Public Health Funding and Policy Committee 2019 Annual Report

As Required by

Texas Health and Safety Code

Section 117.103

Public Health Funding and Policy Committee

November 2019

Table of Contents

Executive Summary

The Public Health Funding and Policy Committee (PHFPC) 2019 Report is in response to Texas Health and Safety Code, Section 117.103, which requires the PHFPC to submit a report to the Governor, Lieutenant Governor, and the Speaker of the House of Representatives on the implementation of Texas Health and Safety Code, Chapter 117.[1]

Chapter 117, Subchapter C of the Texas Health and Safety Code states that the PHFPC shall, at least annually, make formal recommendations to the Department of State Health Services (DSHS) regarding:

- The use and allocation of funds available exclusively to local health departments (LHDs) to perform core public health functions
- Ways to improve the overall public health of citizens in this state
- Methods for transitioning from a contractual relationship between DSHS and the LHDs to a cooperative-agreement relationship between DSHS and the LHDs
- Methods for fostering a continuous collaborative relationship between DSHS and the LHDs

Recommendations made must be in accordance with:

- Prevailing epidemiological evidence, variations in geographic and population needs, best practices, and evidence-based interventions related to the populations to be served
- State and federal law
- Federal funding requirements

Not every Texan has the same level of local public health protection. The Texas public health system is fragmented, complex, and in some instances, non-existent. Texas delivers public health services through a system of state and LHDs. As detailed in the 2012 PHFPC Annual Report, the presence, scope, and quality of public health services vary greatly among Texas counties and cities.[2] Among the 254 counties in Texas, 58 operate under a local public health services contract with DSHS. Many other entities provide a small subset of environmental permitting and/or clinical services. DSHS public health regions (PHRs) provide local public

[1]This report is submitted by the Public Health Funding and Policy Committee and has not been substantially edited by the Texas Department of State Health Services.
[2]Texas Department of State Health Services. 2012 PHFPC Annual Report. *Public Health Funding and Policy Committee*. http://www.dshs.state.tx.us/phfpcommittee/default.aspx. Published February 2013. Accessed March 7, 2016.

health services to counties without a local public health entity. On a routine basis, PHRs support LHDs in provision of services when the local health entity does not have the resources available. Public health regions also assist with response to disease outbreaks and natural disasters.

State funding of local public health services is also complex and not well understood. Local public health entities may receive city, county, state, federal, or other sources of funding. Historically, local public health entities' funding does not align with known public health risks, vulnerabilities, threats, and/or disease statistics.

The PHFPC's recommendations focus on core public health functions, roles of LHDs and PHRs, data sharing between DSHS and LHDs, insurance category for public health, infectious disease, workforce development, and technology. Since the PHFPC 2018 report, DSHS, HHSC, and LHDs have made progress toward meeting the recommendations.

During 2020, PHFPC will continue efforts toward completing the current recommendations. House Bill 3704 passed during the 86th Session of the Texas Legislature authorizes DSHS to enter into agreements with local public health entities to provide access to public health data for use in the provision of essential pubic health services. This statute is a major step toward completing the data sharing recommendation of this report. PHFPC and DSHS will work to complete this recommendation in 2020.

Regarding the Medicaid Billing recommendation, PHFPC expressed its desire for stronger language in the contracts between managed care organizations (MCOs) and LHDs to help LHDs with the credentialing and contracting processes. The PHFPC expects to see considerable progress toward the completion of this recommendation in 2020 because HHSC has been working closely with DSHS and LHDs to identify solutions to reduce existing barriers.

The PHFPC expects significant consideration for LHDs in the 1115 Waiver transition plan. LHDs will continue working closely with HHSC and providing feedback regarding the role of LHDs in the transition plan. This includes proposing recommendations to enable LHDs to maintain the foundation created as a result of the 1115 Waiver.

1. Introduction

Texas Health and Safety Code, Section 117.103 requires the Public Health Funding and Policy Committee (PHFPC) to submit a report to the Governor, Lieutenant Governor, and the Speaker of the House of Representatives on the implementation of Texas Health and Safety Code, Chapter 117.

PHFPC developed recommendations based on conversations during meetings throughout fiscal year 2017 and included them in their annual Public Health Funding and Policy Committee 2017 Recommendations Report.

No new recommendations were made in fiscal years 2018 or 2019 as ongoing efforts and progress are continuing by DSHS to address the 15 recommendations submitted in 2017 in the following topic areas:

- Core Functions
- Local and Regional Health Services Departments Roles
- Data Sharing
- Insurance Category for Public Health
- Infectious Disease
- Workforce Development
- Technology

2. Background

In 1997, the 75th Texas Legislature passed H.C.R. 44 which required an interim study to evaluate the role of local governments in providing public health services. As a result, a steering committee and working group submitted recommendations to the 76th Texas Legislature. With the passage of H.B. 1444, 76th Texas Legislature, Regular Session, 1999, Texas established itself as one of the first states to codify the essential services of public health into statute. However, the effort to fund these essential services remains "subject to the availability of funds." In addition, local service delivery remains problematic because the majority of funds are tied to categorical streams. What is needed is transformative change in state and federal funding of services.

Although H.B. 1444 provided a foundation, it did not define what constitutes a health department in Texas, establish standards, scope of services, or establish a mechanism for funding. Since 1999, when H.B. 1444 was passed, persistent programmatic funding cuts have resulted in decreased public health capacity. Many local governments voiced concerns about their inability to absorb state funding cuts without additional county or city dollars. The PHFPC emphasized the need for a stable source of state funding to ensure equitable distribution of local public health services across the state.

In March 2010, discussions began on how the Department of State Health Services (DSHS) could benefit from the creation of an advisory committee aimed at reviewing policy development and funding allocations to local health departments (LHDs). In 2011, the 82nd Texas Legislature passed S.B. 969, which established the Public Health Funding and Policy Committee (PHFPC). The bill, which went into effect September 1, 2011, required the Commissioner of DSHS to appoint nine members to the PHFPC, as well as provide staff and material support to the PHFPC and meetings. The committee meetings are subject to Chapter 331 of the Government Code, Open Meetings Act.

The PHFPC's general duties are outlined in Section 117.101 of the Texas Health and Safety Code. The PHFPC shall:

- Define the core public health services a local health entity should provide in a county or municipality.
- Evaluate public health in this state and identify initiatives for areas that need improvement.
- Identify all funding sources available for use by LHDs to perform core public health functions.
- Establish public health policy priorities for this state.
- At least annually, make formal recommendations to DSHS regarding:
  - The use and allocation of funds available exclusively to LHDs to perform core public health functions,

- Ways to improve the overall public health of citizens in this state,
- Methods for transitioning from a contractual relationship between DSHS and the LHDs to a cooperative-agreement relationship between DSHS and the LHDs, and
  Methods for fostering a continuous collaborative relationship between DSHS and the LHDs.

The statute further specifies that recommendations must be in accordance with the following:

- Prevailing epidemiological evidence, variations in geographic and population needs, best practices, and evidence-based interventions related to the populations to be served,
- State and federal law, and
- Federal funding requirements.

3. Accomplishments

The Public Health Funding and Policy Committee (PHFPC) achieved several accomplishments in the last year. First, the PHFPC completed the workforce development recommendation from the 2017 report. The Texas Department of State Health Services (DSHS) convened a workgroup of Texas academic and practice partners to address persistent and significant public health workforce education and training needs in local health departments (LHDs). The workgroup developed a series of trainings, which consists of six modules designed to provide LHD personnel with a foundation of public health. "Public Health 101" will be offered to LHDs the spring of 2020.

Additionally, the PHFPC engaged in the 1115 Waiver transition plan through LHD participation. LHDs are working closely with the Health and Human Services Commission (HHSC) and providing meaningful input to the transition plan. This includes proposing recommendations to enable LHDs to maintain the infrastructure created as a result of the 1115 Waiver. The recommendations proposed to HHSC include the following:

- Assure dedicated funding for public health services are included in the 1115 Waiver transition plan.
- Establish a designated provider type for LHDs.
- Utilize the resources available for intergovernmental transfer by local governmental entities for specific services provided by public health departments, e.g., Chronic Disease Prevention and Control and Communicable Disease Prevention and Control (HIV/STD, Tuberculosis, Immunization).

To highlight the work conducted during 2019, Senate Bill 2021 was proposed during the 86th Legislative Session. The bill added a specific provider type for LHDs and Public Health Regions to bill Medicaid which would reduce barriers and challenges to accessing Medicaid and other third-party reimbursement for services provided to eligible clients. Although the bill passed the House and Senate committees, it was attached to another bill and died. HHSC is currently working with PHFPC, Texas Association for City and County Health Officials, and DSHS to move forward with exploring the idea of adding a LHD provider type for Medicaid third party contracts.

4. Current Activities

The Public Health Funding and Policy Committee (PHFPC) is working with the Texas Department of State Health Services (DSHS) on numerous activities. One is the development of the "Framework for Core Public Health System Services", which will accomplish the first statutory charge of the PHFPC - to define the core public health services a local health entity should provide in a county or municipality. The goal of this project is to identify the different types of public health services provided at the local level while allowing local health departments (LHDs) the flexibility to identify the services that are most important in their respective jurisdictions. Once completed, the framework should be consistent with the current national framework. DSHS provided a draft framework to initiate the project and PHFPC formed a workgroup to facilitate completing the draft.

PHFPC and DSHS have been diligently working on the Public Health Emergency Preparedness (PHEP) funding formula. For several years Texas has received level PHEP funding, but consistently has unused funds. Therefore, the current funding formula may not be the most efficient formula.

As a result, a workgroup was convened in August 2018. The workgroup generated and presented three new proposed funding formulas to the PHFPC for consideration in October 2018 and to the Texas Association of City and County Health Officials (TACCHO) in February 2019. DSHS also solicited comments from all LHDs regarding the proposed formulas. Once the PHFPC is confident that it has enough information, it will select a funding formula to recommend to DSHS.

Significant progress has been made on the first two recommendations in the Insurance Category. The first recommendation stated: DSHS request the Texas Health and Human Services Commission (HHSC) to sponsor a meeting between HHSC, Medicaid, LHD, and Public Health Region (PHR) representatives to develop solutions and strategies to eliminate the credentialing and contracting barriers for LHDs and PHRs. Since formalizing the recommendation, HHSC has worked with DSHS and LHDs to research the issues regarding billing and contracting with managed care organizations. HHSC conducted a survey to gain insight into the issues raised by LHDs and plans to meet with individual LHDs regarding their survey responses. HHSC is in the process of updating a webinar that would provide education for LHDs and PHRs in the process of billing and credentialing.

The second recommendation requested that DSHS identify potential legislation to reduce barriers and challenges LHDs and PHRs experience when accessing Medicaid and other third-party reimbursement for services provided to eligible clients. Although it did not pass, Senate Bill 2021, proposed during the 86th Legislative Session, added a specific provider type for LHDs to bill Medicaid. The bill passed the House and Senate committees but was attached to another bill and died. HHSC is

working with PHFPC, TACCHO, and DSHS to move forward with exploring solutions and reducing barriers for LHDs and PHR when billing Medicaid.

5. Recommendations

The Public Health Funding and Policy Committee (PHFPC) focused on supporting the progression toward completing the 2017 recommendations. The activities focused on: core public health functions, roles of local health departments (LHDs) and public health regions (PHRs), data sharing between the Department of State Health Services (DSHS) and LHDs, insurance category for public health, infectious disease, workforce development, and technology. The following details the recommendations and their status.

Core Functions Recommendations

A. PHFPC recommends that DSHS adopt core services as listed in the "Defining Core Public Health Services" document as the Texas standard.

Discussion: DSHS responded they will work with PHFPC to identify a standard set of core public health services that LHDs should provide within their jurisdiction and how to operationalize the services in each jurisdiction. Core services should reflect the public health services that every Texas resident would receive. Clarification of the term "core" as a minimum set of services versus an ideal set of services still needs further discussion. DSHS supports continued efforts by PHFPC to show how the "Defining Core Public Health Services"[3] document relates to the essential public health services as defined in Texas Health and Safety Code Section 121.002.

Status: This process is ongoing.

B. PHFPC recommends that DSHS define core public health as written in Public Health Service Delivery in Texas: "A System for categorizing Local Health Entities"[3] but change the criteria to "assure in the local jurisdiction" not directly provided by LHDs.

Discussion: DSHS agrees the definition of core services should be based on the availability of services within a jurisdiction rather than directly provided by an LHD. Chapter 121 of the Texas Health and Safety Code allows local jurisdictions to establish entities to operate as a local health unit, LHD or public health district.[4] Local jurisdictions, through home rule, can elect to provide a full array of public health services as determined in statute. These may include the ten essential

[3] Texas Department of State Health Services. Defining Core Services. *Public Health Funding and Policy Committee*. http://www.dshs.state.tx.us/phfpcommittee/. Published June 2017. Accessed October 19, 2018.
[4] Texas Health and Safety Code, Title 12, Chapter 1001, Subchapter D, Section 1001.071

public health services or a larger or smaller number of services depending on the LHD's capacity. When an LHD is not present or is unable to provide a public health service, the PHR may provide that service, although that may occur on a limited basis.[5]

Status: This process is complete.

C. **PHFPC recommends that DSHS conduct facilitated meetings in each DSHS PHR with the LHD and PHR staff to: 1) discuss/determine core functions expected for all residents in Texas, 2) identify the assets in the region/LHD to provide the core services, 3) identify gaps/barriers in the region/LHDs, 4) prioritize gaps, 5) discuss possible solutions, and 6) determine cost-effective and efficient methods in each region to ensure core services.**

Discussion: DSHS has initiated a multi-year effort to provide a framework to support statewide public health system improvement through enhanced collaboration and partnership. DSHS is conducting assessments and regional meetings to establish an understanding of public health service delivery, capacity, capabilities, and to identify gaps across the state.

Status: This process is ongoing.

Roles of Local and Regional Health Service Departments Recommendations

A. **PHFPC recommends that DSHS evaluate local and state roles in each region; promote independence and create surge capacity at DSHS PHR offices; and define DSHS PHR and LHD functions. To clearly define public health roles, PHFPC recommends creating memorandums of understanding (MOUs) describing the DSHS PHR and local responsibilities in each jurisdiction, with or without funding attached.**

Discussion: DSHS agrees that a clearer delineation of roles is important whether it is established formally through MOUs or informally through guidance documents. DSHS identified that formal agreements would be complex. DSHS will work with PHFPC to determine steps for helping to better clarify roles.

In terms of surge capacity, DSHS agrees steps can be taken to strengthen surge capacity to support local public health. DSHS upon request offers

[5] Texas Health and Safety Code, Title 2, Subtitle F, Chapter 121, Sections 121.002 and 121.007.

resources/staff to LHDs during routine public health activities and emergency events if available.

DSHS recognizes locally-established health departments, districts, and units, as being responsible for exercising local control when providing public health services. The role of DSHS is to support local jurisdictions' requests for assistance during disease outbreaks, addressing surge capacity, and providing technical support as subject matter experts. As a result of both the 83rd and 84th Legislative Sessions, DSHS received exceptional item funding to support 45 locally placed epidemiologists specifically for public health disease outbreak investigations and response. These positions also aid in statewide surge capacity for DSHS and other locals when the need presents itself. This example should be considered as a model for additional public health staffing shortage areas such as nurses and sanitarians.

Status: This process is ongoing.

B. PHFPC recommends that DSHS revisit having a Cooperative Agreement between DSHS and LHDs, and further describe roles and responsibilities resulting in partnerships versus contracts.

Discussion: DSHS understands and agrees with the spirit and intent of this recommendation, however, some limitations exist in the use of this concept. There is opportunity for negotiation among DSHS programs and LHDs under the state's current contracting standards. DSHS will continue to work collaboratively with LHDs to ensure the communities' needs are being met.

In Texas law, cooperative agreements appear to be synonymous with a grant and is not seen as a separate agreement vehicle according to Comptroller's Uniform Grant Management Standards (UGMS).[6] A cooperative agreement is a legal agreement of financial assistance between a federal agency and a non- federal entity such as a state or local government, tribal government, or other recipient.[7] As such, the term "cooperative agreement" should not be applied to financial assistance instruments between DSHS, a state agency, and LHDs. The federal government recognizes a bigger difference between contracts, grants, and cooperative agreements. Based upon the Contract Manual and UGMS, it does not appear that cooperative agreements are available unless treated as a grant. Currently, there is no evidence of any cooperative agreements in Texas that do not include the federal government. There is emphasis in UGMS that the form of the agreement is less important than the provisions contained within.

Status: This recommendation is complete.

[6] Texas Comptroller of Public Accounts. Uniform Grants Management Standards. https://comptroller.texas.gov/purchasing/docs/ugms.pdf Accessed November 19, 2019.
[7] 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Accessed November 19, 2019.

C. **PHFPC recommends that DSHS increase public health capacity at the public health region level in the areas of routine public health functions and the ability for surge capacity in the areas of epidemiologists, disease intervention specialists, nurses and sanitarians.**

Discussion: DSHS acknowledges the public health workforce shortages that exist in disciplines necessary to provide public health services (e.g. nursing, epidemiology, laboratory, environmental health, vector control, community outreach workers, communications specialists, etc.). Support to locals by DSHS PHRs is ongoing during natural and manmade disasters. As recent as Hurricane Harvey, PHRs provided epidemiologic, public health nursing, sanitarian, and other support to impacted areas of the state. These examples reflect how DSHS adopted a systems approach to public health service provisions relying on the cooperation and sharing of staff and expertise among DSHS PHRs. DSHS acknowledges this approach is constrained by the general shortage of the public health workforce and is willing to explore other possibilities for providing surge capacity.

Status: This process is ongoing.

Data Sharing Recommendation

A. **PHFPC recommends that DSHS continue to work with the external data sharing workgroup to determine how LHDs can obtain public health data maintained by DSHS. Look at options to: 1) evaluate the possibility of governmental transfer of information, 2) identify the statutes creating barriers, and review the language, and 3) review and identify legislative barriers and define the interdependent relationship between LHDs and DSHS removing barriers to data sharing.**

Discussion: DSHS understands LHDs need certain public health data to make public health decisions for the betterment of local communities across Texas. Many data sets are governed by specific statutory requirements while others are more flexible. DSHS is committed to addressing specific issues related to LHD data needs.

Status: This process is ongoing.

Insurance Category for Public Health Recommendations

A. **PHFPC recommends that DSHS request HHSC to sponsor a meeting between HHSC, Medicaid, and LHD and PHR representatives to develop solutions and strategies to eliminate the credentialing and**

contracting barriers that currently exist for LHDs and PHRs seeking contracts with public and private insurance companies.

Discussion: DSHS agrees a meeting between HHSC Medicaid, LHDs and PHRs would be beneficial to reducing barriers to credentialing and contracting. DSHS continues to assist in making connections with relevant parties, like HHSC and the Texas Department of Insurance (TDI,) so PHFPC can explore issues further.

Status: This process is ongoing.

B. **PHFPC recommends that DSHS identify potential legislation and policies to reduce barriers and challenges LHDs and PHRs experience when accessing Medicaid and other third-party reimbursement for services provided to eligible clients.**

Discussion: As a state agency, DSHS cannot advocate for specific legislation. DSHS agrees to work with PHFPC to identify actions within its authority to improve LHD access to Medicaid and/or third-party reimbursement. DSHS continues to assist PHFPC to connect with relevant parties (HHSC, TDI) to explore issues further.

Status: This process is complete.

C. **PHFPC recommends that DSHS central office programs, PHRs, and LHDs work collectively with HHSC to support the incorporation of community-based public health services into value-based payment/reimbursement models. Examples include community health workers, disease management, lead abatement/asthma trigger removal in the home, etc.**

Discussion: DSHS agrees that the incorporation of community-based public health services into value-based payment/reimbursement models is worth-while and will continue to assist PHFPC to connect with relevant parties (HHSC, TDI) to explore issues further.

Status: This process is ongoing.

Infectious Disease Recommendations

A. **PHFPC recommends that DSHS develop and implement a plan to enhance communication and operational processes to ensure the fidelity and efficiency of the Local Health Authority role in responding to disease outbreaks.**

Discussion: DSHS recognizes that infectious diseases vary with the severity and communicability of the disease. LHDs, healthcare providers, emergency responders, and other stakeholders routinely work together. The appointed Local Health Authority brings medical expertise combined with local knowledge and insight to assure appropriate communicable disease control measures are in place in their jurisdiction in accordance with Chapter 81 of the Texas Health and Safety Code.

DSHS works across jurisdictions to ensure protection of the whole population as infectious diseases do not respect jurisdictional boundaries. Working toward enhancing communication and operational processes requires a solid understanding of the roles and responsibilities at the local and state level.

DSHS and LHDs constantly strive to improve coordination and communication among all public health partners. One such strategy is utilization of the after-action review, which provides a retrospective framework to analyze what happened, why it happened, and identify lessons learned. This information is then incorporated into plans for responding to future events.

Status: This process is ongoing.

B. **PHFPC recommends that DSHS invest in the development and maintenance of a robust, multidisciplinary approach, such as One Health, to infectious disease prevention and response.**

Discussion: DSHS and PHFPC are committed to analyze the recommendation and determine steps to enhance and improve the approach for infectious disease prevention and response. The One Health approach is defined as a collaborative, multisectoral, and trans-disciplinary approach — working at the local, regional, national, and global levels — with the goal of achieving optimal health outcomes recognizing and leveraging the interconnection among people, animals, plants, and their shared environment.

Status: This process is ongoing.

Workforce Development Recommendation

A. **PHFPC recommends that DSHS collaborate with academic partners and LHDs to develop role-specific classes and create a general employee public health training class for professional and non-professional staff. The classes should be available electronically (on-line classes/webinars) and some face-to-face options.**

Discussion: The PHFPC completed the workforce development recommendation from the 2017 report. DSHS convened a workgroup of

Texas academic and practice partners to address persistent and significant public health workforce education and training needs in LHDs. The workgroup developed a series of trainings, which consists of six modules designed to provide LHD personnel with a foundation of public health. “Public Health 101” will be offered to LHDs the fall of 2019.

Status: This process is complete.

Technology Recommendations

A. **PHFPC recommends that DSHS create one centralized disease reporting system for the State, upgrade DSHS technology to HL7 format so LHDs can electronically send reports to the DSHS database.**

Discussion: PHFPC and DSHS share an interest in improving efficiencies in public health’s use of technology and is focused on adopting technology to enhance collaboration and, where information exchange is utilized, incorporate recognized standards. Electronic data transmission depends on DSHS, PHR, and LHD capacity.

Status: This process is ongoing.

B. **PHFPC recommends that DSHS create a workgroup to evaluate efficiencies and identify areas where technology solutions can improve the public health system.**

Discussion: Successful expansion of Electronic Health Record utilization and other technologies to advance public health relies on collaboration between public health entities. PHFPC recommends and DSHS agrees to establish a technology-oriented workgroup that expands collaboration between DSHS and LHDs for the purposes of improving the effectiveness and efficiency of the public health system.

Status: This process is ongoing.

6. Conclusion

The Public Health Funding and Policy Committee (PHFPC) was productive in the last year and made progress in most of the areas in which it focused. The PHFPC recognizes its progress is due to partnerships with the Health and Human Services Commission, Department of State Health Services, local health departments, and major stakeholders such as Texas Association of City and County Officials. The PHFPC will continue its mission to complete the remaining recommendations in this report and to characterize and develop further the statewide public health system.

List of Acronyms

Acronym	Full Name
DSHS	Department of State Health Services
HHSC	Health and Human Services Commission
LHD	Local Health Department
MCO	Managed Care Organization
MOU	Memorandum of Understanding
PHEP	Public Health Emergency Preparedness
PHFPC	Public Health Funding and Policy Committee
PHR	Public Health Region
TACCHO	Texas Association of City and County Officials
TDI	Texas Department of Insurance
UGMS	Uniform Grants Management Standards