



Joint Budget Hearing

FY 2010-2011

Legislative Appropriations Request

September 11, 2008

Health and Human Services Commission

“The mission of the health and human service agencies in Texas is to develop and administer an accessible, effective, and efficient health and human services delivery system that is beneficial and responsive to the people of Texas.”

FY 2008-09 Actions and Accomplishments

Medicaid and CHIP

- Implementation of STARHealth for children in Foster Care – February 2008
- Implementation of Integrated Care Model in the D/FW area – January 2008
- Implementation of FY 2008-09 rate increases in excess of \$1.0 billion All Funds
- Implementation of House Bill 109 changes to CHIP
- Submitted Medicaid Reform Waiver – June 2008. LAR assumes no impact of Medicaid Reform

Eligibility and Enrollment Improvements:

- Increased Eligibility Determination Staffing with Enhanced Compensation
- Increased Training and Mentoring for Staff Using TIERS
- Efforts to Improve Timeliness
- Take back of TIERS and Eligibility Supporting Technologies
- Interim Contracts for Eligibility Support and CHIP

Enterprise Progress and Improvements:

- Conversion of HHSAS Version 8.8 Upgrade – February 2008

HHSC LAR Policy Guidance and Resulting Actions

- Instructions allowed GR-Entitlement growth for Medicaid caseloads only. Requested Entitlement GR increased \$2.3 billion over the 2008-09 biennium.
- Non-Entitlement GR for the base request was submitted lower than allowed because of the increased costs to Medicaid for not assuming a CHIP Perinatal Program.

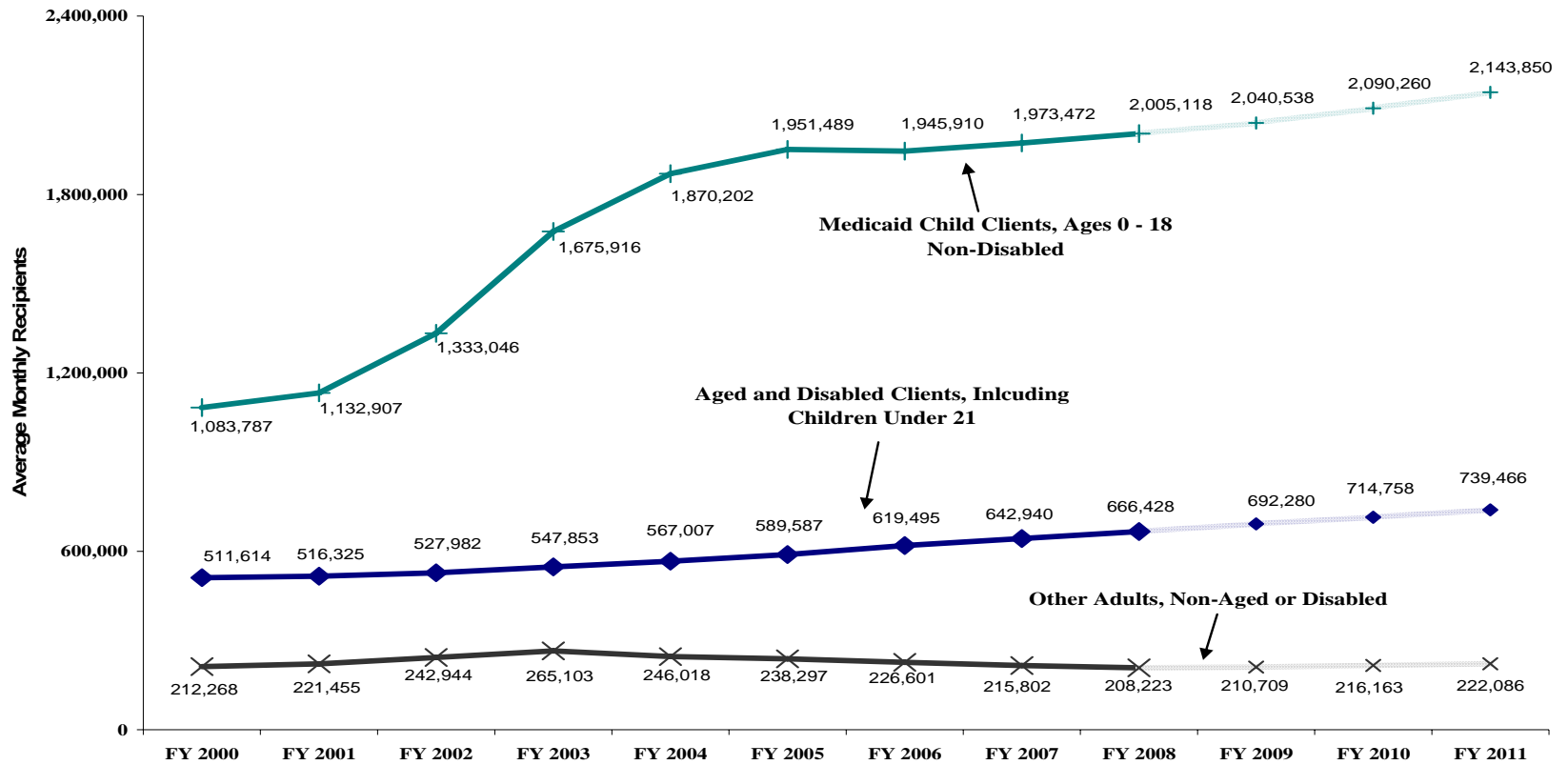
Biennial Comparison of General Revenue			
	FY 2008-09 Total	FY 2010-11 Base Request	Biennial Difference
GR Entitlement	\$ 11.6	\$ 13.9	\$ 2.3
GR Non-Entitlement	1.8	1.7	(0.1)
Total, GR	\$ 13.4	\$ 15.6	\$ 2.2
Total, All Funds	\$ 34.6	\$ 37.8	\$ 3.2

FY 2010-11 Base Request Assumptions

- **Medicaid**
 - Average monthly caseloads are projected to increase from 2.94 million in FY 2009 to 3.06 million in FY 2010 and 3.14 million in FY 2011, and includes children who would have been eligible for CHIP Perinatal coverage.
 - Costs for hospitals, physicians, and other providers are maintained at FY 2009 levels for the 2010-2011 biennium.
- **Children's Health Insurance Program (CHIP)**
 - Without the Perinate Program, CHIP caseloads are projected to decrease from 543,086 in FY 2009 to 483,358 in FY 2010 and increase to 485,706 in FY 2011.
 - Costs for hospitals, physicians, and other providers are at projected CHIP costs for the 2010-11biennium.
- **Temporary Assistance for Needy Families (TANF)**
 - TANF caseloads should stabilize during the 2010-11 biennium after declining for several years. The FY 2009 average monthly caseload of 110,277 is projected to decrease to a monthly caseload of 110,134 in FY 2010-11.

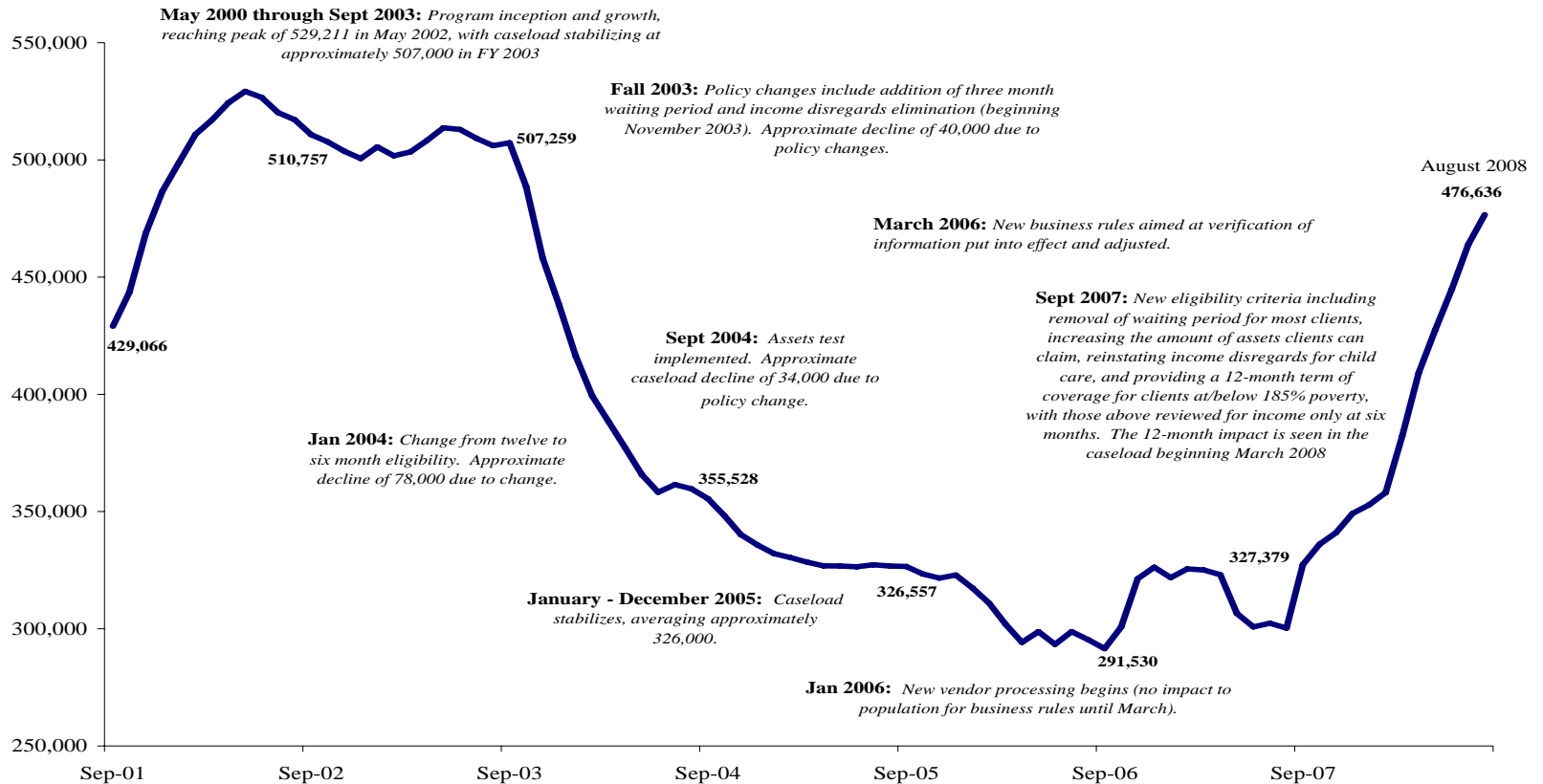
Medicaid Caseload

Medicaid Caseload by Group: Fiscal Year 2000 to 2011 (projected)



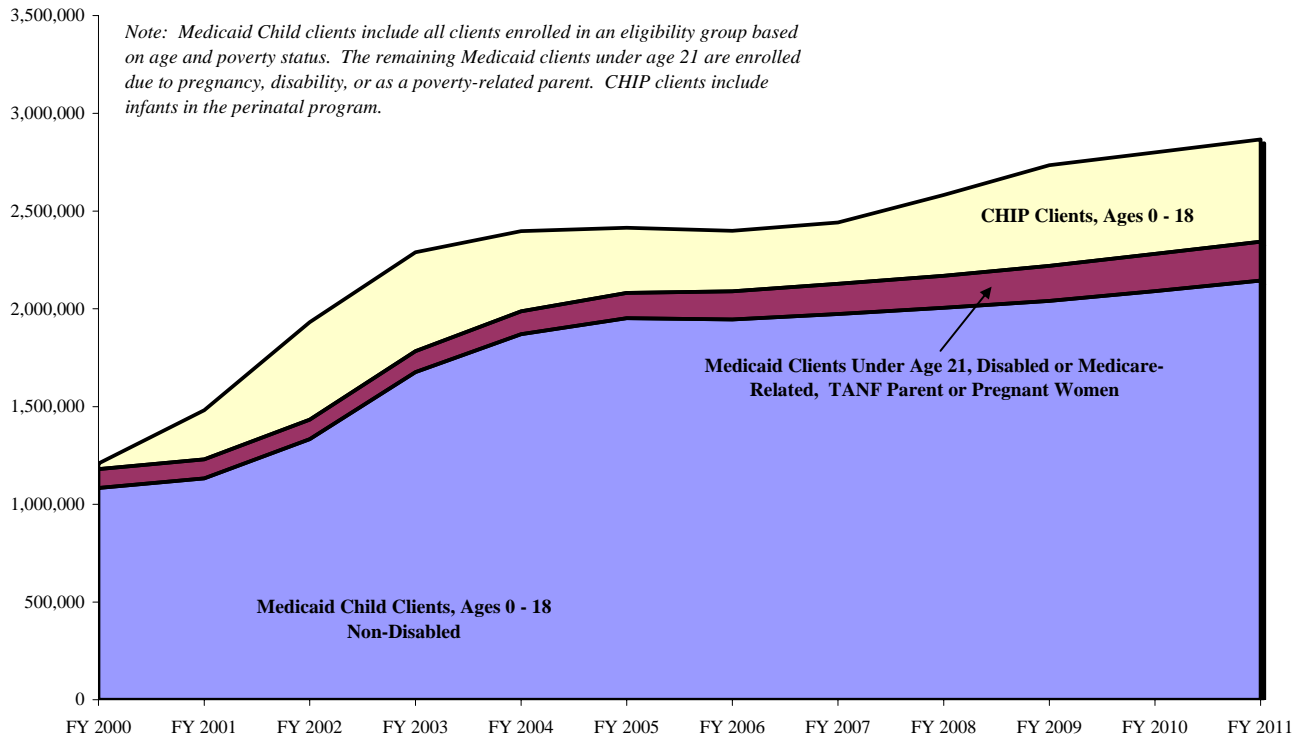
Children's Health Insurance Program (CHIP) Caseloads

CHIP Enrollment and Policy Changes, September 2001 - August 2008



Children Served

Medicaid and CHIP Clients Under Age 21: Fiscal Years 2000 - 2011 (projected)



FY 2008-2009 Budget Issues in the LAR

- Net Supplemental Funding Need - \$1.27 billion GR
 - \$823 million GR for Medicaid costs and caseloads
 - \$132 million GR for increasing state share for FFY 09 FMAP decline
 - \$317 million GR for federal Medicare “Giveback” payments
- Federal Funding Issues
 - Extended lengths of time for review of state plan amendments and waivers that would provide additional federal reimbursement.
 - Federal deferrals and disallowances have increased federal cash flow issues .
 - Consolidation has greatly increased the complexity of financing and funding streams that support HHSC administrative operations.

HHSC FY 2010-2011 Key Budget Issues

- Maintaining CHIP and Medicaid Current Services
 - Cost Trends
 - Restoring CHIP Perinatal Program
 - Compliance with Frew Court Order
- Eligibility and Enrollment
 - Maintaining current operations
 - Increased staff, contract, postage and other operating expense for caseload growth in Food Stamps, Medicaid and CHIP
 - Rollout of TIERS and maintenance of SAVERR
 - Improve timeliness and performance
- Maintaining Operating Levels in Regions
 - Maintaining FY 2009 local office space, utilities, and services associated with HHS staff growth during 2008-09 biennium.

HHSC FY 2010-2011 Key Program Issues

- Future Major Procurements
 - Medicaid Claims Administrator/ Vendor Drugs
 - Eligibility Support and Document Processing Services
 - TIERS and Eligibility Supporting Technologies
 - HHS Data Warehouse
- Supporting an Increasing HHS Enterprise
- Maintaining IT and Other Infrastructure Supports
 - Increased DCS Costs and related agency costs for network and program remediation and transformation
 - Implementing HHS Telecommunications seat management approach to address aging infrastructure
 - Improving IT system functionality and information security benefiting clients, providers, and employees

HHSC LAR Summary Request

GOAL		FY 2008-2009	FY 2010-2011	FY 2010-2011	FY 2010-2011
		Expend/Budgeted	Base Request	Exceptional Items	Total Request
Goal A	HHS Enterprise Oversight & Policy	\$ 1,715,981,258	\$ 1,618,910,611	\$ 392,973,929	\$ 2,011,884,540
Goal B	Medicaid	29,892,120,479	33,617,147,634	2,897,031,860	36,514,179,494
Goal C	CHIP Services	2,108,260,837	1,651,508,372	822,401,955	2,473,910,327
Goal D	Encourage Self Sufficiency	422,918,044	341,428,052	5,190,053	346,618,105
Goal E	Program Support	308,336,338	318,999,163	30,882,547	349,881,710
Goal F	Information Technology Projects	74,034,063	124,957,504	-	124,957,504
Goal G	Office of Inspector General	100,209,058	102,593,280	16,960,845	119,554,125
Goal H	Enterprise Exceptional Items	-	-	642,713,861	\$ 642,713,861
Riders	Unexpended Balance		6,571,430		
	Total, Agency Request	\$ 34,621,860,077	\$ 37,782,116,046	\$ 4,808,155,050	\$ 42,583,699,666
Method of Financing:					
	General Revenue	\$ 13,402,824,108	\$ 15,553,036,059	\$ 2,097,908,557	\$ 17,650,944,616
	General Revenue - Dedicated		-	77,242	77,242
	Federal Funds	20,477,145,330	21,519,760,286	2,709,981,837	24,229,742,123
	Other Funds	741,890,639	709,319,701	187,414	709,507,115
	Total, Method of Financing	\$ 34,621,860,077	\$ 37,782,116,046	\$ 4,808,155,050	\$ 42,590,271,096

Comparison of Key Performance Measures

Measure Name	Estimated FY 2008	Budgeted FY 2009	Base Request FY 2010	Base Request FY 2011
Average Medicaid Acute Care Recipient Months per Month	2,879,770	2,943,527	3,056,383	3,141,452
Number of Medicaid Prescriptions Incurred	27,552,647	28,224,800	29,276,245	30,118,507
Average Medicaid Acute Cost per Recipient Month	\$230.51	\$256.99	\$266.05	\$267.71
Average Cost per Medicaid Prescription	\$72.14	\$79.01	\$78.97	\$79.15
Average CHIP Programs Recipient Months per Month	443,267	543,086	483,358	485,706
Average CHIP Programs Benefit Cost without Prescription Benefit	\$154.13	\$155.04	\$111.03	\$116.58
Average CHIP Programs Benefit Cost with Prescription Benefit	\$175.49	\$177.43	\$137.48	\$144.23
Average Number of TANF Recipients per Month	120,779	110,277	110,134	110,134
Average Number of State 2-Parent Cash Assistance Recipients	4,701	4,469	4,210	4,210
Average Monthly Grant: TANF	\$66.22	\$68.47	\$70.53	\$72.66
Average Monthly Grant: State 2-Parent Cash Assistance	\$65.31	\$67.83	\$69.68	\$71.65
Number Served by Family Violence Programs/Shelters	72,807	77,583	76,063	73,848
Number of Participating Family Violence Programs/Shelters	88	88	88	88

Appendix

- Summary of Exceptional Item Requests

Texas Health & Human Services Commission

Summary Table of Exceptional Items

EXCEPTIONAL ITEM	FY 2010		FY 2011		BIENNIAL TOTAL		FY 2010	FY 2011
	GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs
Base Request Non-Entitlement	842,812,712	2,429,298,784	854,645,373	2,472,746,229	1,697,458,085	4,902,045,013	11,683.3	11,683.3
Base Request Entitlement	6,776,209,449	16,174,632,595	7,079,368,525	16,705,438,438	13,855,577,974	32,880,071,033	-	-
Total Base Request	\$ 7,619,022,161	\$ 18,603,931,379	\$ 7,934,013,898	\$ 19,178,184,667	\$ 15,553,036,059	\$ 37,782,116,046	11,683.3	11,683.3
Exceptional Items:								
Maintain Essential Services for Clients								
1. Maintain Medicaid Cost Trends	\$ 404,599,676	\$ 947,611,986	\$ 858,835,326	\$ 2,001,276,070	\$ 1,263,435,002	\$ 2,948,888,056	-	-
2. Maintain Funding for Frew Corrective Action Orders	12,502,276	24,943,763	12,497,724	24,943,764	25,000,000	49,887,527	6.1	6.1
3. Maintain Frew Strategic Initiative Funding	74,633,266	146,282,359	75,366,734	147,556,323	150,000,000	293,838,682	-	-
4. Maintain Current Operating Levels for HHSC Programs and Services	78,424,108	148,742,108	72,927,016	139,036,485	151,351,124	287,778,593	489.4	489.5
5. Maintain CHIP Perinatal Program	(32,186,754)	42,478,404	(35,948,786)	40,505,668	(68,135,540)	82,984,072	-	-
6. Maintain IT Services for HHS Provided by the Department of Information Systems	21,714,972	25,854,902	17,040,427	21,058,403	38,755,399	46,913,305	14.0	14.0
7. Maintain Transportation Infrastructure of HHS Facilities, Warehouses, and Vehicles	5,030,861	5,030,861	6,269,209	6,269,209	11,300,070	11,300,070	-	-
Critical Services								
8. Increase Capacity of HHS-Funded Community Services	64,396,036	127,344,766	159,653,630	347,070,515	224,049,666	474,415,281	96.3	170.5
9. Increase Eligibility Resources for Caseload and Workload Growth	26,873,047	59,362,078	29,816,118	65,563,921	56,689,165	124,925,999	650.6	824.4
10. Improve Staffing and Supports for the Office of Inspector General	4,241,531	8,737,998	3,902,351	8,154,959	8,143,882	16,892,957	90.5	90.5
11. Maintain and Improve Critical HHS Technological Systems	24,075,028	33,140,356	8,803,349	11,990,814	32,878,377	45,131,170	20.8	20.8
12. Increase Family Violence Services Funding	1,251,382	1,251,382	1,231,277	1,231,277	2,482,659	2,482,659	3.1	3.1
13. Increase State Assistance to 2-1-1 Information Centers	491,000	1,000,000	491,000	1,000,000	982,000	2,000,000	-	-
14. Increase Support of Critical Health and Family Services	3,508,414	3,508,414	3,954,801	3,954,801	7,463,215	7,463,215	8.3	8.3
15. Establish Medicaid Buy-In for Children	214,294	428,588	22,499,256	45,498,182	22,713,550	45,926,770	3.3	19.5
16. Increase Retention and Recruitment of Targeted HHS Staff	22,905,159	33,417,093	22,972,071	33,417,093	45,877,230	66,834,186	-	-
System Improvements								
17. Increase State Support of Children Hospital Upper Payment Limit	12,500,000	30,237,059	12,500,000	29,861,443	25,000,000	60,098,502	-	-
18. Restore a State-Supported Graduate Medical Education Program	50,000,000	120,948,234	50,000,000	119,445,772	100,000,000	240,394,006	-	-
Total Exceptional Items	\$ 775,174,296	\$ 1,760,320,351	\$ 1,322,811,503	\$ 3,047,834,699	\$ 2,097,985,799	\$ 4,808,155,050	1,382.4	1,646.7
Grand Total Base Request and Exceptional Items	\$ 8,394,196,457	\$ 20,364,251,730	\$ 9,256,825,401	\$ 22,226,019,366	\$ 17,651,021,858	\$ 42,590,271,096	13,065.7	13,330.0
FY 2008-2009 Estimated Expenditures	\$ 6,173,727,914	\$ 16,183,651,835	\$ 7,229,096,194	\$ 18,438,208,242	13,402,824,108	34,621,860,077	11,457.8	11,682.3
FY 2008-09 Non-Entitlement	\$ 856,574,959	\$ 2,770,270,892	\$ 955,068,071	\$ 3,169,670,101	1,811,643,030	5,939,940,993	11,457.8	11,682.3
FY 2008-09 Entitlement	\$ 5,317,152,955	\$ 13,413,380,943	\$ 6,274,028,123	\$ 15,268,538,141	11,591,181,078	28,681,919,084	-	-

Texas Health & Human Services Commission

Exceptional Item 1

Maintain Medicaid Cost Trends

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 947,611,986	\$ 2,001,276,070	\$ 2,948,888,056
Method of Financing:			
General Revenue	404,599,676	858,835,326	1,263,435,002
Other Funds			
Federal Funds	543,012,310	1,142,440,744	1,685,453,054
Number of FTEs	-	-	

Number of FTEs

This request represents cost and utilization increases forecasted for fiscal years 2010-11 in the Medicaid program that were not allowed in the base request. Caseload growth is assumed to be in the base request at fiscal year 2009 cost levels, and FMAP rates of 58.59 percent for fiscal year 2010 and 58.10 percent for fiscal year 2011.

Program Impact	FY 2010	FY 2011
Average Medicaid Acute Care Cost Per Recipient Month	\$8.20	\$18.45
Average Medicaid Acute Cost per Recipient Month	\$7.19	\$15.35

Texas Health & Human Services Commission

Exceptional Item 2

Maintain Funding for Frew Corrective Action Orders

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 24,943,763	\$ 24,943,764	\$ 49,887,527
	12,502,276	12,497,724	25,000,000
	12,441,487	12,446,040	24,887,527
	6.1	6.1	

Number of FTEs

This request would represent funding necessary to maintain the Frew Corrective Action Orders that was not able to be requested in the base request. The corrective action orders contain requirements spread over the next five years for new approaches to provide access to services, as well as a number of independent studies to identify additional changes that could improve access to care for class members. The corrective action orders address functional areas including: Outreach and Informing, Check Ups, Check Up Reports and Plans for Lagging Counties, Adequate Supply of Health Care Providers, Managed Care, Toll-free Numbers, Transportation Program, Health Care Provider Training, Health Outcome Measures and Dental Assessment, Case Management, and Prescription and Non-prescription Medications and Medical Equipment and Supplies. The request also includes six (6) full-time employees for the Department of State Health Services.

Program Impact	FY 2010	FY 2011

Texas Health & Human Services Commission

Exceptional Item 3

Maintain Frew Strategic Initiative Funding

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 146,282,359	\$ 147,556,323	\$ 293,838,682
Method of Financing:			
General Revenue	74,633,266	75,366,734	150,000,000
Other Funds			
Federal Funds	71,649,093	72,189,589	143,838,682
Number of FTEs	-	-	

Number of FTEs

This request would continue those Frew Strategic Initiatives initiated during the current biennium as well as provide funding for new initiatives. The Agreement's corrective action order related to the Adequate Supply of Health Care Providers requires the Health and Human Service Commission to apply \$150 million to strategic initiatives to improve access to Medicaid services for FREW class members. Matching federal Medicaid funds may be available for most initiatives.

Program Impact	FY 2010	FY 2011

Texas Health & Human Services Commission

Exceptional Item 4

Maintain Current Operating Levels for HHSC Programs and Services

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 148,742,108	\$ 139,036,485	\$ 287,778,593
	78,424,108	72,927,016	151,351,124
	70,318,000	66,109,469	136,427,469
	489.4	489.5	

Number of FTEs

During the 2008-09 biennium, Health and Human Service Commission (HHSC) implemented or increased several programs and initiatives where staffing and expenditure levels do not represent 24 months of expenditures that can be sustained for a full 24 months for 2010-11 biennium. To maintain the number of local and regional HHS offices in place at the end of August 2009, \$29.7 million general revenue and \$40.7 million all funds is requested for increased costs in leases, utilities, janitorial and other facility services. This general revenue amount also includes the GR share that would be billed to other Health and Human Service agencies but would eventually be Interagency Contracts in HHSC's method of finance.

For the Office of Eligibility Services, \$113.1 million general revenue and \$239.4 million all funds is needed to maintain the 7,889 budgeted fiscal year 2009 eligibility determination full time employees and associated contracted eligibility support and overhead. It also includes funding for the enhanced compensation plan implemented in June 2008. The Nurse-Family Partnership Program and Healthy Marriage programs which were implemented during fiscal year 2008 would also be maintained.

Program Impact

	FY 2010	FY 2011
Average Cost per Eligibility Determination	\$186.26	\$173.85
Average Number of Eligibility Determination per Staff Person per Month	(4)	(4)
Average Cost per Healthy Marriage Grant	\$3,562.00	\$3,026.00

Texas Health & Human Services Commission

Exceptional Item 5

Maintain CHIP Perinatal Program

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 42,478,404	\$ 40,505,668	\$ 82,984,072
Method of Financing:			
General Revenue	(32,186,754)	(35,948,786)	(68,135,540)
Other Funds			
Federal Funds	74,665,158	76,454,454	151,119,612
Number of FTEs			

Number of FTEs

This funding request would restore the Children's Health Insurance Program (CHIP) Perinate Program and represents the net difference between Medicaid and CHIP. In the Medicaid base request, these children would be assumed to be in Medicaid. Restoring the Perinate programs saves general revenue but costs more federal funding due to CHIP's more generous federal match rate compared to Medicaid. The biennial cost of Perinates in CHIP totals \$237.0 million general revenue and \$813.9 million all funds and the same costs in Medicaid totals \$302.5 million general revenue and \$727.1 million all funds.

Program Impact

	FY 2010	FY 2011
Average Medicaid Acute Care Recipient Months per Month	(35,202)	(36,051)
Average Perinate Recipient Months per Month	65,504	66,045
Average Perinate Benefit Cost per Recipient Month	\$518.30	\$531.48

Texas Health & Human Services Commission

Exceptional Item 6

Maintain IT Services for HHS Provided by the Department of Information Resources

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 25,854,902	\$ 21,058,403	\$ 46,913,305
Method of Financing:			
General Revenue	21,714,972	17,040,427	38,755,399
Other Funds			
Federal Funds	4,139,930	4,017,976	8,157,906
Number of FTEs	14.0	14.0	

Number of FTEs

This request would provide funding to all five HHS agencies in support of the Data Center Services consolidation managed by the Department of Information Resources (DIR). Funding would cover increased billings from DIR as well as internal agency costs to remediate existing systems to be supported by DIR and other connectivity and network costs. Part of the request, \$25.5 million GR and \$31.2 million All Funds, would support increased payments to DIR, and the other share, \$13.3 million general revenue and \$15.8 million all funds, would be for internal Health and Human Services agency costs to support networks, remediate programs to platforms and software versions supported by the DIR contractor, program transformation, and staff for contract monitoring.

Cost by agency totals \$1.4 million GR and \$2.9 million All Funds at Department of Aging and Disability Services, \$5.3 million GR & All Funds at Department of State Health Services, \$2.1 million GR & \$3.7 million all funds at HHSC, \$1.6 million GR & All Funds at Department of Assistive and Rehabilitative Services, and Department of Family and Protective Services with \$15.1 million GR & \$17.6 million All Funds.

Program Impact

	FY 2010	FY 2011

Texas Health & Human Services Commission

Exceptional Item 7

Maintain Transportation Infrastructure of HHS Facilities, Warehouses, and Offices

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 5,030,861	\$ 6,269,209	\$ 11,300,070
Method of Financing:			
General Revenue	5,030,861	6,269,209	11,300,070
Other Funds			
Federal Funds			-
Number of FTEs	-	-	

Number of FTEs

This request would provide funding to replace and purchase new vehicles across the HHS enterprise – State Schools, State Hospitals, and agency programs. Replacement is based upon a 10-year plan.

The funds would replace 336 vehicles and add 101 new vehicles to HHS fleet. Cost by agency totals \$7.5 million general revenue and all funds at DADS, \$3.6 million GR and All Funds at DSHS, and \$0.2 million GR and All Funds at DARS.

Program Impact	FY 2010	FY 2011

Texas Health & Human Services Commission

Exceptional Item 8

Increase Capacity of HHS-Funded Community Services

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 127,344,766	\$ 347,070,515	\$ 474,415,281
Method of Financing:			
General Revenue	64,396,036	159,653,630	224,049,666
Other Funds			
Federal Funds	62,948,730	187,416,885	250,365,615
Number of FTEs	96.3	170.5	

Number of FTEs

This funding would increase the capacity of HHS community services as part of a continuing effort to reduce and/or eliminate programs with waiting or interest lists at the Department of Aging and Disability Services (DADS), the Department of Assistive and Rehabilitative Services (DARS), and the Department of State Health Services (DSHS).

DADS – \$152.0 million GR and \$352.8 million All Funds for Home and Community Care Waivers, Non-Medicaid services, and In-Home & Family Support (IHFS). Waiver programs include Community Based Alternatives (CBA), Community Living Assistance and Support Services (CLASS), Medically Dependent Children’s Program (MDCP), Consolidated Waiver Program (CWP), Deaf-Blind with Multiple Disabilities (DBMD), Home and Community Based Services (HCS) and Texas Home Living (TxHml). HHSC would also incur acute Medicaid costs of \$35.7 million GR and \$85.2 million All Funds for some clients served by DADS.

DARS - \$8.3 million GR and All Funds for Independent Living Service (ILS) and Comprehensive Rehabilitative Services (CRS).

DSHS - \$28.1 million GR and All Funds for Child and Adolescent Community Mental Health (CACMH) and Children with Special Health Care Needs (CSHCN).

Program Impact

	FY 2010	FY 2011
Average individuals Served per Month in CLASS (DADS)	472	1,417
Average individuals Served per Month in HCS (DADS)	1,280	3,840
ILS Clients Served per Year (DARS)	533	569
CSHCN Clients Served at End of Year (DSHS)	400	400

Texas Health & Human Services Commission

Exceptional Item 9

Increase Eligibility Resources for Caseload and Workload Growth

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 59,362,078	\$ 65,563,921	\$ 124,925,999
	26,873,047	29,816,118	56,689,165
	6,444	5,173	11,617
	32,482,587	35,742,630	68,225,217
	650.6	824.4	

Number of FTEs

This request for funding would support additional eligibility staff and administrative staff associated with the caseload forecasts for Medicaid, TANF, Food Stamps and CHIP. In FY 2010, requested funding would allow HHSC to “catch up” with FY 2009 and FY 2010 forecasted program growth. In FY 2011, requested funding would maintain the FY 2010 level as well as add staff and resources for the forecasted FY 2011 program growth.

The funding would include eligibility determination staff, trainers, EBT contracted expense, enrollment broker contracted expense, postage and presorting, telephony, data broker and other eligibility support, ombudsman, and TIERS onsite support staff.

Program Impact	FY 2010	FY 2011
Average Cost per Eligibility Determination	\$33.27	\$43.51
Average Number of Eligibility Determination per Staff Person per Month	-3	-5

Texas Health & Human Services Commission

Exceptional Item 10

Improve Staffing and Supports for the Office of Inspector General

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 8,737,998	\$ 8,154,959	\$ 16,892,957
Method of Financing:			
General Revenue	4,241,531	3,902,351	8,143,882
Other Funds	719	516	1,235
Federal Funds	4,495,748	4,252,092	8,747,840
Number of FTEs	90.5	90.5	

Number of FTEs

This funding request would increase the staff for the OIG by 82 positions each year, adding investigators, auditors, attorneys, and other analysts and support positions to address the increasing workload of the Office and five (5) staff supporting criminal history checks. There would also be additional staff positions that would provide support to the Office of Inspector General. It would also provide an upgrade to the server supporting the Medicaid Fraud and Abuse System. The GR amount also includes the GR share that would be billed to other HHS agencies but would eventuate as Interagency Contracts in HHSC's method of finance.

Program Impact	FY 2010	FY 2011
Number of Provider & Recipient Investigations	5,335	5,335
Number of Audits Performed	442	442
Average \$ Recovered & Saved per Completed Investigation, Review or Audit	\$3,174	\$3,174

Texas Health & Human Services Commission

Exceptional Item 11

Maintain and Improve Critical HHS Technological Systems

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 33,140,356	\$ 11,990,814	\$ 45,131,170
Method of Financing:			
General Revenue	24,075,028	8,803,349	32,878,377
Other Funds	67,792	53,490	121,282
Federal Funds	8,997,536	3,133,975	12,131,511
Number of FTEs	20.8	20.8	

Number of FTEs

This request represents all enterprise IT funding supporting existing initiatives, such as data warehouse (\$1.8 million AF), identity management (\$4.1 million AF), and improving security (\$3.6 million AF), as well as other new IT initiatives that cross over all five agencies.

New activities would include PeopleSoft HRMS Upgrade \$9.5 million AF), telecommunications seat management maintenance (\$15.4 million AF), updating systems supporting State Schools and Hospitals (\$6.7 million AF), and implementing financial modules for inventory management (\$2.4 million AF) and accounts receivables (\$1.7 million AF).

This funding would allow HHS agencies and programs to improve and maintain services to clients, providers, and employees as well as update obsolete systems and processes supporting HHS programs.

Program Impact	FY 2010	FY 2011

Texas Health & Human Services Commission

Exceptional Item 12

Increase Family Violence Services Funding

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

GR - Dedicated

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 1,251,382	\$ 1,231,277	\$ 2,482,659
Method of Financing:			
General Revenue	1,251,382	1,231,277	2,482,659
GR - Dedicated			-
Other Funds			
Federal Funds			-
Number of FTEs	3.1	3.1	

Number of FTEs

This request would provide additional funding to improve family violence services in underserved areas of the state and help the Family Violence Program achieve its goal of promoting self-sufficiency, safety, and long-term independence from family violence.

The funding would help establish two new programs or shelters serving over 3,300 women and children. The addition of two (2) FTE would enable HHSC contract management staff to increase contract oversight, manage workloads, and increase the amount of programmatic and fiscal technical assistance given to providers. FVP would be able to conduct more frequent monitoring of the FVP contracts especially of those identified as high risk.

Program Impact

	FY 2010	FY 2011
Number of Women and Children Served	3,359	3,359
Number of Programs and/or Shelters	2	2

Texas Health & Human Services Commission

Exceptional Item 13

Increase State Assistance to 2-1-1 Information Centers

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 1,000,000	\$ 1,000,000	\$ 2,000,000
General Revenue	491,000	491,000	982,000
Other Funds			
Federal Funds	509,000	509,000	1,018,000
Number of FTEs	-	-	

Number of FTEs

Requested funding would increase support of 2-1-1 contractors for increased call volume. In 2006 2-1-1 handled 1,287,603 to 1,979,702 in 2007, an increase of 692,099 calls. Call volume is projected to increase to 2.5 million calls handled in 2011 (an increase of 520,298 calls). A lack of adequate funding to effectively respond to this increase in call volume may result in understaffing in many of the 2-1-1 Area Information Centers (AIC) and quality standards being put in jeopardy.

Program Impact	FY 2010	FY 2011

Texas Health & Human Services Commission

Exceptional Item 14

Increase Support of Critical Health and Family Services

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 3,508,414	\$ 3,954,801	\$ 7,463,215
	3,508,414	3,954,801	7,463,215
			-
	8.3	8.3	

Number of FTEs

This request would increase funding to certain state-funded health initiatives. Funding would add four (4) Texas Integrated Funding Initiative sites (\$ 0.6 million), provide grant funding for Community Resource Coordination Groups (\$3.0 million and 2 FTEs), and increase funding for Alternatives to Abortion contractors (\$1.5 million). One FTE would support the Raising Texas Initiative to facilitate replication of state level Early Childhood Comprehensive Systems activities at the local level (\$0.2 million and one (1) FTE). The Office for the Elimination of Health Disparities (OEHD) coordinates statewide efforts in HHS agencies to target health disparities. Culturally and Linguistically Appropriate Services (CLAS) standards address quality health and human services for African-American and Hispanic/Latino Texans crucial to reducing disability, mortality, morbidity, and healthcare/social services costs. CLAS standards are required for HHS agencies receiving federal funds to ensure that Texans receive equitable and effective treatment. The requested funding supports five (5) statewide OEHD funded sites (\$2.0 million and five (5) FTEs).

Program Impact

	FY 2010	FY 2011

Texas Health & Human Services Commission

Exceptional Item 15

Establish Medicaid Buy-In for Children

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 428,588	\$ 45,498,182	\$ 45,926,770
Method of Financing:			
General Revenue	214,294	22,499,256	22,713,550
Other Funds			
Federal Funds	214,294	22,998,926	23,213,220
Number of FTEs	3.3	19.5	

Number of FTEs

This request would create a new program for families of children with significant health concerns to buy into Medicaid health coverage. Families could have incomes above the financial standards for SSI of up to 300 percent of the federal poverty level. This request assumes outreach and automation programming in FY 2010 and implementation in FY 2011. Funding would also provide additional eligibility determination staff for this program expansion.

Program Impact	FY 2010	FY 2011
Average Disabled and Blind Recipient Months per Month	0	2,412

Texas Health & Human Services Commission

Exceptional Item 16

Increase Retention and Recruitment of Targeted HHS Staff

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
	\$ 33,417,093	\$ 33,417,093	\$ 66,834,186
	22,905,159	22,972,071	45,877,230
	26,640	26,640	53,280
	10,485,294	10,418,382	20,903,676

Number of FTEs

This item is requested on behalf of DSHS, DADS, HHSC, and DFPS to improve retention and recruitment of nurses (RNs and LVNs), physicians and psychiatrists throughout the HHS system. High turnover rates in excess of 25% for nurses and 21% for doctors continue to challenge HHS agencies to maintain an adequate workforce of health care professionals. Funding would benefit over 4,000 medical HHS professionals by increasing salaries of psychiatrist and direct-care nurse positions by 15 percent and salaries of physician and non-direct care administrative nurse positions by ten (10) percent.

Cost by agency totals \$18.1 million GR and \$37.7 million All Funds at DADS, \$27.4 million GR and \$28.1 million All Funds at DSHS, \$0.2 million GR and \$1.0 million All Funds at HHSC, and DFPS with \$0.1 million GR and All Funds.

Program Impact	FY 2010	FY 2011

Texas Health & Human Services Commission

Exceptional Item 17

Increase State Support of Children Hospital Upper Payment Limit Programs

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 30,237,059	\$ 29,861,443	\$ 60,098,502
Method of Financing:			
General Revenue	12,500,000	12,500,000	25,000,000
Other Funds			
Federal Funds	17,737,059	17,361,443	35,098,502
Number of FTEs	-	-	

Number of FTEs

This request would increase funding for the additional payments to children hospitals authorized in the Upper Payment Limit Program. This funding would be a 100 percent increase over the current UPL payments made to Children's Hospitals. The Medicaid Upper Payment Limit is defined in Federal regulations as the difference between what Medicaid actually paid for a service and what Medicare would have paid for the same service.

Program Impact	FY 2010	FY 2011

Texas Health & Human Services Commission

Exceptional Item 18

Restore a State-Supported Graduate Medical Education Program

Funding Request

Total (All Funds)

Method of Financing:

General Revenue

Other Funds

Federal Funds

Number of FTEs

	FY 2010	FY 2011	Biennium
Total (All Funds)	\$ 120,948,234	\$ 119,445,772	\$ 240,394,006
Method of Financing:			
General Revenue	50,000,000	50,000,000	100,000,000
Other Funds			
Federal Funds	70,948,234	69,445,772	140,394,006
Number of FTEs	-	-	

Number of FTEs

This funding request would support a state-funded Graduate Medical Education (GME) Program for Medicaid in teaching hospitals which operate approved medical residency training programs. These teaching hospitals provide physician training, care for the uninsured, conduct medical research, provide highly specialized services, and educate other medical students, nurses and other healthcare professionals. Medicaid GME payments recognize the higher cost incurred by teaching hospitals.

Program Impact	FY 2010	FY 2011