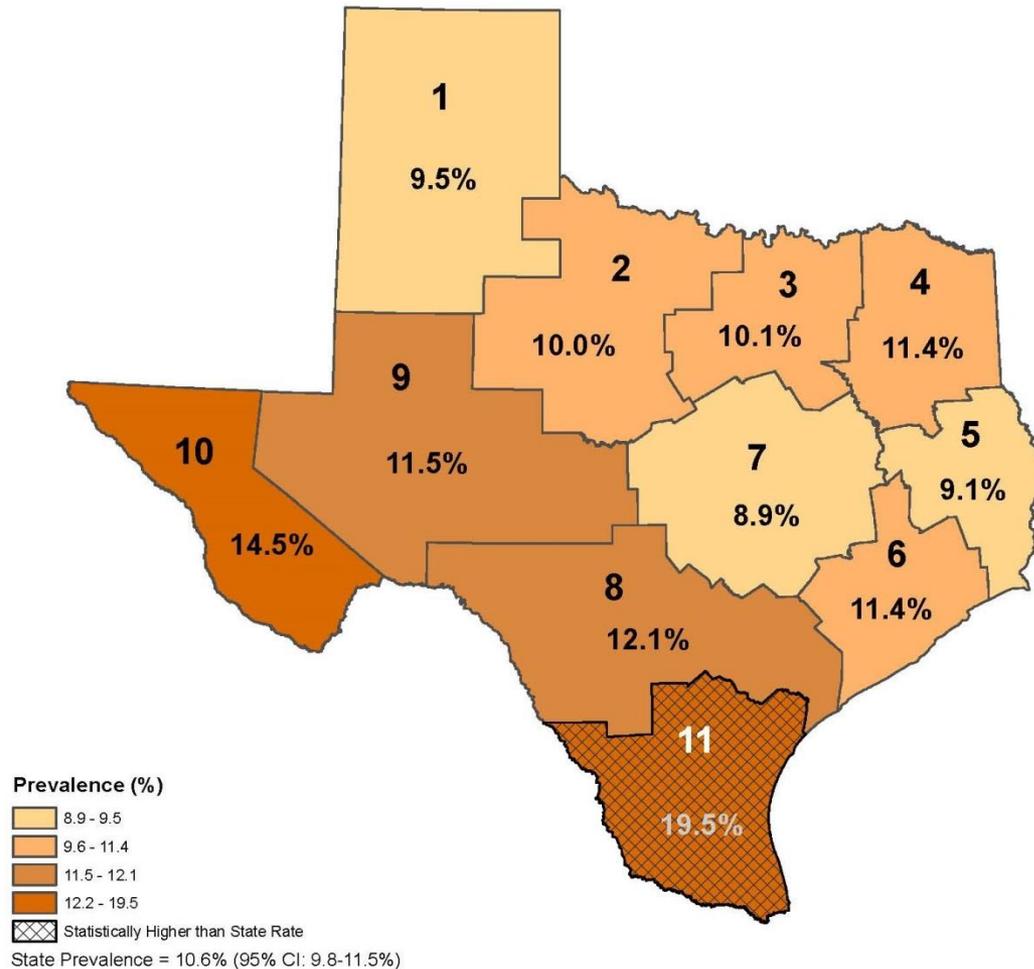


Data Source: Texas Behavioral Risk Factor Surveillance System, Center for Health Statistics, DSHS

*Undiagnosed diabetes estimate based on 2003-2006 NHANES age-adjusted prevalence estimate of 2.5% for persons twenty years of age and older.

EI 9.c: Diabetes Prevention and Control

Diabetes Prevalence by Texas Health Service Region: 2012



EI 9.d: Tobacco Prevention and Control

EI Request: \$11.3 million over the FY 2016 - 2017 biennium

Purpose

- Expand services within 12 comprehensive tobacco coalitions covering 2.3 million Texans
- Offer nicotine replacement therapy for 18 new counties
- Conduct smokeless tobacco surveillance and evidence-based prevention interventions targeting middle school, high school, and college students
- Expand support of local law enforcement of state youth access to tobacco laws via retail inspections

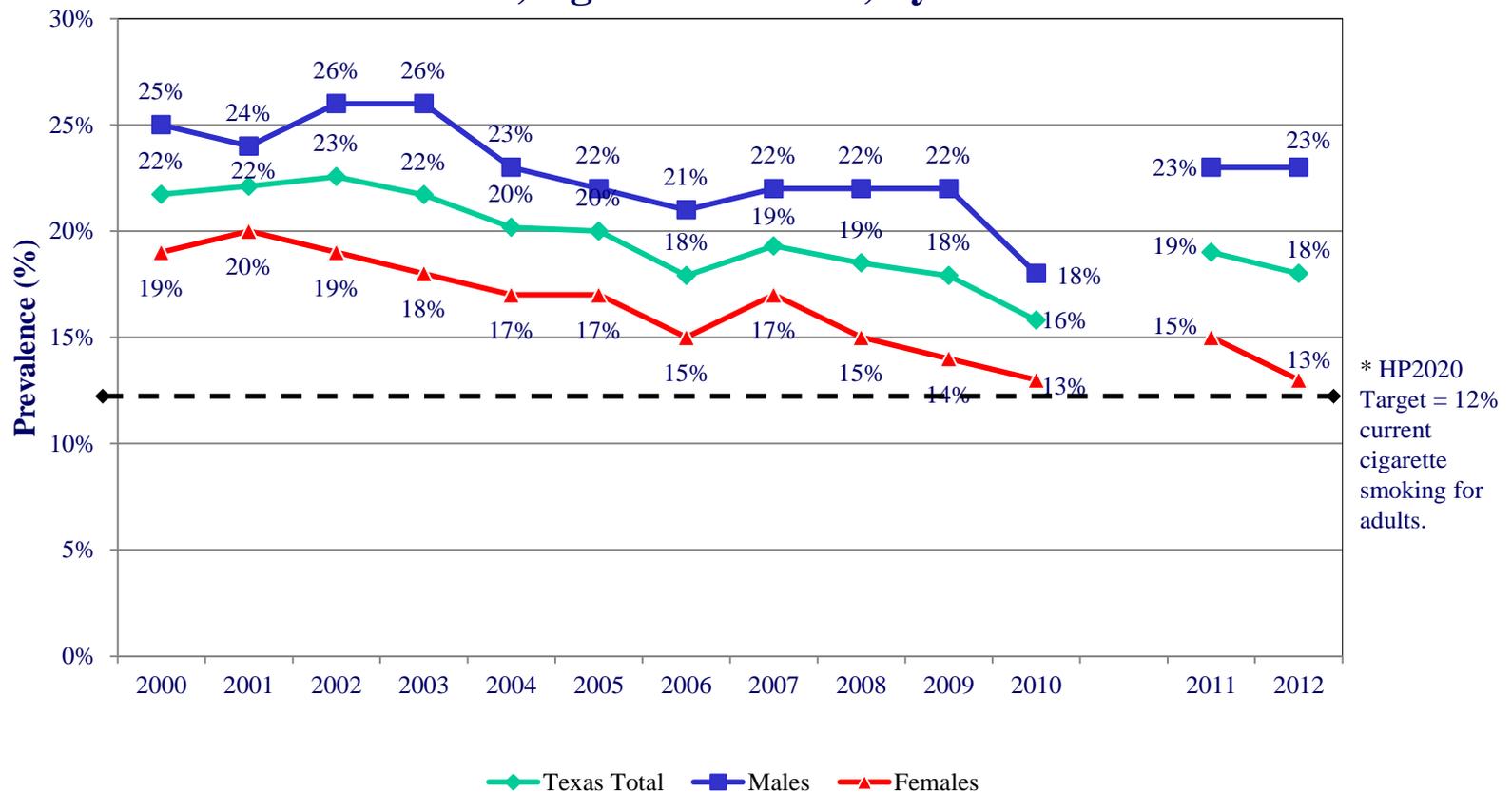
Outcomes

- Higher Quitline utilization rates
- Increased tobacco cessation rates in new and existing tobacco coalition counties
- Quicker pace of reduction in cigarette use by high school students in covered counties
- Decreases in smokeless tobacco use

Return on Investment: A savings of \$53.8 million to the health care system and to productivity costs over a five year period

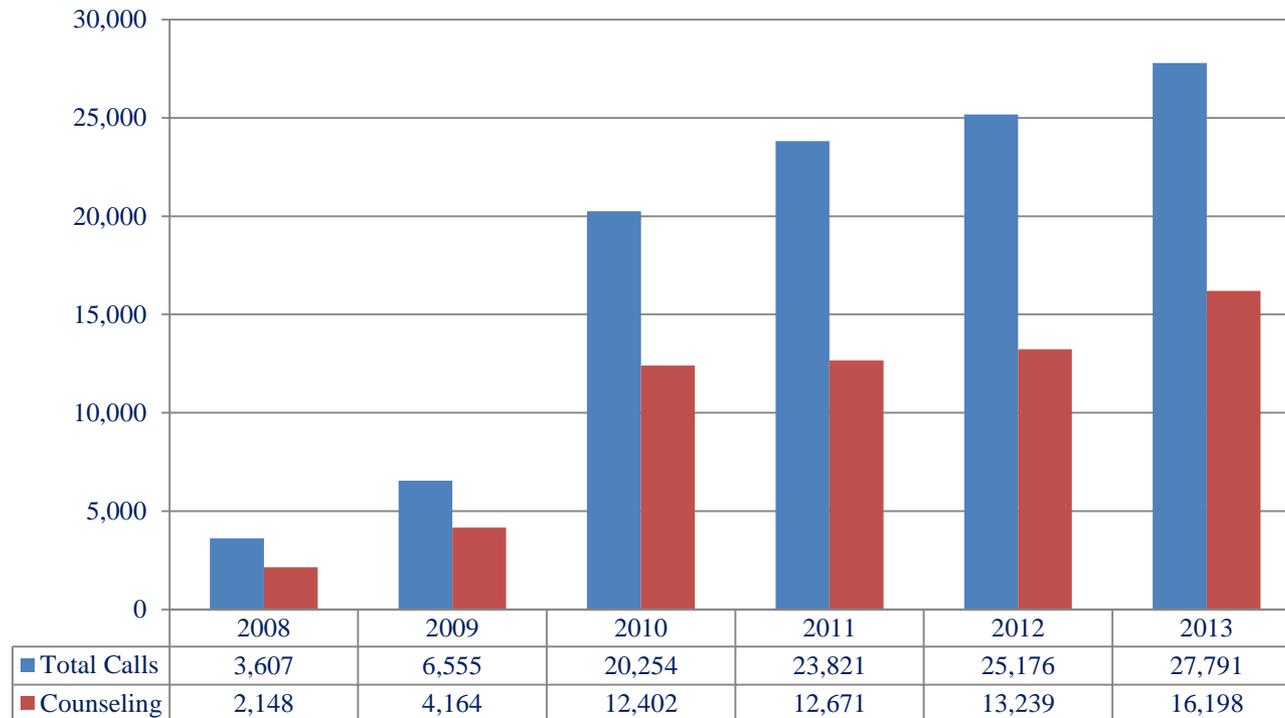
EI 9.d: Tobacco Prevention and Control

Age-Adjusted Prevalence of Current Cigarette Smokers in Texas, Age 18 and Over, by Sex



EI 9.d: Tobacco Prevention and Control

Number of Individuals Using DSHS Quitline Services: 2008 - 2013



Data Source: Texas Quitline Data, Health Promotion and Chronic Disease Prevention Section, DSHS

EI 9.d: Tobacco Prevention and Control

- According to a 2012 Texas study conducted by the Center for Health Research at Kaiser Permanente, for every Texan who quits smoking, there is a savings of approximately \$7,000 in medical costs and lost productivity in the first five years.
- Surveys indicate that 27 percent of the callers to the state's Quitline successfully quit and remained tobacco-free seven months after enrolling in state-funded Quitline services.
- Expansion of Quitline services through the EI would result in an anticipated 7,697 quitters by 2017, and could generate a potential savings of \$53.8 million to the health care system and productivity costs over five years.

EI 10: Improve Mobile Technology

Exceptional Item 10	FY 2016	FY 2017	Biennium
10. Improve Mobile Technology	\$3,000,000	\$3,200,000	\$6,200,000
Total Request	\$3,000,000	\$3,200,000	\$6,200,000
<u>Method of Finance:</u>			
General Revenue	\$3,000,000	\$3,200,000	\$6,200,000
Total Method of Finance	\$3,000,000	\$3,200,000	\$6,200,000

10. Expand the existing technology seat management baseline to allow for replacement of DSHS' aging core information technology infrastructure, and support the acquisition of mobile and other technology to maintain daily business operations across the agency.

EI 10: Improve Mobile Technology

EI Request: \$6.2 million over the 2016 - 2017 biennium

Purpose

- Provide DSHS staff with mobile computing devices to improve their ability and efficiency in performing job duties
- Maintain software licenses required for core business services
- Replace network infrastructure to support current and emerging technologies and maintain security
- Enhance network security

Outcomes

- Establishment of a business and operational framework for continual modernization
- Improved staff efficiency for regulatory inspectors, disease investigators in the field, and deployed disaster response personnel
- Reduced risk of information systems security breach

EI 11: Local Emergency Planning

Exceptional Item 11	FY 2016	FY 2017	Biennium
11. Local Emergency Planning	\$2,500,000	\$ 2,500,000	\$5,000,000
Total Request	\$2,500,000	\$2,500,000	\$5,000,000
<u>Method of Finance:</u>			
GR-D Account 5020, Workplace Chemical List	\$2,500,000	\$ 2,500,000	\$5,000,000
Total Method of Finance	\$2,500,000	\$2,500,000	\$5,000,000

11. Provide one-time grants to Local Emergency Planning Committees to support emergency planning for counties with facilities in their jurisdictions that store hazardous or extremely hazardous substances in amounts reportable to the Tier II Chemical Reporting Program.

EI 11: Local Emergency Planning

EI Request: \$5 million in General Revenue-Dedicated funds over the 2016 – 2017 biennium

Purpose

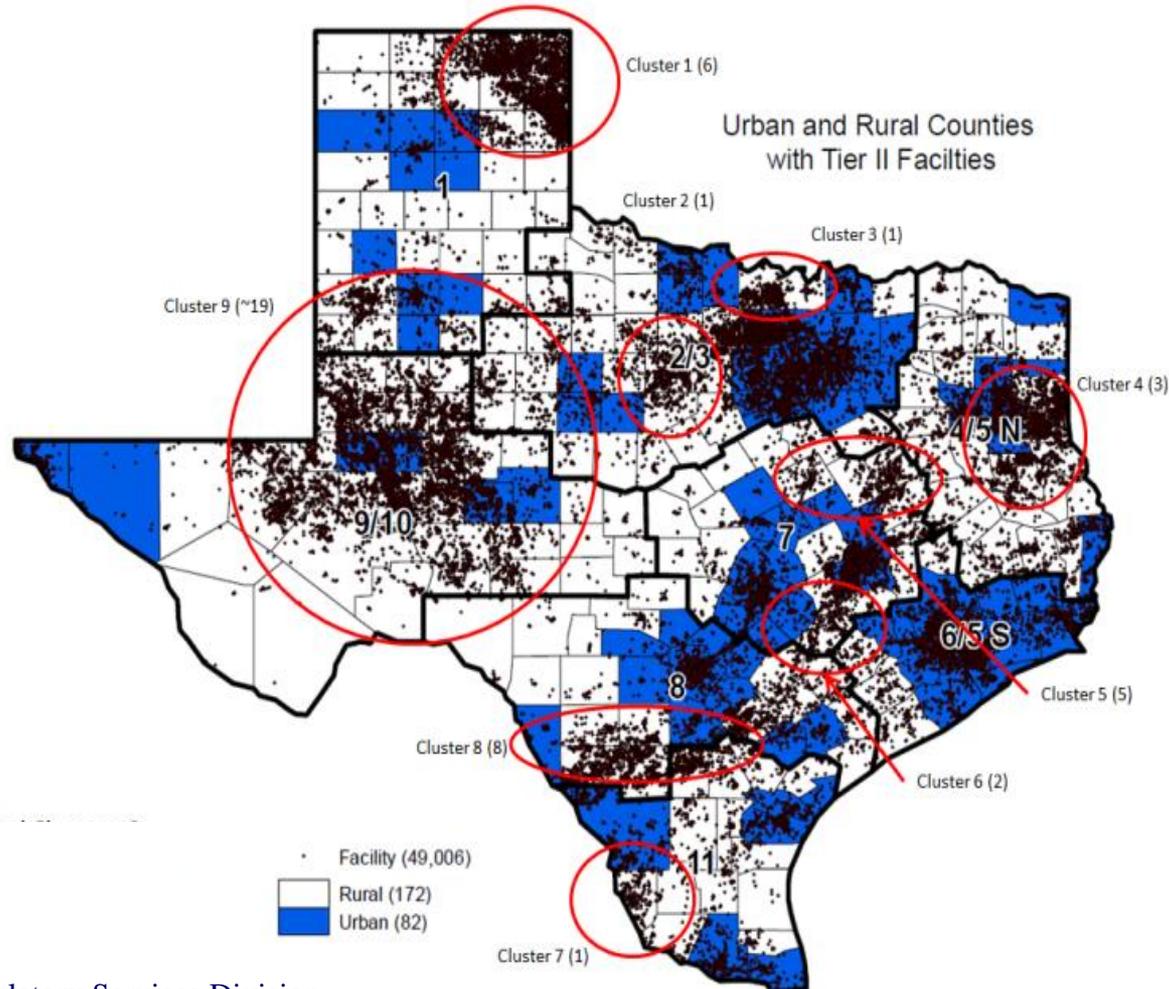
- One-time funding to approximately 45 rural Local Emergency Planning Committees (LEPC) for preparing, planning and executing response to a Tier II facility disaster
- Fulfillment of statutory authority to provide LEPC grants from Tier II fees.

Outcome

- Greater protection to the public in the event of a hazardous chemical explosion within rural communities

El 11: Local Emergency Planning

Tier II Facilities in Texas: 2013



10% GR Reduction Schedule

Reduction Item	Biennial Total	FTEs
Administration	(1,750,000)	(0.0)
Delayed or Deferred Capital Projects	(7,018,235)	(0.0)
Elimination of Programs with Lowest Public Health Risk	(29,126,623)	(70.6)
Public Health Programs	(4,739,460)	(6.3)
Safety Net Programs	(223,308,650)	(853.0)
Grand Totals - All Reductions	(265,942,968)	(929.9)

*OVSOM is not included

Questions
