



Presentation to the House Appropriations Article II Subcommittee

Special Provisions

February 27, 2009

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification																																				
Page II-109	<p>Sec. 7. Federal Match Assumptions and Limitations on Use of Available General Revenue Funds</p> <p>a. Federal Match Assumptions. The following percentages reflect federal match assumptions used in Article II of this Act.</p> <p>Federal Medical Assistance Percentages (FMAP)</p> <table border="1"> <thead> <tr> <th></th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Federal Fiscal Year</td> <td>58.73%</td> <td>58.96%</td> </tr> <tr> <td>State Fiscal Year</td> <td>58.79%</td> <td>58.94%</td> </tr> </tbody> </table> <p>Enhanced Federal Medical Assistance Percentages (EFMAP)</p> <table border="1"> <thead> <tr> <th></th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Federal Fiscal Year</td> <td>71.11%</td> <td>71.27%</td> </tr> <tr> <td>State Fiscal Year</td> <td>71.15%</td> <td>71.26%</td> </tr> </tbody> </table> <p>b. Limitations on Use of Available General Revenue Funds.</p> <p>In the event the actual FMAP and EFMAP should be greater than shown in section (a), the health and human services agencies listed in Chapter 531, Government Code, are authorized to expend the General Revenue Funds thereby made available only upon prior written approval from the Legislative Budget Board and Governor.</p> <p>To request authorization to expend available general Revenue Funds, an agency shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the</p>		2010	2011	Federal Fiscal Year	58.73%	58.96%	State Fiscal Year	58.79%	58.94%		2010	2011	Federal Fiscal Year	71.11%	71.27%	State Fiscal Year	71.15%	71.26%	<p>Sec. 7. Federal Match Assumptions and Limitations on Use of Available General Revenue Funds</p> <p>a. Federal Match Assumptions. The following percentages reflect federal match assumptions used in Article II of this Act.</p> <p>Federal Medical Assistance Percentages (FMAP)</p> <table border="1"> <thead> <tr> <th></th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Federal Fiscal Year</td> <td>58.73%</td> <td>58.96%</td> </tr> <tr> <td>State Fiscal Year</td> <td>58.79%</td> <td>58.94%</td> </tr> </tbody> </table> <p>Enhanced Federal Medical Assistance Percentages (EFMAP)</p> <table border="1"> <thead> <tr> <th></th> <th>2010</th> <th>2011</th> </tr> </thead> <tbody> <tr> <td>Federal Fiscal Year</td> <td>71.11%</td> <td>71.27%</td> </tr> <tr> <td>State Fiscal Year</td> <td>71.15%</td> <td>71.26%</td> </tr> </tbody> </table> <p>b. Limitations on Use of Available General Revenue Funds.</p> <p>In the event the actual FMAP and EFMAP should be greater than shown in section (a), the health and human services agencies listed in Chapter 531, Government Code, are authorized to expend the General Revenue Funds thereby made available only upon prior written approval from the Legislative Budget Board and Governor.</p> <p>To request authorization to expend available general Revenue Funds, an agency shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the</p>		2010	2011	Federal Fiscal Year	58.73%	58.96%	State Fiscal Year	58.79%	58.94%		2010	2011	Federal Fiscal Year	71.11%	71.27%	State Fiscal Year	71.15%	71.26%	<p>DADS: The agency is requesting that the Money Follows the Person provision be restored.</p> <p>The stipulation of requiring a 45-day written request be removed, as it could potentially cause a cash flow issue. The 45-day wait would increase the number of temporary borrows and if the request is denied and the funds are expended, the return of the borrowed amount would be compromised.</p>
	2010	2011																																					
Federal Fiscal Year	58.73%	58.96%																																					
State Fiscal Year	58.79%	58.94%																																					
	2010	2011																																					
Federal Fiscal Year	71.11%	71.27%																																					
State Fiscal Year	71.15%	71.26%																																					
	2010	2011																																					
Federal Fiscal Year	58.73%	58.96%																																					
State Fiscal Year	58.79%	58.94%																																					
	2010	2011																																					
Federal Fiscal Year	71.11%	71.27%																																					
State Fiscal Year	71.15%	71.26%																																					

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.	Comptroller of Public Accounts. <u>Notwithstanding the above provisions, the restriction on use of General Revenue Funds made available by an EFMAP does not apply to the Money Follows the Person Rebalancing Demonstration.</u> The request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.	
Page II-112	<p>Sec. 11. Limitations on Transfer Authority. Notwithstanding the general transfer provisions of this Act, but in concert with agency-specific limitations on transfer authority in this Article, the Executive Commissioner of the Health and Human Services Commission is authorized to make transfers of funding, full-time equivalents (FTEs), and capital budget authority within and between health and human services agencies as listed in Chapter 531, Government Code, subject to the prior written approval of the Legislative Budget Board and the Governor. No single transfer may exceed 12.5 percent of the originating strategy's appropriation for funding or FTEs for the fiscal year.</p> <p>To request a transfer, the Executive Commissioner of the Health and Human Services Commission shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:</p> <p style="padding-left: 40px;">a. a detailed explanation of the purpose(s)</p>	<p>Sec. 11. Limitations on Transfer Authority. Notwithstanding the general transfer provisions of this Act, but in concert with agency-specific limitations on transfer authority in this Article, the Executive Commissioner of the Health and Human Services Commission is authorized to make transfers of funding, full-time equivalents (FTEs), and capital budget authority within and between health and human services agencies as listed in Chapter 531, Government Code, subject to the prior written approval of the Legislative Budget Board and the Governor. No single transfer may exceed 12.5 percent of the originating strategy's appropriation for funding or FTEs for the fiscal year.</p> <p>To request a transfer, the Executive Commissioner of the Health and Human Services Commission shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:</p> <p style="padding-left: 40px;">a. a detailed explanation of the purpose(s)</p>	<p>HHSC: HHS Agencies currently have authority either in general provisions or within their bill pattern to make transfers within their agency riders. The requested revision would not impose this provision's limits to transfers within an agency.</p>

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>of the transfer, including the following:</p> <ul style="list-style-type: none"> (1) a description of each initiative with funding and FTE information by fiscal year; and (2) an indication of whether the expenditure will be one-time or ongoing. <ul style="list-style-type: none"> b. the names of the originating and receiving agencies and/or strategies and the method of financing and FTEs for each strategy by fiscal year; c. an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving agencies and/or strategies; and d. the capital budget impact. <p>Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.</p> <p>The transfer request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.</p> <p>The Comptroller of Public Accounts shall not allow the transfer of funds if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.</p>	<p>of the transfer, including the following:</p> <ul style="list-style-type: none"> (1) a description of each initiative with funding and FTE information by fiscal year; and (2) an indication of whether the expenditure will be one-time or ongoing. <ul style="list-style-type: none"> b. the names of the originating and receiving agencies and/or strategies and the method of financing and FTEs for each strategy by fiscal year; c. an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving agencies and/or strategies; and d. the capital budget impact. <p>Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.</p> <p>The transfer request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.</p> <p>The Comptroller of Public Accounts shall not allow the transfer of funds if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.</p>	<p>DADS: The agency requests that stipulation of requiring a 45-day written request be removed as it will prevent DADS from ensuring that the appropriated dollars are in line. Also, if the stipulation stays in, it is recommended to be amended to 30 days. If the notice is not received from the Governor within this timeframe, after 30 days the request will be considered as approved.</p>

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	In the case of disaster or other emergency, this provision is superseded by the emergency-related transfer authority in Article IX of this Act.	In the case of disaster or other emergency, this provision is superseded by the emergency-related transfer authority in Article IX of this Act.	
Page II-114	<p>Sec. 12. Payment for Compensatory Time. It is expressly provided that the Department of State Health Services and the Department of Aging and Disability Services, to the extent permitted by law may pay FLSA non-exempt employees of state mental health and mental retardation facilities on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions. In addition, any health and human service agency, with the explicit approval of the Health and Human Services Executive Commissioner, to the extent permitted by law, may pay FLSA non-exempt employees required to provide support during a federally declared disaster on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.</p>	<p>Sec. 12. Payment for Compensatory Time. It is expressly provided that <u>following agencies are authorized to make payments for compensatory time for the stated purposes.</u></p> <p>a. <u>The Department of State Health Services and the Department of Aging and Disability Services, to the extent permitted by law, may pay FLSA exempt and-FLSA non-exempt employees of state mental health and mental retardation facilities on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.</u></p> <p>b. <u>The Health and Human Services Commission, to the extent permitted by law, may pay FLSA exempt and-FLSA non-exempt employees performing and supporting eligibility determination functions on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.</u></p>	<p>HHSC: FLSA-exempt may be paid compensatory time. The proposed language would restore the rider to the authority provided during the 2008-09 biennium and add explicit language authorizing compensatory pay to HHSC eligibility workers. Without retaining this authority, the agency could not recruit and retain supervisory staff in the eligibility program.</p> <p>DSHS: The LBB change would mean the critical staff in state hospitals and those responding to a natural disaster could not be paid for compensatory time earned. The ability to pay staff for their compensatory time provides that we maintain critical staffing in the hospital where we have high turnover rates and for staff responding to disasters. Federal law provides that non-exempt employees may be paid for their overtime. The inability to pay for compensatory leave balances for FLSA exempt employees in critical shortage professions (i.e. psychiatrists, pharmacists and nurses) will make recruitment and retention more difficult. In addition during a federally</p>

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
		<p>c. In addition, any health and human service agency, with the explicit approval of the Health and Human Services Executive Commissioner, to the extent permitted by law, may pay <u>FLSA exempt and FLSA non-exempt</u> employees required to provide support during a federally declared disaster <u>declared by the governor under Section 418.104, Government Code</u>, on a straight-time basis for work on a holiday or for regular compensatory time hours when the taking of regular compensatory time off would be disruptive to normal business functions.</p>	<p>declared disaster, both overtime and compensatory time earned is reimbursable by FEMA.</p> <p>DSHS: DSHS had recommended that for state disasters the agency should also be allowed to compensate staff for their overtime and compensatory time earned. DSHS responds to a number of state disasters that while not rising to the level of being declared a federal disaster, do require staff to work long hours providing for public and mental health of Texas citizens.</p>
Page II-116	<p>Sec. 16. Rate Limitations and Reporting Requirements. Notwithstanding other provisions of this Act, the use of appropriated funds for a rate paid by a health and human services agency as listed in Chapter 531, Government Code, shall be governed by the specific limitations included in this provision.</p> <p>For purposes of this provision, "rate" is defined to include capitated payments. Additionally, estimates of fiscal impacts should be based on the most current caseload forecast submitted by the Health and Human Services Commission pursuant to other provisions in this Act and should specify General Revenue Funds, TANF Federal Funds, and All Funds.</p>	<p>Sec. 16. Rate Limitations and Reporting Requirements. Notwithstanding other provisions of this Act, the use of appropriated funds for a rate paid by a health and human services agency as listed in Chapter 531, Government Code, shall be governed by the specific limitations included in this provision.</p> <p>For purposes of this provision, "rate" is defined to include capitated payments. Additionally, estimates of fiscal impacts should be based on the most current caseload forecast submitted <u>determined</u> by the Health and Human Services Commission pursuant to other provisions in this Act and available at the time the fiscal impact is prepared and should specify General Revenue Funds, TANF Federal Funds, and All Funds.</p>	<p>HHSC: The fiscal impacts required in this rider are to be reported by individual rate. These fiscal impacts are for the 1) annual notice of rates, 2) notice of new or revised rates, and 3) requests for funds that exceed appropriations. Currently there are approximately 158,000 rates in existence in the Medicaid program.</p> <p>The fiscal impact is required to be based on the most current caseload forecast submitted by HHSC pursuant to other provisions of the act. Fiscal impacts are currently calculated by obtaining recent reliable billed units of</p>

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>a. Notice of Initial Rates. No later than September 1 of each fiscal year, the Executive Commissioner of the Health and Human Services Commission shall submit the following information in writing to the Legislative Budget Board, the Governor, and the State Auditor:</p> <ol style="list-style-type: none"> (1) a list of each rate in effect on September 1 of the fiscal year and each rate in effect at the beginning and the end of the prior fiscal year; (2) an estimate of the fiscal impact, by agency and by year, for each rate change listed for subsection (1); and (3) a schedule and description of the rate-setting process for all rates listed for subsection (1). <p>b. Notice of New or Revised Rates. At least 30 days prior to any action to establish a rate not initially reported in section (a) or to increase a rate that would have an annual fiscal impact greater than \$1,000,000 in General Revenue-related funds or TANF Federal Funds for the 2010-11 biennium, the Executive Commissioner of the Health and Human Services Commission shall submit the following information in writing to the Legislative Budget Board, the Governor, and the State Auditor:</p>	<p><u>For the reporting required within this provision, fiscal impacts that contain multiple risk groups may be reported on an aggregate level.</u></p> <p>a. Notice of Initial Rates. No later than <u>October</u> September 1 of each fiscal year, the Executive Commissioner of the Health and Human Services Commission shall submit the following information in writing to the Legislative Budget Board, the Governor, and the State Auditor:</p> <ol style="list-style-type: none"> (1) a list of each rate in effect on September 1 of the fiscal year and each rate in effect at the beginning and the end of the prior fiscal year <u>except for provider-specific rates or rates on the physician fee schedule;</u> (2) an estimate of the fiscal impact, by agency and by year, for each rate change listed for subsection (1); and (3) a schedule and description of the rate-setting process for all rates listed for subsection (1) <u>as well as provider-specific rates and rates on the physician fee schedule.</u> <p>b. Notice of New or Revised Rates. At least 30 <u>calendar</u> days prior to any action to establish a <u>the payment of a new rate not initially reported in section (a) or an</u> to increase <u>in</u> a rate that would have an annual fiscal impact greater than</p>	<p>service for a particular time period and then multiplying an aggregate Medicaid caseload adjustment factor to the billed units to trend the billed units of service to the target fiscal years for the fiscal impact.</p> <p>Fiscal impacts are currently provided by program (for example, nursing facilities, Primary Home Care, or hospital programs) or by provider type (for example, physicians and other professionals, durable medical equipment, ambulance providers, or psychologists) or by category of service (for example, physician administered drugs) and not by individual rate.</p> <ul style="list-style-type: none"> • Fiscal impacts for nursing facilities are calculated based on the average cost per nursing facility per day of service and not by each of the 955 individual rates. • For physicians and other professionals, the annual notice of rates report would require a fiscal impact for each of the current approximately 112,600 individual rates. • Some programs such as the hospital program and targeted case management for persons with mental retardation have rates determined on an individual provider basis and fiscal impacts

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>(1) a list of each new rate and/or each rate that will be increased, including the current and proposed rate;</p> <p>(2) an estimate of the fiscal impact, by agency and by year, for each rate listed for subsection (1);</p> <p>(3) a schedule and description of the rate-setting process, if different from the original submission as required by section (a); and</p> <p>(4) an explanation of the factors related to each rate listed for subsection (1).</p> <p>c. Limitation on Rates that Exceed Appropriated Funding. Without the prior written approval of the Legislative Budget Board and the Governor, no agency listed in Chapter 531, Government Code, may pay a rate that would result in expenditures that exceed, in any fiscal year, the amounts appropriated by this Act to a strategy for the services to which the rate applies.</p> <p>To request authorization for such a rate, the Executive Commissioner of the Health and Human Services Commission shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall</p>	<p>\$1,000,000 in General Revenue-related funds or TANF Federal Funds for the 2010-11 biennium, the Executive Commissioner of the Health and Human Services Commission shall submit the following information in writing to the Legislative Budget Board, the Governor, and the State Auditor:</p> <p>(1) a list of each new rate and/or each rate that will be increased, including the current and proposed rate;</p> <p>(2) an estimate of the fiscal impacts <u>of the new rate and/or rate increase</u>, by agency and by <u>fiscal year</u>, for each rate listed for subsection (1);</p> <p>(3) a schedule and description of the rate-setting process, if different from the original submission as required by section (a); and</p> <p>(4) an explanation of the <u>reasons factors</u> related to <u>each the new or revised</u> rate listed for subsection (1).</p> <p>c. Limitation on Rates that Exceed Appropriated Funding. Without the prior written approval of the Legislative Budget Board and the Governor, no agency listed in Chapter 531, Government Code, may pay a rate that would result in expenditures that exceed, in any fiscal year, the amounts appropriated by this Act to a strategy for the services to which the rate applies.</p>	<p>would be required to be determined and reported on an individual provider basis.</p> <p>HHSC does not produce fiscal impacts by risk group but by program, provider type or category of service as applicable. Since the billed units of service used in the fiscal impact are not captured by risk group, the fiscal impact cannot be stratified by risk group. The rider does not specify which submitted HHSC caseload forecast to use for the fiscal impacts. Fiscal impacts are calculated for rate changes made throughout the fiscal year and when the fiscal impact for the annual notice of rates is submitted at the end of the fiscal year, some of the fiscal impacts would need to be redone if the caseload forecast has changed since the fiscal impact was calculated. Fiscal impacts are often calculated months prior to the rate hearing and to the submittal of the notice of new or revised rates, and therefore, the caseload adjustment factor in the notice could be based on a prior submitted caseload forecast.</p>

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>include the following information:</p> <ol style="list-style-type: none"> 1) a list of each new rate and/or each rate for which an increase is proposed; 2) an estimate of the fiscal impacts of the new rate and/or rate increase, by agency and by fiscal year; and 3) the amount of General Revenue Funds, TANF Federal Funds, and All Funds, by fiscal year, by which each rate would exceed appropriated funding for each fiscal year. <p>The request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of request.</p> <p>d. Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. Notifications, requests and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.</p> <p>e. The Office of the State Auditor may review the fiscal impact information provided under sections (a) through (c) along with supporting documentation, supporting records, and justification for the rate increase provided by the Health and Human Services Commission and</p>	<p>To request authorization for such a rate, the Executive Commissioner of the Health and Human Services Commission shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:</p> <ol style="list-style-type: none"> 1) a list of each new rate and/or each rate for which an increase is proposed; (2) an estimate of the fiscal impacts of the new rate and/or rate increase, by agency and by fiscal year; and (3) the amount of General Revenue Funds, TANF Federal Funds, and All Funds, by fiscal year, by which each rate would exceed appropriated funding for each fiscal year. <p>The <u>notifications provided in sections (a) and (b)</u> request shall be considered to be disapproved unless the Legislative Budget Board or <u>and</u> the Governor issue written <u>disapprovals</u> within <u>15 business</u> 45 calendar days of receipt of the <u>formal, signed hard copy notification</u> request.</p> <p>d. Additional information requested by the</p>	

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>report back to the Legislative Budget Board and the Governor before the rate is implemented by the Health and Human Services Commission or operating agency.</p> <p>f. The Comptroller of Public Accounts shall not allow the expenditure of funds for a new or increased rate if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.</p>	<p>Legislative Budget Board or the Governor should be provided in a timely manner. Notifications, requests and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.</p> <p>e. The Office of the State Auditor may review the fiscal impact information provided under sections (a) through (be) along with supporting documentation, supporting records, and justification for the rate increase provided by the Health and Human Services Commission and report back to the Legislative Budget Board and the Governor before the rate is implemented by the Health and Human Services Commission or operating agency.</p> <p>f. The Comptroller of Public Accounts shall not allow the expenditure of funds for a new or increased rate if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.</p>	
Page II-127	<p>Sec. 3735. Limit on Spending New Generation Medication Funds.</p> <p>a. It is the intent of the Legislature that the Department of State Health Services (DSHS) and the Department of Aging and Disability Services (DADS) utilize funds appropriated for New Generation Medications for no other purpose than the provision of New Generation Medications. This limitation shall apply to funds</p>	<p>Sec. 35. Limit on Spending New Generation Medication Funds.</p> <p>(a) It is the intent of the Legislature that the Department of State Health Services (DSHS) and the Department of Aging and Disability Services (DADS) utilize funds appropriated for New Generation Medications for no other purpose than the provision, <u>prescribing and monitoring</u> of</p>	<p>DSHS: Changes will allow the NorthSTAR managed care organization the same ability to make use of New Generation Medicine cost savings already provided other local mental health authorities operated by community MHMR centers. Subsection (a) above provide NorthSTAR authority for the provision</p>

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>appropriated for New Generation Medications in the following strategies at DSHS: B.2.1, Mental Health Services for Adults, B.2.2, Mental Health Services for Children, B.2.4, NorthSTAR Behavioral Health Waiver, and C.1.3, Mental Health State Hospitals; and in the following strategy at DADS: A.8.1, MR State Schools Services.</p> <p>b. Notwithstanding the limitation described above, the department shall allow a local mental health or mental retardation authority to expend an amount not to exceed 15 percent of its New Generation Medication funds on support programs that are related to the administration of New Generation Medications, provided, however, that an authority using its New Generation Medication funds for support services must meet its that the availability of New Generation Medication funds to expend on services must result from cost efficiencies achieved by the authority</p> <p>c. To the extent that the local authorities are able to obtain private sector donations of medications for clients and/or financial contributions for the purchase of New Generation Medications in DSHS Strategies B.2.1, Mental Health Services for Adults, and B.2.2, Mental Health Services for Children, and they meet or exceed their contracted performance targets for persons served with New Generation Medications, they may expend up to an equivalent amount from these strategies on direct services to clients.</p>	<p>New Generation Medications. This limitation shall apply to funds appropriated for New Generation Medications in the following strategies at DSHS: B.2.1, Mental Health Services for Adults, B.2.2, Mental Health Services for Children, B.2.4, NorthSTAR Behavioral Health Waiver, and C.1.3, Mental Health State Hospitals, and in the following strategy at DADS: A.8.1. MR State Schools Services.</p> <p>(b) Notwithstanding the limitation described above, the department shall allow a local mental health or mental retardation authority to expend an amount not to exceed 15 percent of its New Generation Medication funds on support programs that are related to the administration of New Generation Medications, provided, however, that a local authority using its New Generation Medication funds for support services must meet its contracted performance target for persons served with New Generation Medications and that the availability of New Generation Medication funds to expend on services must result from cost efficiencies achieved by the authority.</p> <p>(c) To the extent that the local authorities <u>or state contracted managed care organizations</u> are able to obtain <u>cost savings associated with state-approved purchasing arrangements</u>, private sector donations of medications for clients, and/or financial contributions for the purchase of new generation medications in</p>	<p>of New Generation Medications and by including NorthSTAR in subsection (c), the program would be able to utilize the cost-savings provision allowed to the community centers.</p>

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
		<p>DSHS Strategies B.2.1, Mental Health Services for Adults, and B.2.2, Mental Health Services for Children, and <u>B.2.4, NorthSTAR Behavioral Health Waiver</u>, and they meet or exceed their contracted performance targets for persons served with New Generation Medications, they may expend up to an equivalent amount from these strategies on direct services to clients.</p>	
<p>Page II - 130</p>	<p>Sec. 44. Appropriation of Unexpended Balances: Funds Recouped from Local Authorities. Notwithstanding other provisions of this Act, any state funds appropriated for fiscal year 2010 recouped by the Department of Aging and Disability Services or the Department of State Health Services from a local mental health or mental retardation authority for failing to fulfill its performance contract with the State, are hereby appropriated to the respective agency for the same strategy, to reallocate to other local mental health or mental retardation authorities in fiscal year 2011. Each agency shall provide a report to the Legislative Budget Board and the Governor by June 1, 2010 that includes the amount of the recoupment by strategy, the reasons for the recoupment, the local authorities involved, any performance contract requirements that were not met, and the purposes of the reallocation.</p>	<p>Sec. 44. Appropriation of Unexpended Balances: Funds Recouped from Local Authorities. Notwithstanding other provisions of this Act, any state funds appropriated for fiscal year 2010 recouped by the Department of Aging and Disability Services or the Department of State Health Services from a local mental health or mental retardation authority for failing to fulfill its performance contract with the State, are hereby appropriated to the respective agency for the same strategy, to reallocate to other local mental health or mental retardation authorities in fiscal year 2011. Each agency shall provide a report to the Legislative Budget Board and the Governor by June 1, 2010 <u>February 1, 2011</u> that includes the amount of the recoupment by strategy, the reasons for the recoupment, the local authorities involved, any performance contract requirements that were not met, and the purposes of the reallocation.</p>	<p>DSHS: Change will allow the necessary amount of time for reconciliation process with the Local Authorities for the required reporting. Recoupments are not fully identified until the completion of the reconciliation process. The change in the reporting date will allow for more accurate reporting of recouped FY 2010 appropriated funds.</p>
<p>Page II-130</p>	<p>Sec. 45. Enterprise Support Services. Out of funds appropriated above, the following amounts</p>	<p>Sec. 45. Enterprise Support Services. Out of funds appropriated above, the following amounts</p>	<p>HHSC: The addition of this provision imposes more restrictions on the</p>

Suggested Revisions

Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification																																																																								
	<p>are allocated for enterprise support services</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="text-align: left;">Enterprise Support Service Category</th> <th style="text-align: right;">2010</th> <th style="text-align: right;">2011</th> </tr> </thead> <tbody> <tr><td>1. Regional Cost Pools</td><td style="text-align: right;">\$133,653,001</td><td style="text-align: right;">\$133,653,001</td></tr> <tr><td>2. Consolidated System Support</td><td style="text-align: right;">\$107,977,623</td><td style="text-align: right;">\$107,977,623</td></tr> <tr><td>3. Centralized Cost Pools</td><td style="text-align: right;">\$ 35,422,093</td><td style="text-align: right;">\$ 35,422,093</td></tr> <tr><td>4. Regional Program Support</td><td style="text-align: right;">\$ 16,720,244</td><td style="text-align: right;">\$ 16,720,244</td></tr> <tr><td>5. Enterprise Oversight and Policy</td><td style="text-align: right;">\$ 16,081,748</td><td style="text-align: right;">\$ 16,081,748</td></tr> <tr><td>6. Central Program Support</td><td style="text-align: right;">\$ 13,894,027</td><td style="text-align: right;">\$ 13,894,027</td></tr> <tr><td>7. IT Program Support</td><td style="text-align: right;">\$ 10,861,820</td><td style="text-align: right;">\$ 10,861,820</td></tr> <tr><td>8. Office of Inspector General</td><td style="text-align: right;">\$ 10,811,479</td><td style="text-align: right;">\$ 10,811,479</td></tr> <tr><td>9. Seat Management</td><td style="text-align: right;">\$ 8,049,871</td><td style="text-align: right;">\$ 8,049,871</td></tr> <tr><td>10. Peoplesoft (HHSAS)</td><td style="text-align: right;">\$ 5,220,764</td><td style="text-align: right;">\$ 5,220,764</td></tr> <tr><td>Total, All Funds for Article II</td><td style="text-align: right;">\$358,692,670</td><td style="text-align: right;">\$358,692,670</td></tr> </tbody> </table> <p>a. Limitation on Assessments. The Health and Human Services Commission may not collectively assess agencies more than the amount per fiscal year indicated above for an enterprise support service category, or establish a new enterprise support service category, without prior written approval from the Legislative Budget Board and the Governor.</p> <p>For authorization to make an assessment that exceeds an amount indicated above or to establish a new enterprise support service category, the Executive Commissioner of the Health and Human Services Commission shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the Executive Commissioner shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the</p>	Enterprise Support Service Category	2010	2011	1. Regional Cost Pools	\$133,653,001	\$133,653,001	2. Consolidated System Support	\$107,977,623	\$107,977,623	3. Centralized Cost Pools	\$ 35,422,093	\$ 35,422,093	4. Regional Program Support	\$ 16,720,244	\$ 16,720,244	5. Enterprise Oversight and Policy	\$ 16,081,748	\$ 16,081,748	6. Central Program Support	\$ 13,894,027	\$ 13,894,027	7. IT Program Support	\$ 10,861,820	\$ 10,861,820	8. Office of Inspector General	\$ 10,811,479	\$ 10,811,479	9. Seat Management	\$ 8,049,871	\$ 8,049,871	10. Peoplesoft (HHSAS)	\$ 5,220,764	\$ 5,220,764	Total, All Funds for Article II	\$358,692,670	\$358,692,670	<p>are allocated for enterprise support services</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 10px;"> <thead> <tr> <th style="text-align: left;">Enterprise Support Service Category</th> <th style="text-align: right;">2010</th> <th style="text-align: right;">2011</th> </tr> </thead> <tbody> <tr><td>1. Regional Cost Pools</td><td style="text-align: right;">\$133,653,001</td><td style="text-align: right;">\$133,653,001</td></tr> <tr><td>2. Consolidated System Support</td><td style="text-align: right;">\$107,977,623</td><td style="text-align: right;">\$107,977,623</td></tr> <tr><td>3. Centralized Cost Pools</td><td style="text-align: right;">\$ 35,422,093</td><td style="text-align: right;">\$ 35,422,093</td></tr> <tr><td>4. Regional Program Support</td><td style="text-align: right;">\$ 16,720,244</td><td style="text-align: right;">\$ 16,720,244</td></tr> <tr><td>5. Enterprise Oversight and Policy</td><td style="text-align: right;">\$ 16,081,748</td><td style="text-align: right;">\$ 16,081,748</td></tr> <tr><td>6. Central Program Support</td><td style="text-align: right;">\$ 13,894,027</td><td style="text-align: right;">\$ 13,894,027</td></tr> <tr><td>7. IT Program Support</td><td style="text-align: right;">\$ 10,861,820</td><td style="text-align: right;">\$ 10,861,820</td></tr> <tr><td>8. Office of Inspector General</td><td style="text-align: right;">\$ 10,811,479</td><td style="text-align: right;">\$ 10,811,479</td></tr> <tr><td>9. Seat Management</td><td style="text-align: right;">\$ 8,049,871</td><td style="text-align: right;">\$ 8,049,871</td></tr> <tr><td>10. Peoplesoft (HHSAS)</td><td style="text-align: right;">\$ 5,220,764</td><td style="text-align: right;">\$ 5,220,764</td></tr> <tr><td>Total, All Funds for Article II</td><td style="text-align: right;">\$358,692,670</td><td style="text-align: right;">\$358,692,670</td></tr> </tbody> </table> <p>a. Limitation on Assessments. The Health and Human Services Commission may not collectively assess agencies more than the amount per fiscal year indicated above for an enterprise support service category, or establish a new enterprise support service category, without prior written approval from the Legislative Budget Board and the Governor.</p> <p>For authorization to make an assessment that exceeds an amount indicated above or to establish a new enterprise support service category, the Executive Commissioner of the Health and Human Services Commission shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the Executive Commissioner shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information by fiscal year:</p> <p>(1) a detailed explanation of the reasons for the assessment and why it</p>	Enterprise Support Service Category	2010	2011	1. Regional Cost Pools	\$133,653,001	\$133,653,001	2. Consolidated System Support	\$107,977,623	\$107,977,623	3. Centralized Cost Pools	\$ 35,422,093	\$ 35,422,093	4. Regional Program Support	\$ 16,720,244	\$ 16,720,244	5. Enterprise Oversight and Policy	\$ 16,081,748	\$ 16,081,748	6. Central Program Support	\$ 13,894,027	\$ 13,894,027	7. IT Program Support	\$ 10,861,820	\$ 10,861,820	8. Office of Inspector General	\$ 10,811,479	\$ 10,811,479	9. Seat Management	\$ 8,049,871	\$ 8,049,871	10. Peoplesoft (HHSAS)	\$ 5,220,764	\$ 5,220,764	Total, All Funds for Article II	\$358,692,670	\$358,692,670	<p>agency's ability to efficiently and effectively manage operating budgets within appropriations based upon approved federal cost allocation plans.</p>
Enterprise Support Service Category	2010	2011																																																																									
1. Regional Cost Pools	\$133,653,001	\$133,653,001																																																																									
2. Consolidated System Support	\$107,977,623	\$107,977,623																																																																									
3. Centralized Cost Pools	\$ 35,422,093	\$ 35,422,093																																																																									
4. Regional Program Support	\$ 16,720,244	\$ 16,720,244																																																																									
5. Enterprise Oversight and Policy	\$ 16,081,748	\$ 16,081,748																																																																									
6. Central Program Support	\$ 13,894,027	\$ 13,894,027																																																																									
7. IT Program Support	\$ 10,861,820	\$ 10,861,820																																																																									
8. Office of Inspector General	\$ 10,811,479	\$ 10,811,479																																																																									
9. Seat Management	\$ 8,049,871	\$ 8,049,871																																																																									
10. Peoplesoft (HHSAS)	\$ 5,220,764	\$ 5,220,764																																																																									
Total, All Funds for Article II	\$358,692,670	\$358,692,670																																																																									
Enterprise Support Service Category	2010	2011																																																																									
1. Regional Cost Pools	\$133,653,001	\$133,653,001																																																																									
2. Consolidated System Support	\$107,977,623	\$107,977,623																																																																									
3. Centralized Cost Pools	\$ 35,422,093	\$ 35,422,093																																																																									
4. Regional Program Support	\$ 16,720,244	\$ 16,720,244																																																																									
5. Enterprise Oversight and Policy	\$ 16,081,748	\$ 16,081,748																																																																									
6. Central Program Support	\$ 13,894,027	\$ 13,894,027																																																																									
7. IT Program Support	\$ 10,861,820	\$ 10,861,820																																																																									
8. Office of Inspector General	\$ 10,811,479	\$ 10,811,479																																																																									
9. Seat Management	\$ 8,049,871	\$ 8,049,871																																																																									
10. Peoplesoft (HHSAS)	\$ 5,220,764	\$ 5,220,764																																																																									
Total, All Funds for Article II	\$358,692,670	\$358,692,670																																																																									

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>following information by fiscal year:</p> <ol style="list-style-type: none"> (1) a detailed explanation of the reasons for the assessment and why it exceeds the amounts identified in this provision; (2) the amount of the assessment by enterprise support service category at both the agency and enterprise levels; (3) the amount of the assessment by major fund type at both the agency and enterprise levels; and (4) the impact of the assessment on each agency's performance levels. <p>For a new enterprise support service category, the request shall include relevant information identified in items (1) through (4) of this section.</p> <p>Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.</p> <p>The request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.</p>	<p>exceeds the amounts identified in this provision;</p> <ol style="list-style-type: none"> (2) the amount of the assessment by enterprise support service category at both the agency and enterprise levels; (3) the amount of the assessment by major fund type at both the agency and enterprise levels; and (4) the impact of the assessment on each agency's performance levels. <p>For a new enterprise support service category, the request shall include relevant information identified in items (1) through (4) of this section.</p> <p>Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.</p> <p>The request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.</p> <p>b. Reporting Requirements.</p> <p>(1) Annual Assessments. The Executive Commissioner of the Health and Human Services</p>	

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>b. Reporting Requirements.</p> <p>(1) Annual Assessments. The Executive Commissioner of the Health and Human Services Commission shall submit to the Legislative Budget Board and the Governor, by September 1 of each fiscal year, a report that indicates the amounts assessed for enterprise support services for the new and two prior fiscal years. The report shall include the following information at both the agency and enterprise levels:</p> <p style="padding-left: 40px;">(i) amounts by service category; and</p> <p style="padding-left: 40px;">(ii) amounts by major fund type.</p> <p>(2) Monthly Expenditures. No later than 30 days following the close of each fiscal quarter, the Executive Commissioner shall submit to the Legislative Budget Board and the Governor a report that provides information about actual monthly expenditures for enterprise support services for the current and two prior fiscal years by service category.</p> <p>(3) Annual Expenditures. No later than October 1 of each year, the Executive Commissioner shall submit to the Legislative Budget Board and the Governor a report</p>	<p>Commission shall submit to the Legislative Budget Board and the Governor, by September 1 of each fiscal year, a report that indicates the amounts assessed for enterprise support services for the new and two prior fiscal years. The report shall include the following information at both the agency and enterprise levels:</p> <p style="padding-left: 40px;">(i) amounts by service category; and</p> <p style="padding-left: 40px;">(ii) amounts by major fund type.</p> <p>(2) Monthly Expenditures. No later than 30 days following the close of each fiscal quarter, the Executive Commissioner shall submit to the Legislative Budget Board and the Governor a report that provides information about actual monthly expenditures for enterprise support services for the current and two prior fiscal years by service category.</p> <p>(3) Annual Expenditures. No later than October 1 of each year, the Executive Commissioner shall submit to the Legislative Budget Board and the Governor a report that provides information about actual annual expenditures for enterprise support services for the two prior fiscal years. The report shall include the following</p>	

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>that provides information about actual annual expenditures for enterprise support services for the two prior fiscal years. The report shall include the following information at both the agency and enterprise levels:</p> <ul style="list-style-type: none"> (i) amounts by service category; and (ii) amounts by major fund type. <p>The reports shall be prepared in a format approved by the Legislative Budget Board.</p> <p>c. Controlling Expenditures and Minimizing Use of General Revenue Funds. The Health and Human Services Commission shall critically examine the current methodologies (including cost allocation plans) used to allocate enterprise support services expenses among agencies and their strategies, including the resulting allocation of expenses to General Revenue Funds.</p> <p>The examination should compare enterprise support services expenditures across at least three fiscal years and include recommendations and/or cite actions taken to control expenditures and to minimize the General Revenue Fund</p>	<p>information at both the agency and enterprise levels:</p> <ul style="list-style-type: none"> (i) amounts by service category; and (ii) amounts by major fund type. <p>The reports shall be prepared in a format approved by the Legislative Budget Board.</p> <p>e. Controlling Expenditures and Minimizing Use of General Revenue Funds. The Health and Human Services Commission shall critically examine the current methodologies (including cost allocation plans) used to allocate enterprise support services expenses among agencies and their strategies, including the resulting allocation of expenses to General Revenue Funds.</p> <p>The examination should compare enterprise support services Budget Board and the Governor no later than April 1, 2010.</p> <p>The Comptroller of Public Accounts shall not allow the expenditure of funds for an increased assessment or a new enterprise support service category if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied. expenditures across at least three fiscal years and include recommendations and/or cite actions taken to control</p>	

Suggested Revisions
Article II, Special Provisions Relating to All Health and Human Services Agencies

Page Number in LBB Recommendations House Version	Rider Language in LBB Recommendations	Health and Human Services Agencies Proposed Rider Language	Justification
	<p>share of such expenditures.</p> <p>The report, including supporting analysis and explanation, shall be prepared in a format approved by the Legislative Budget Board and submitted to the Legislative Budget Board and the Governor no later than April 1, 2010.</p> <p>The Comptroller of Public Accounts shall not allow the expenditure of funds for an increased assessment or a new enterprise support service category if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.</p>	<p>expenditures and to minimize the General Revenue Fund share of such expenditures.</p> <p>The report, including supporting analysis and explanation, shall be prepared in a format approved by the Legislative Budget Board and submitted to the Legislative</p>	