



# **Legislative Appropriations Request Stakeholder Meeting**

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***Department of State Health Services***

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

***May 22, 2014***

# Presentation Outline

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- Overview of Agency
- Overview of Fiscal Issues in Current Biennium
- LAR Timeline
- Exceptional Items Approach
- Enterprise LAR Workgroups

# Agency Overview

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

## **DSHS Services**

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

## **Scope**

- Alzheimer's and Ambulances to Zoonosis and Zebra Meat
- Impact on millions of people
- Nearly 7900 client services and administrative contracts
- ~160 DSHS sites

## **DSHS Budget Facts – FY 14-15**

- \$6.5 billion biennial budget
- 54% of the DSHS budget is GR-Related Funds; 38% is Federal Funds; and 8% is Other Funds
- 67% of the DSHS GR is for mental health services (community and hospitals)
- Only 6% of DSHS GR funds are for public health
- Regulatory Services are supported by fees
- Lab Services are primarily supported by fees
- DSHS has 165 funding streams/methods of finance (mostly federal grant sources)
- DSHS has roughly 1,000 organizational budgets



# Health Responsibilities of DSHS

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- Maintaining public health activities, such as immunizations, sanitation, and food quality.
- Preventing and treating chronic disease.
- Preventing and treating substance abuse and mental illness.
- Preparing for and responding to public health threats.
- Monitoring and controlling infectious diseases.
- Licensing and regulating health-related businesses, equipment, facilities, and occupations.
- Providing community health safety net services.
- Using healthcare data to improve services and guide decision-making.

# State Health Services Council

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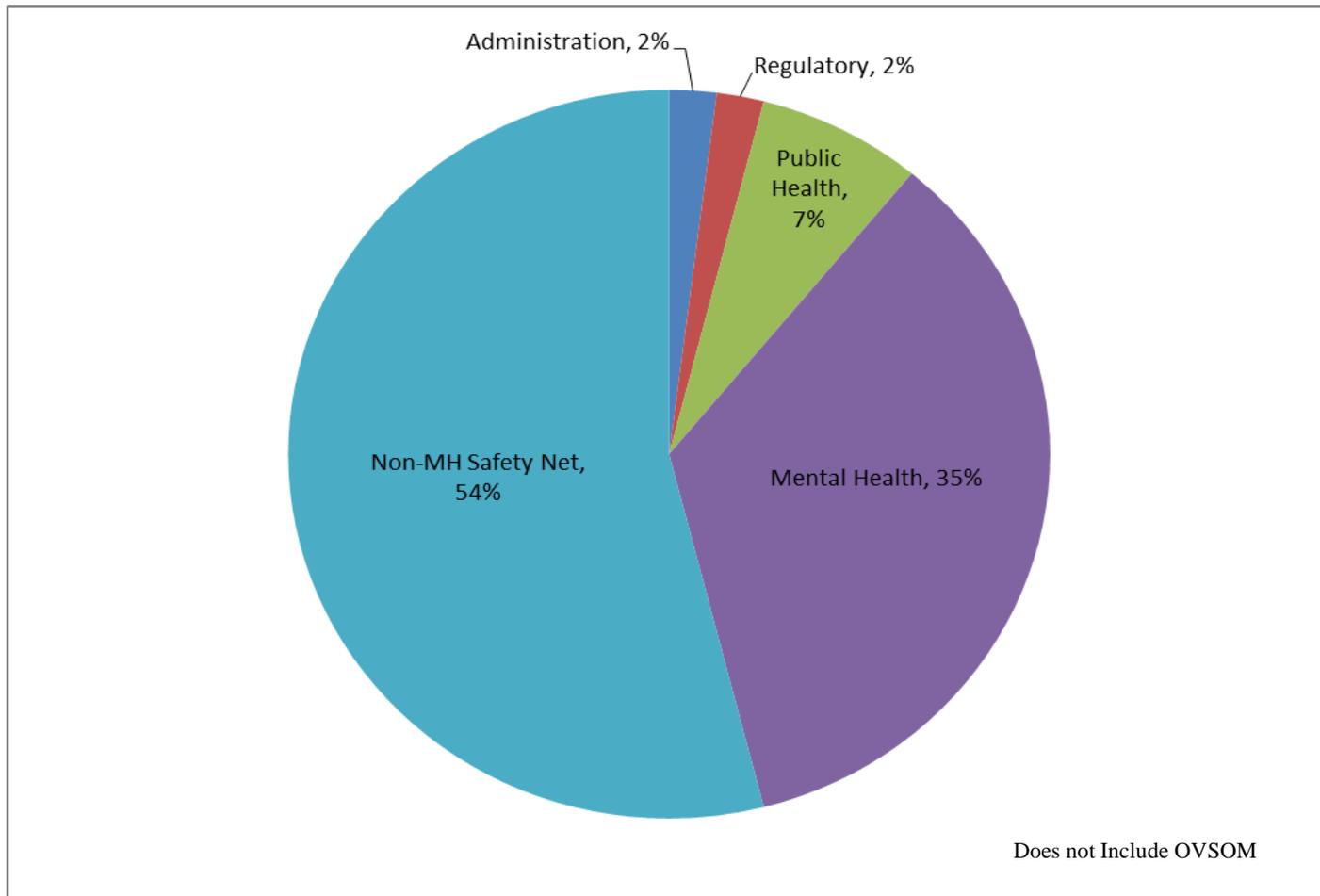
The State Health Services Council is composed of nine members of the public appointed by the Governor with the consent of the Senate. The Council:

- Assists the HHSC Executive Commissioner and the DSHS Commissioner in developing rules and policies for DSHS.
- Fosters consumer and constituent input in developing agency policies and priorities and provides a venue for public review of agency rules.
- Conducts quarterly meetings open to the public and makes recommendations regarding publication of rules for public comment.

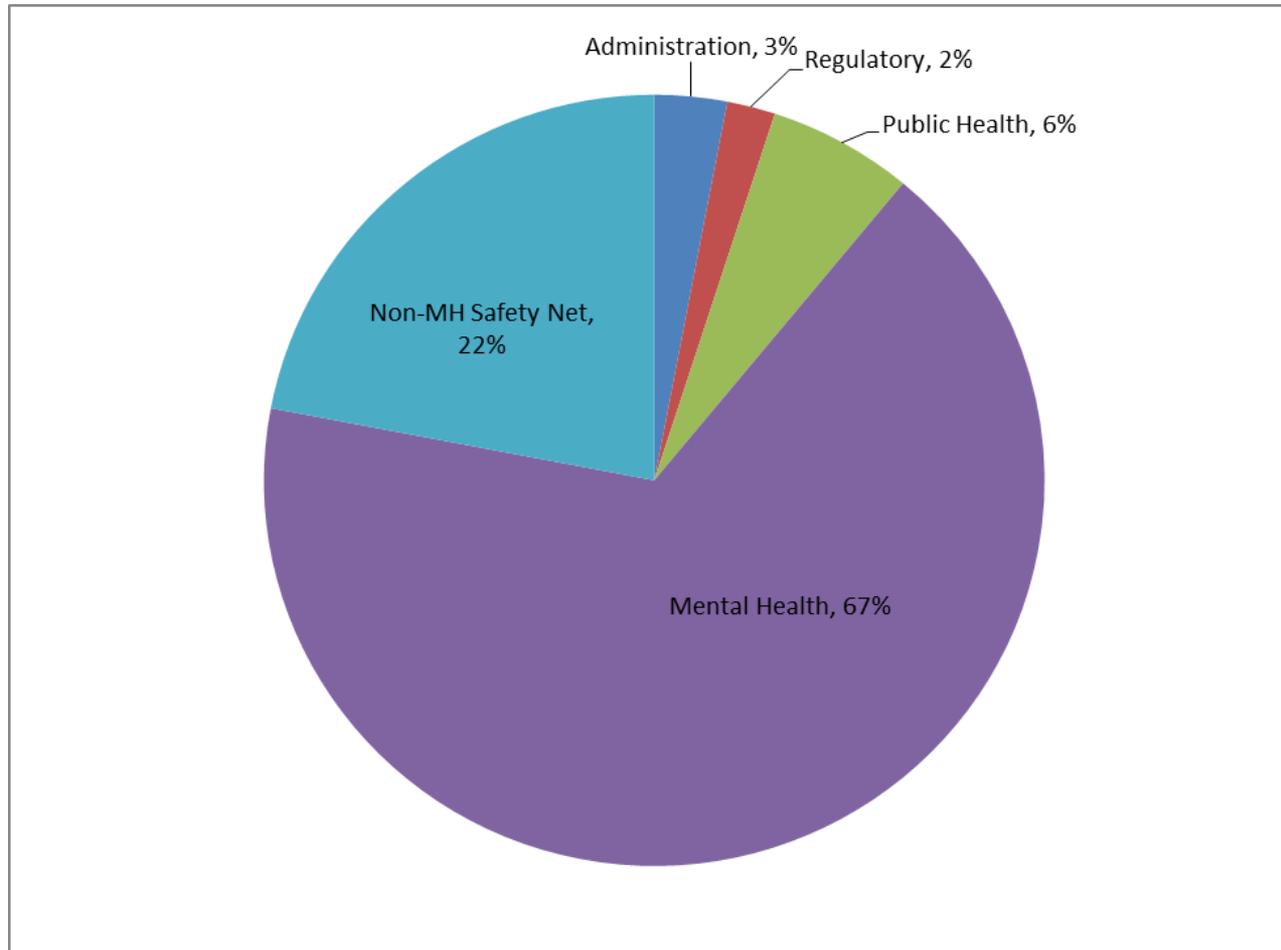
# Current Biennium vs. Prior Biennium

Description	FY2014-15 GAA	FY2012-13 GAA	Changes
<b>GOAL 1 - Preparedness and Prevention</b>	\$1,165,067,102	\$1,047,483,012	\$117,584,090
<b>GOAL 2 - Community Health Services</b>	\$4,065,373,296	\$3,531,446,086	\$533,927,210
<b>GOAL 3 - Hospital Facilities</b>	\$1,022,669,886	\$921,404,676	\$101,265,210
<b>GOAL 4 - Consumer Protection Services</b>	\$127,374,575	\$120,923,800	\$6,450,775
<b>GOAL 5 - Indirect Administration</b>	\$128,560,910	\$101,637,873	\$26,923,037
<b>GOAL 6 - Capital Items</b>	\$21,903,297	\$45,164,409	(\$23,261,112)
<b>TOTAL, GOALS</b>	<b>\$6,530,949,066</b>	<b>\$5,768,059,856</b>	<b>\$762,889,210</b>
<b>General Revenue</b>	\$2,566,914,326	\$2,129,933,843	\$436,980,483
<b>General Revenue-Dedicated</b>	\$956,207,152	\$742,736,832	\$213,470,320
<b>Fed Funds</b>	\$2,468,649,502	\$2,488,012,720	(\$19,363,218)
<b>Other Funds</b>	\$539,178,086	\$407,376,461	\$131,801,625
<b>TOTAL, METHOD OF FINANCING</b>	<b>\$6,530,949,066</b>	<b>\$5,768,059,856</b>	<b>\$762,889,210</b>
<b>FTEs</b>	12,292.00	12,439.00	-147.00
<b>Note: This excludes Sex Offender Program</b>			

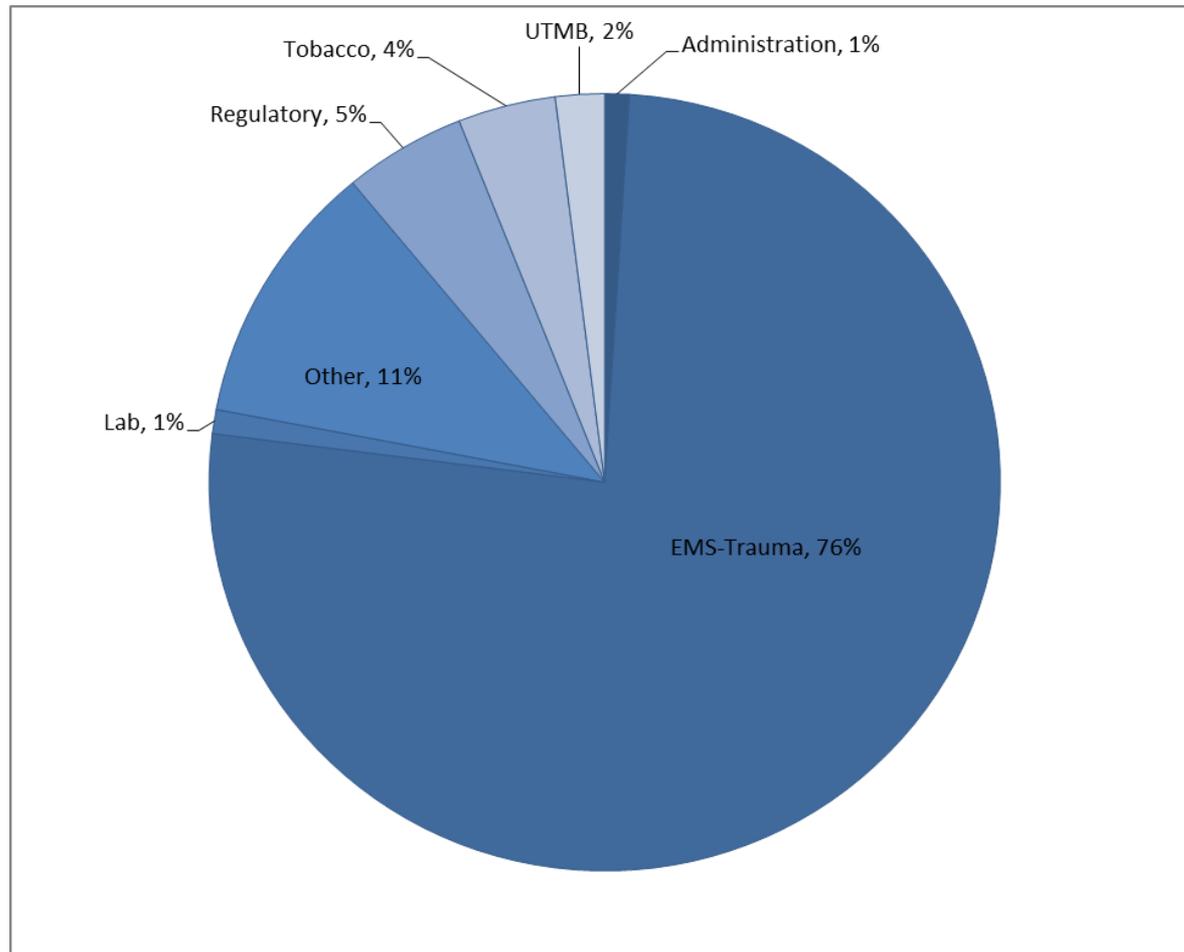
# All Funds Makeup



# General Revenue Makeup



# GR Dedicated Makeup



Does Not Include WIC Rebates

# Fiscal Year 2014-15 Issues

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## **Public Health Threats**

- Public health emergency preparedness/response protect Texans from natural and man-made disasters
- Infectious diseases remain a threat to Texans
- The burden of chronic diseases is increasing and is a driver of health care costs, and prevention programs for obesity and tobacco help to mitigate this burden

## **Health Cost Containment by DSHS**

- Community mental health services reduce the need for more costly services, such as hospitalizations
- Substance abuse continues to be a driver of poor health and costs throughout the state budget
- Community health services improve health and reduce costs to the state budget, such as Medicaid
- Health care quality is an important factor in reducing health care costs

## **Regulatory Services – Impact to Business and Health**

- Diminished regulatory services affect licensing and inspection activities

# Current Year Initiatives

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- Sunset Review
- DSHS Operations Quality Improvement Initiatives
- Potentially Preventable Hospitalizations
- Improving Birth Outcomes & Healthy Texas Babies
- Vital Statistics Business Modernization
- Development of Long-term Plan for state hospital system
- Implementation of increased behavioral health intensive services and supports in the community
  - community collaborative projects, supported housing, crisis residential services, expansion of veterans' mental health, and jail diversion, and expanded substance abuse services

## Current Year Initiatives (cont.)

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- Development of Expanded Primary Health Care
- Implementation of efforts to reduce fraud in EMS
- Enhancements to the regulatory automation system and increasing the use of mobile work strategies
- Modernization of disease data systems
- TB disease detection and treatment
- Development of a comprehensive systems approach to statewide public health
- Completion of Moreton Building Renovations



# Legislative Appropriations Request (LAR) Timeline

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- Public Input about LAR: May/June 2014
- Leadership LAR Letter issued: June 2014
- LAR Base Reconciliation due: June 16, 2014
- ABEST Data entry/Quality Review: July 2014
- Compilation of 1200+ page document (in 3 volumes): July-August 2014
- Official Submission of LAR: Aug 2014
- LAR Hearing: September 2014

# Exceptional Item Approach

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- Priority 1: Maintain Current Services
- Priority 2: Ensure Federal & State Compliance
- Priority 3: Move Health Forward

# Priority 1: Maintain Services

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- Hospital facilities
- Trauma system funding
- Continue funding at second year levels for expanded MH services
- Primary Health Care for Women



## Priority 2: Ensure Federal & State Compliance

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- Ten year plan for state hospitals
- Preparedness for communities

## Priority 3: Move Health Forward

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- Improve behavioral health outcomes: substance abuse prevention
- Sexually transmitted infections: prevention and control efforts
- Reduce cost and disease burden of certain chronic diseases:
  - Asthma
  - Potentially Preventable Hospitalizations among adults
  - Diabetes
  - Tobacco Prevention
- Community Mental Health Services and Alternatives to Hospitals

# Enterprise LAR Workgroups

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- For the past several biennia, we have been involved in LAR workgroups with our sister HHS agencies to address common challenges
  - Federal Funds
  - Information Technology
  - Regional Support
  - Staff Retention/Recruitment
  - State Operated Facilities
  - Waiting/Interest Lists
  - Women's Health

# Next Steps

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- DSHS is seeking public input as it develops its budget request for the Fiscal Years 2016-2017.
- Stakeholders are invited to submit ideas for consideration in the agency's budget request.
- Verbal comment today and at statewide videoconference June 2, 2:00 p.m. CDT
- Written comment through June 6, 5:00 p.m. (information on agenda)