

# Health and Human Services Commission



Albert Hawkins, Commissioner

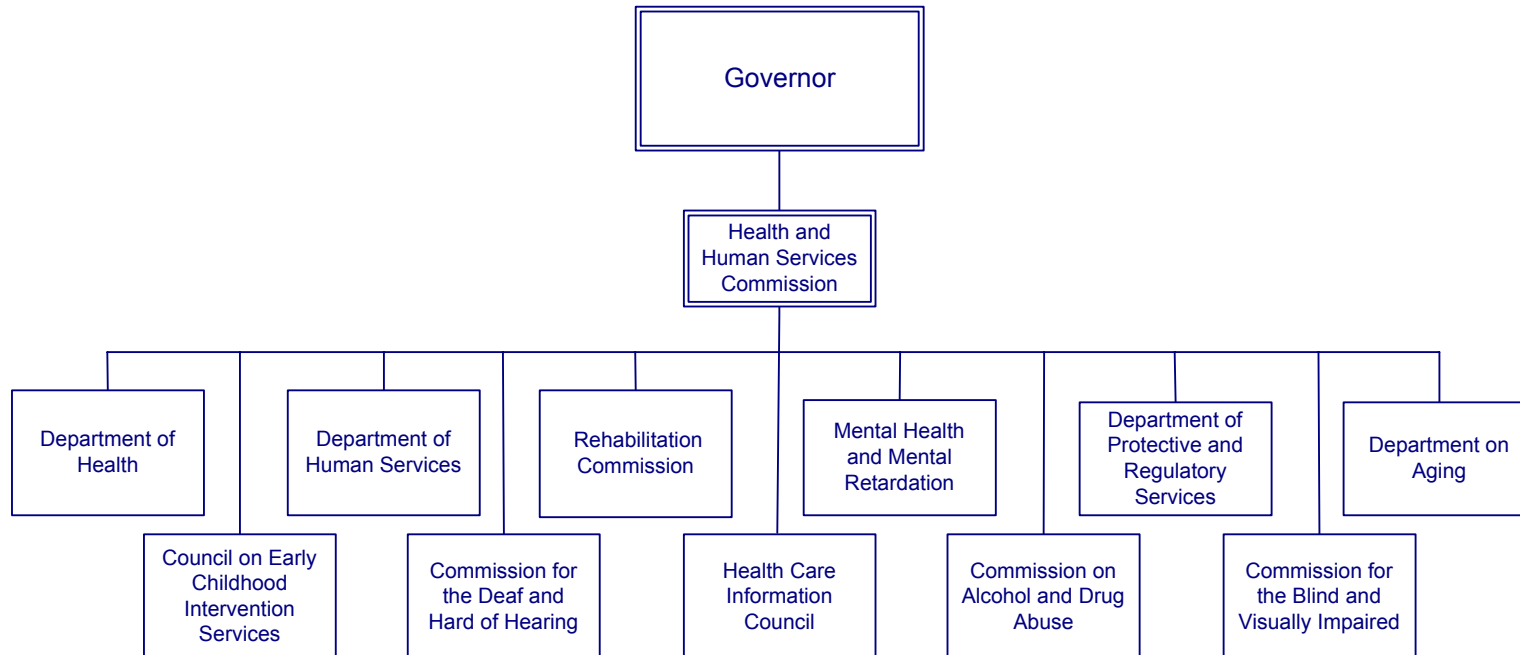
**Presented to the  
Senate Health and  
Human Services  
Committee**

**February 6, 2003**

# Texas Health and Human Services Commission

- The Health and Human Services Commission (HHSC) was created in 1991 to coordinate and improve the delivery of health and human services across Texas. HHSC oversees the operations of 11 state agencies, and its system-wide responsibilities include formulating a consolidated health and human services budget request, monitoring the availability and use of federal funds, and improving business operations. Many of these responsibilities were increased pursuant to House Bill 2641, enacted by the 75<sup>th</sup> Legislature, in 1999.
- HHSC is the lead state agency for the Medicaid program. In addition to its overall authority, the commission directly manages Medicaid acute care services and investigates provider fraud and abuse. HHSC also administers the Children's Health Insurance Program (CHIP).

# The Health and Human Services Agencies



# Health and Human Services Commission Functions

- Oversight of 11 State Agencies
- Rate-Setting and Caseload Forecasting
- HHS Consolidated Strategic Plan
- HHS Consolidated Budget
- Single State Agency for Medicaid Administration
- Cross-Agency Initiatives
  - Business Improvements
  - Promoting Independence
- Acute Care Medicaid and CHIP Program Administration

## **TEXAS DEPARTMENT ON AGING (TDOA)**

- TDoA is the single state agency that administers the federal Older Americans Act. Services are provided through a statewide network of Area Agencies on Aging (AAA).

## **TEXAS COMMISSION ON ALCOHOL AND DRUG ABUSE (TCADA)**

- TCADA is the primary state agency for substance abuse issues. TCADA contracts with public and private agencies to provide prevention, intervention, and treatment services to more than 600,000 Texans annually. It also licenses counselors and treatment sites and certifies programs for DWI education, alcohol awareness for minors, and drug offenders.

## **TEXAS COMMISSION FOR THE BLIND (TCB)**

- TCB administers the Texas state plan for rehabilitation services for persons who are blind or visually impaired. TCB is responsible for assisting the visually disabled to live independently and secure employment, and issuing licenses to persons who are blind to operate vending facilities on state property.

## **TEXAS COMMISSION FOR DEAF AND HARD OF HEARING (TCDHH)**

- TCDHH provides a variety of services either directly or through locally contracted service providers for the deaf or hard of hearing in Texas. Services include communication access, interpreters, parent and consumer outreach and training, and interpreter certification.

## **TEXAS COUNCIL ON EARLY CHILDHOOD INTERVENTION (ECI)**

- ECI is designated the lead agency for services provided to infants and toddlers with developmental delay under Part C of the federal Individuals with Disabilities Act (IDEA).

## **TEXAS DEPARTMENT OF HEALTH (TDH)**

- TDH is the state's main public health agency. TDH provides a vast array of services that include disease and injury surveillance and control, community health assessment, environmental and consumer health, health care quality, and preventive health care.

## **TEXAS HEALTH CARE INFORMATION COUNCIL (THCIC)**

- THCIC was created by the Legislature in 1995 to develop a statewide health care data collection system. Although an independent state agency, THCIC receives administrative support from the Texas Department of Health.

## **TEXAS DEPARTMENT OF HUMAN SERVICES (DHS)**

- DHS administers multiple state and federal human services programs that serve four major client populations: elderly persons and persons with disabilities; low-income parents and children; refugees; and victims of family violence. The agency administers the regulation of Long-Term Care facilities and services, disaster assistance, refugee and family violence services, eligibility determination and provision of benefits, and investigations of client fraud or incidents of abuse or neglect.

## **TEXAS DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION (MHMR)**

- MHMR consists of 21 state campus facilities (state hospitals, state schools, and state centers) operated by the department and 42 community mental health and mental retardation centers that contract with the Department for the provision of services. The system also includes an array of home- and community-based waiver services (HCS) and Intermediate Care Facilities for the Mentally Retarded (ICFs/MR) operated throughout the state by the public and private sector. Today, most services are delivered in the community, with the state facilities playing a critical role in addressing special and critical needs of the priority population.

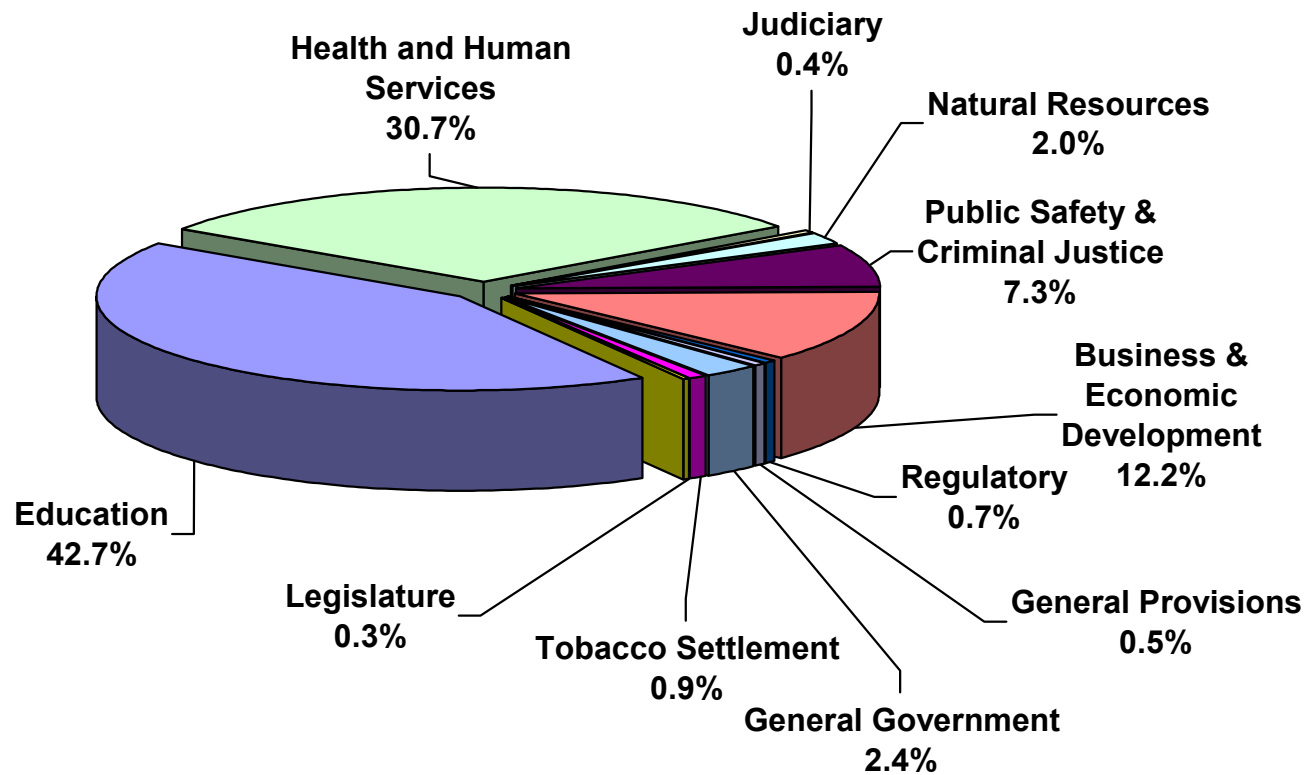
## **TEXAS DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES (PRS)**

- The Department of Protective and Regulatory Services is charged with protecting children, elder adults, and persons with disabilities from abuse, neglect, and/or exploitation, and with licensing child care facilities and child-placing agencies. PRS also implements and manages programs intended to prevent at-risk behaviors.

## **TEXAS REHABILITATION COMMISSION (TRC)**

- TRC administers the Texas state plan for rehabilitation services for Texans with non-visual disabilities. The agency also provides disability determination for the federal Supplemental Security Income program.

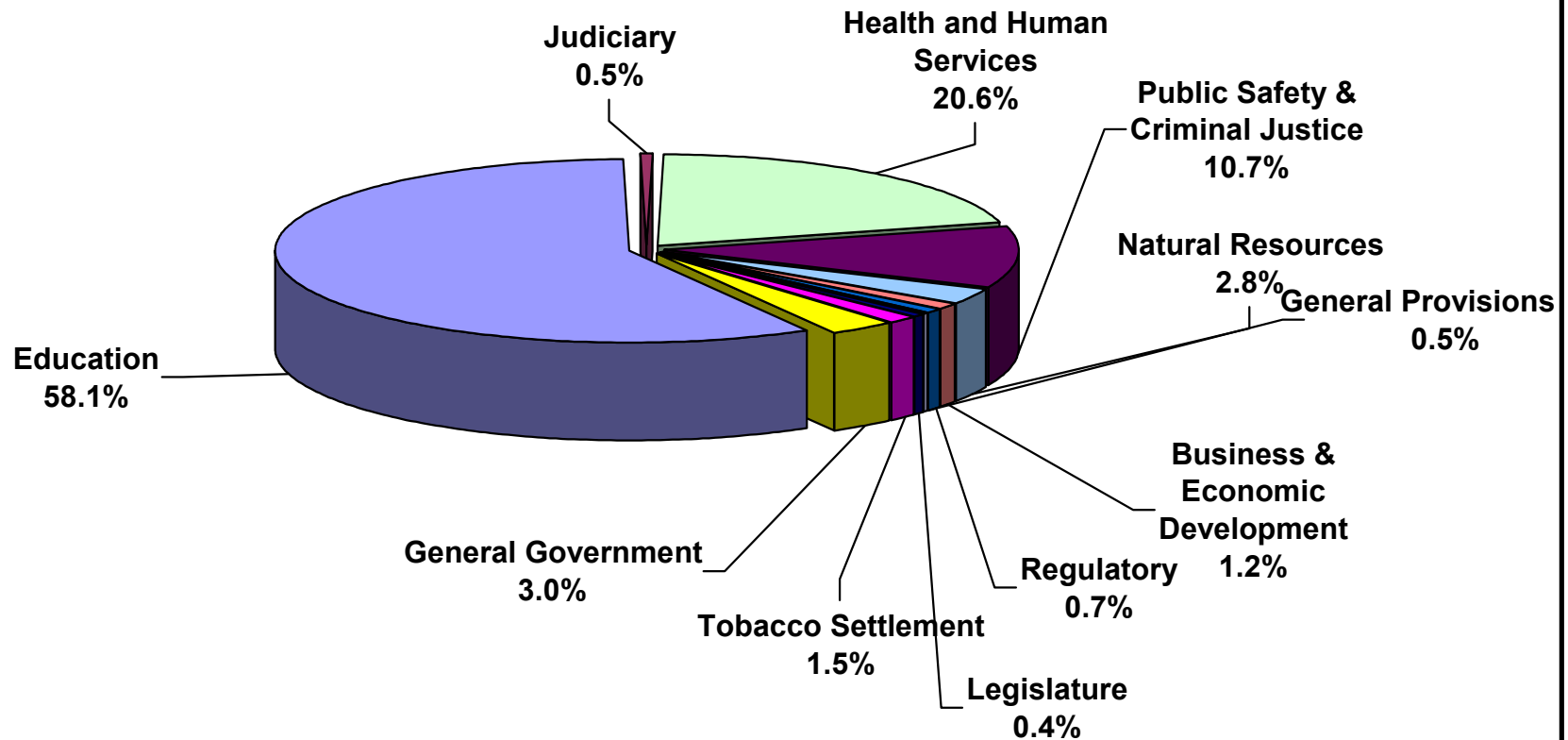
## All Funds Budget by Function Appropriated FY 2002-03



Source: Legislative Budget Board Fiscal Size-Up 2002-03

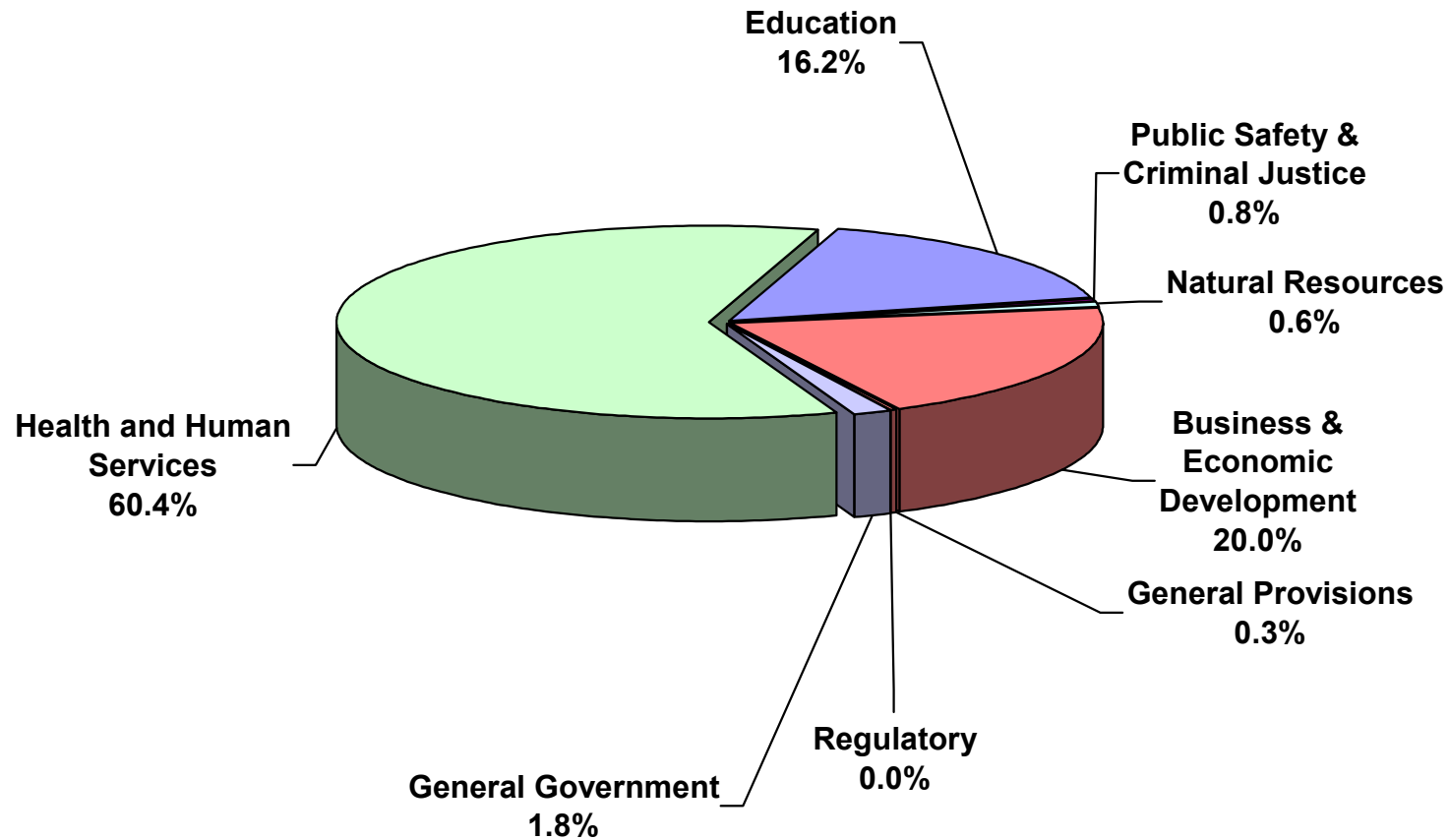


## GR and GR-Dedicated Funds Budget by Function Appropriated FY 2002-03



Source: Legislative Budget Board Fiscal Size-Up 2002-03

## Federal Funds - Budget by Function Appropriated FY 2002-03



Source: Legislative Budget Board Fiscal Size-Up 2002-03

# Budget

## Health and Human Services

- The health and human services function accounts for 31 percent of the total state budget for FY 2002-03.
- Approximately 21 percent of the state's FY 2002-03 General Revenue/General Revenue-Dedicated budget is appropriated to health and human services agencies.
- At the end of FY 2002, health and human services agencies had 48,789, or 18 percent, of the state's 272,391 FTEs.

## Federal Funds

- During the current biennium, health and human services agencies expect to receive more than \$21 billion in federal funds. This amount represents 60 percent of the state's federal funding.
- Federal funds also account for almost 60 percent of health and human services funding.
- In eight of the HHS agencies (TDH, DHS, PRS, HHSC, TCB, TRC, TDoA, TCADA), federal funding accounts for over half of the agency's budget. For TRC, TDoA and TCADA, federal funding represents three-quarters of the agency's budget.
- Medicaid receives the largest portion of federal funds. The two largest program recipients after Medicaid are Temporary Assistance for Needy Families (TANF) and the Children's Health Insurance Program (CHIP).

# External Factors Affecting Demand for Health and Human Services

## Population Growth

- The state population is expected to increase by 4.9 percent, from 21.6 million in 2002 to 22.7 million by 2005.
- The growth will be driven by natural increase (births minus deaths) instead of migration, which is more sensitive to economic factors.

## Economy

- The state's economic growth is expected to average 4.2 percent in 2004-05, up from the 2002-03 average of 2.7 percent per year.
- The seasonally-adjusted unemployment rate for Texas is projected to decline from 5.8 percent in 2002 to 5.2 percent in 2005.

## Poverty

- About 15 percent of the state's population lives at or below the poverty level. The poverty level in 2002 was \$18,100 per year, or \$1508 per month for a family of four.

# 2002 Federal Poverty Limit (FPL)

Family Size	Income 100% FPL	Income 133% FPL	Income 150% FPL	Income 185% FPL	Income 200% FPL
1	\$ 8,860	\$11,784	\$13,290	\$16,391	\$17,720
2	\$11,940	\$15,880	\$17,910	\$22,089	\$23,880
3	\$15,020	\$19,977	\$22,530	\$27,787	\$30,040
4	\$18,100	\$24,073	\$27,150	\$33,485	\$36,200
5	\$21,180	\$28,169	\$31,770	\$39,183	\$42,360
6	\$24,260	\$32,266	\$36,390	\$44,881	\$48,520
7	\$27,340	\$36,362	\$41,010	\$50,579	\$54,680
8	\$30,420	\$40,459	\$45,630	\$56,277	\$60,840

Source: Federal Register, February 14, 2002

# Selected Budget Indicators for Major Health and Human Services Programs

Measure	Actual 2002	Budgeted 2003
Medicaid Caseload (Premium Services) Average Number of Recipient Months Per Month*	2,106,201	2,397,306
Average CHIP Programs Recipient Months Per Month	497,688	514,035
Total Medicaid Prescriptions Incurred	30,126,823	33,859,671
Average Monthly Medicaid Caseload in DHS Community Care	122,332	132,100
Average Monthly Caseload, Nursing Facility Clients (Medicaid and Medicare Copay)	65,221	64,286
Number of TANF Recipients Per Month	330,420	328,887
Number of Adults and Youth Served in Substance Abuse Treatment	43,328	47,837
Average Monthly Number of MR Campus (State School) Residents	5,133	4,962
Average Daily Census of State Mental Health Facilities	2,281	2,309
Number of Eligible Clients Provided Vocational Rehabilitation Services (TRC)	124,070	118,583
Number of Confirmed Cases of Child Abuse/Neglect	30,899	31,651
Number of Completed Adult Abuse/Neglect/Exploitation Investigations	56,906	57,866

\*Includes Health and Human Services Commission and Department of Human Services premium caseloads  
Source: Legislative Budget Board "Summary of Legislative Budget Estimates – Baseline"