

Health and Human Services Commission

**BUDGET Building Blocks
for the
2004-05 Fiscal Biennium**



**Presented to the
Senate Finance Committee**

February 27, 2003

Texas Health and Human Services Commission FY 2003 Budget Reduction Plan

The HHSC FY 2003 budget reduction plan represents a 32.2 percent reduction in general revenue and general revenue-related funds, excluding Medicaid and CHIP expenditures.

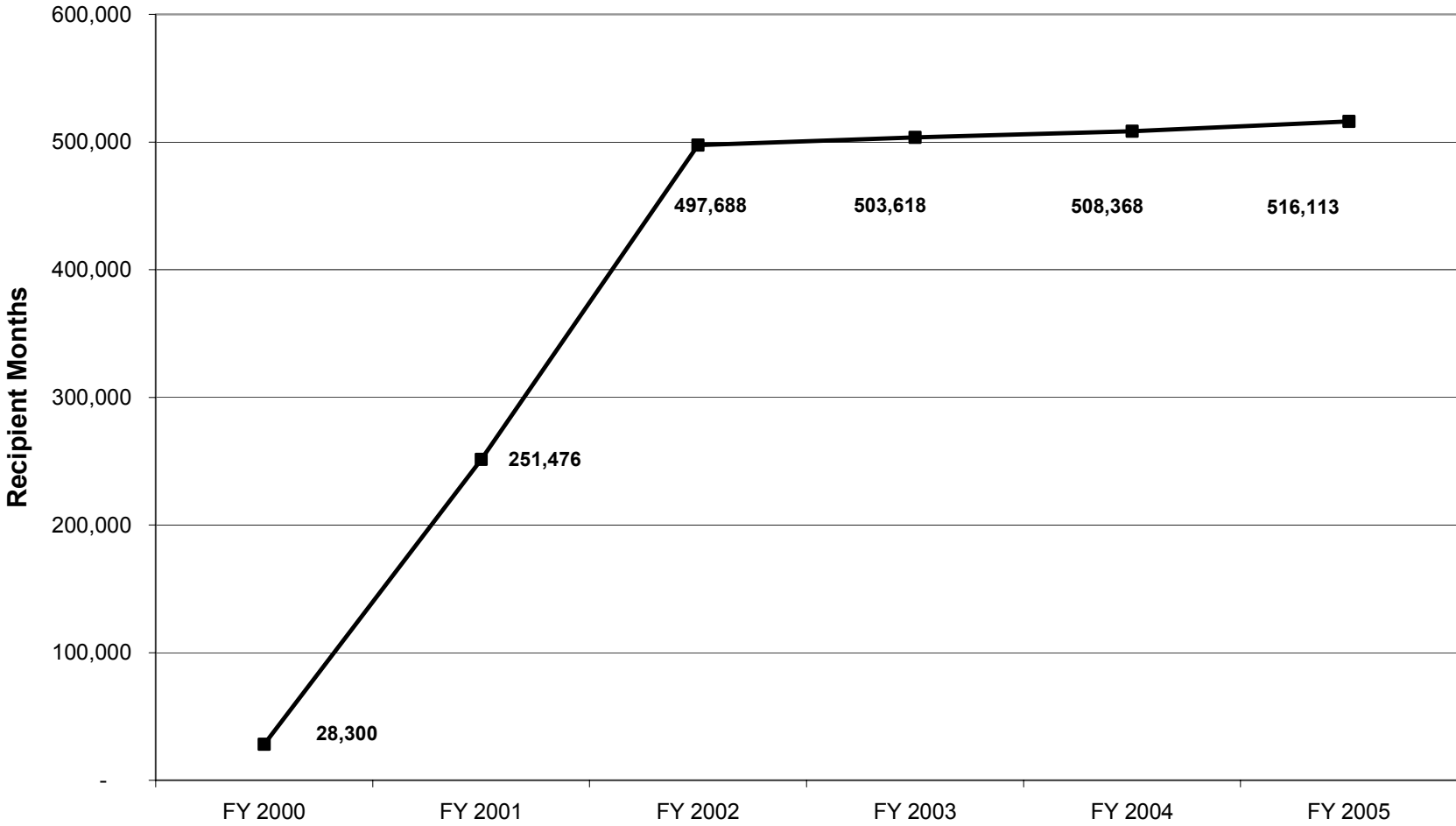
<p>Contracts, Professional Fees and Services, and Grants</p> <ul style="list-style-type: none"> • Reducing the Texas Medicaid Administrative Contracts (TMAS) associated with reduced FY 2003 expenditure levels. Reductions include: <ul style="list-style-type: none"> - Implementing Hiring Freezes - Combining provider training sessions and workshops to reduce travel - Eliminating after hours answering services for the Texas Health Network (THN) • Reducing consultant assistance with contract negotiations and with Request for Proposal (RFP) development • Canceling CHIP back-to-school media buys • Reducing independent external audit expenses • Saving \$13 Million in unallocated Telecommunications Infrastructure Fund (TIF) grants (awarded \$7 million) 	\$ 17,433,585
<p>Salary Savings</p> <ul style="list-style-type: none"> • Salary lapses • Hiring freeze • Eliminated 26 budgeted positions 	\$ 1,167,364
<p>Unexpended Balances / Lapses</p>	\$ 335,349
<p>Delaying Capital Budget / IT Projects</p> <ul style="list-style-type: none"> • Deferred LAN/WAN improvement purchases • Deferred desktop computer purchases and upgrades 	\$ 177,500
Total	\$ 19,113,798

FY 2003 HHS GR Budget Reduction Plan by Agency

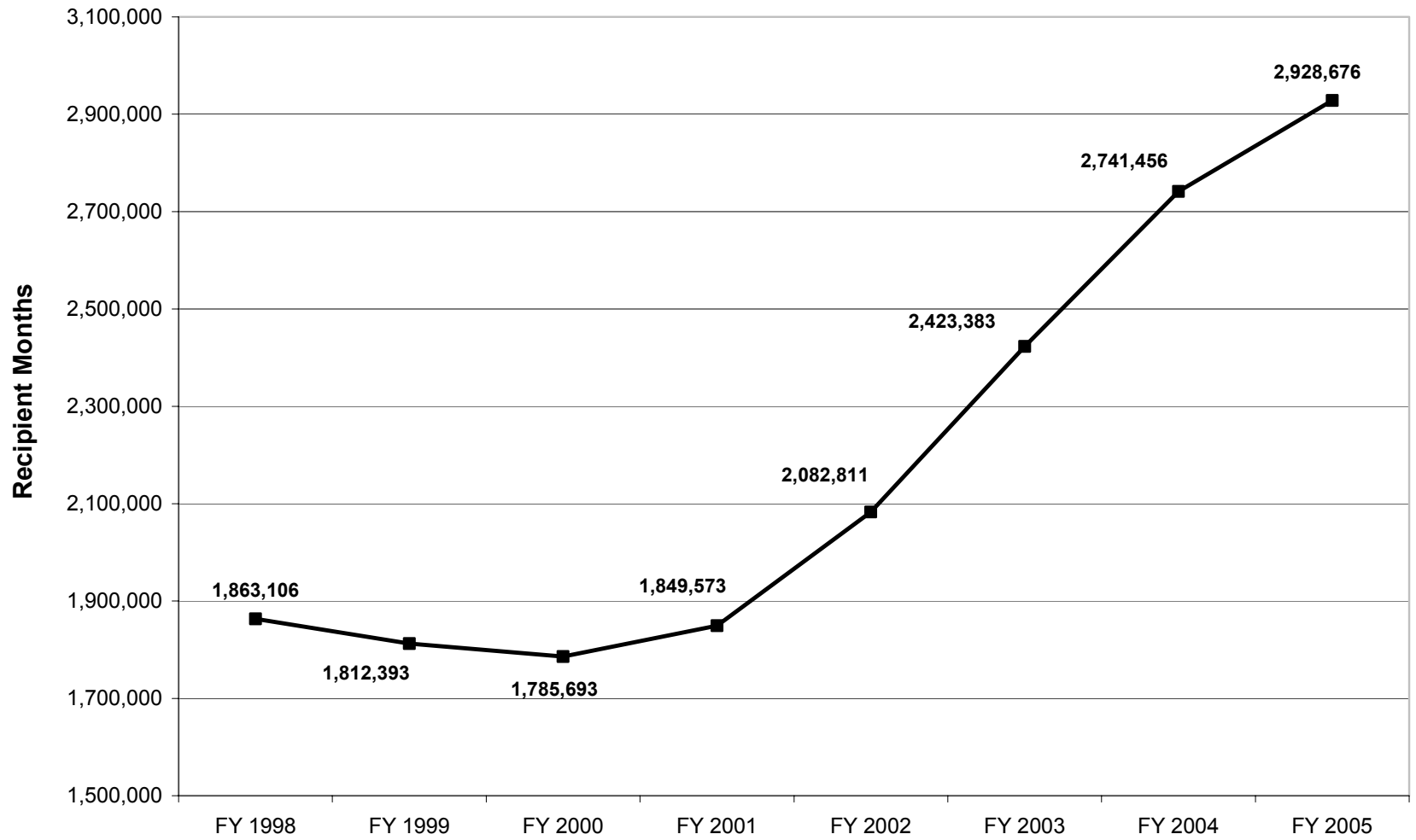
Agency	FY 2003 GR Budget	FY 2003 HHS GR Plan	% Reduction
Texas Commission for the Blind (TCB)	\$13,568,763	\$726,434	5.4%
Texas Department of Human Services (DHS)	\$1,756,846,783	137,495,529	7.8%
Texas Rehabilitation Commission (TRC)	\$54,321,629	\$2,610,908	4.8%
Texas Commission for the Deaf and Hard of Hearing (TCDHH)	\$1,036,610	\$66,000	6.4%
Texas Department on Aging (TDoA)	\$7,735,145	\$422,515	5.5%
Texas Department of Health (TDH)	\$573,003,722	\$70,902,824	12.4%
Texas Commission on Alcohol and Drug Abuse (TCADA)	\$27,387,971	\$2,730,000	10.0%
Texas Health and Human Services Commission (HHSC)	\$59,356,681	\$19,113,798	32.2%
Texas Department of Protective and Regulatory Services (PRS)	\$289,091,661	\$13,789,024	4.8%
Interagency Council on Early Childhood Intervention (ECI)	\$36,204,940	\$3,046,554	8.4%
Texas Department of Mental Health and Mental Retardation (MHMR)	\$1,183,443,892	\$82,930,297	7.0%
Totals	\$4,001,997,797	333,833,883	8.3%

* FY03 HHS GR Plan includes both GR budget reductions and GR revenue opportunities

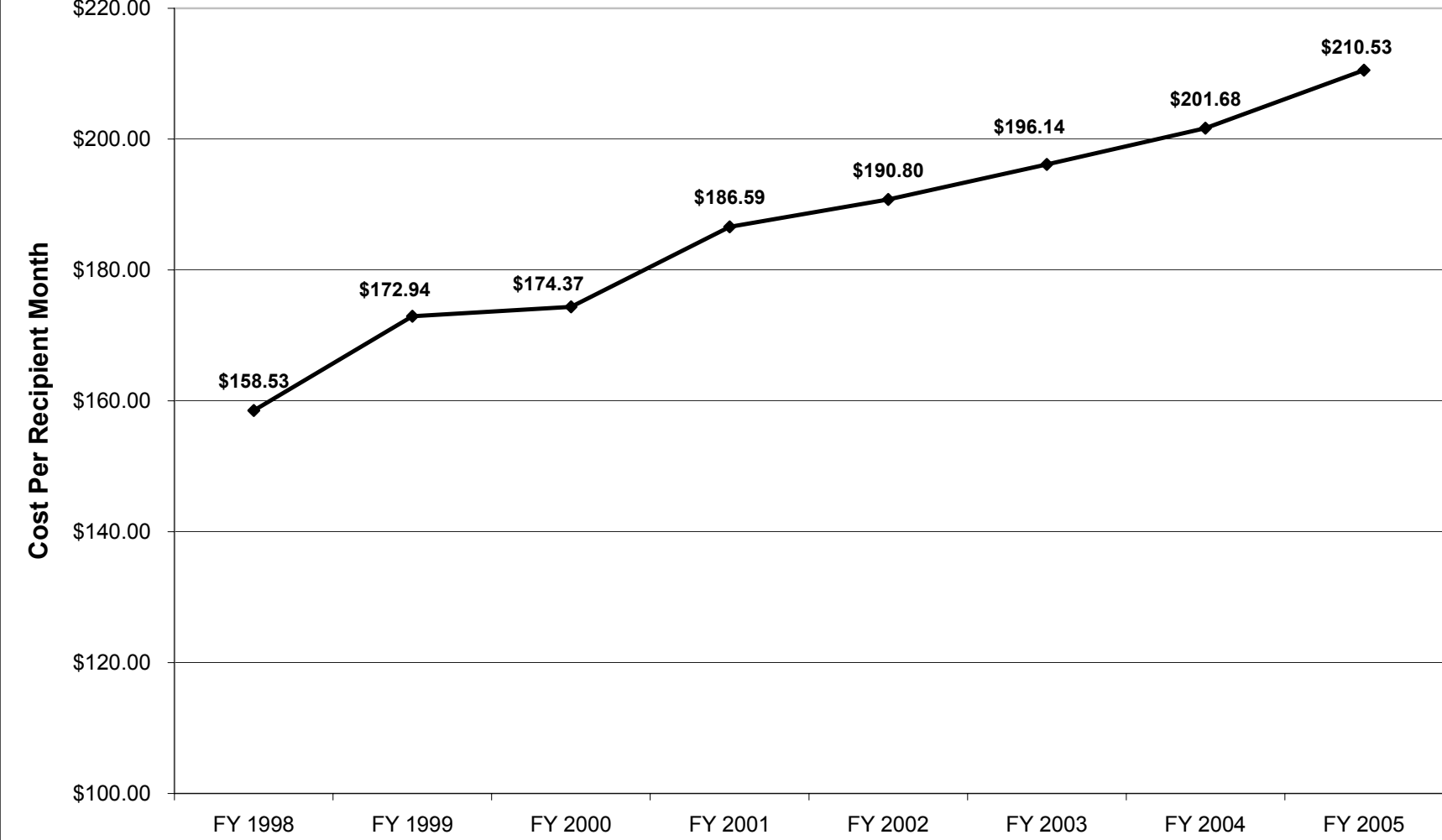
CHIP Caseload



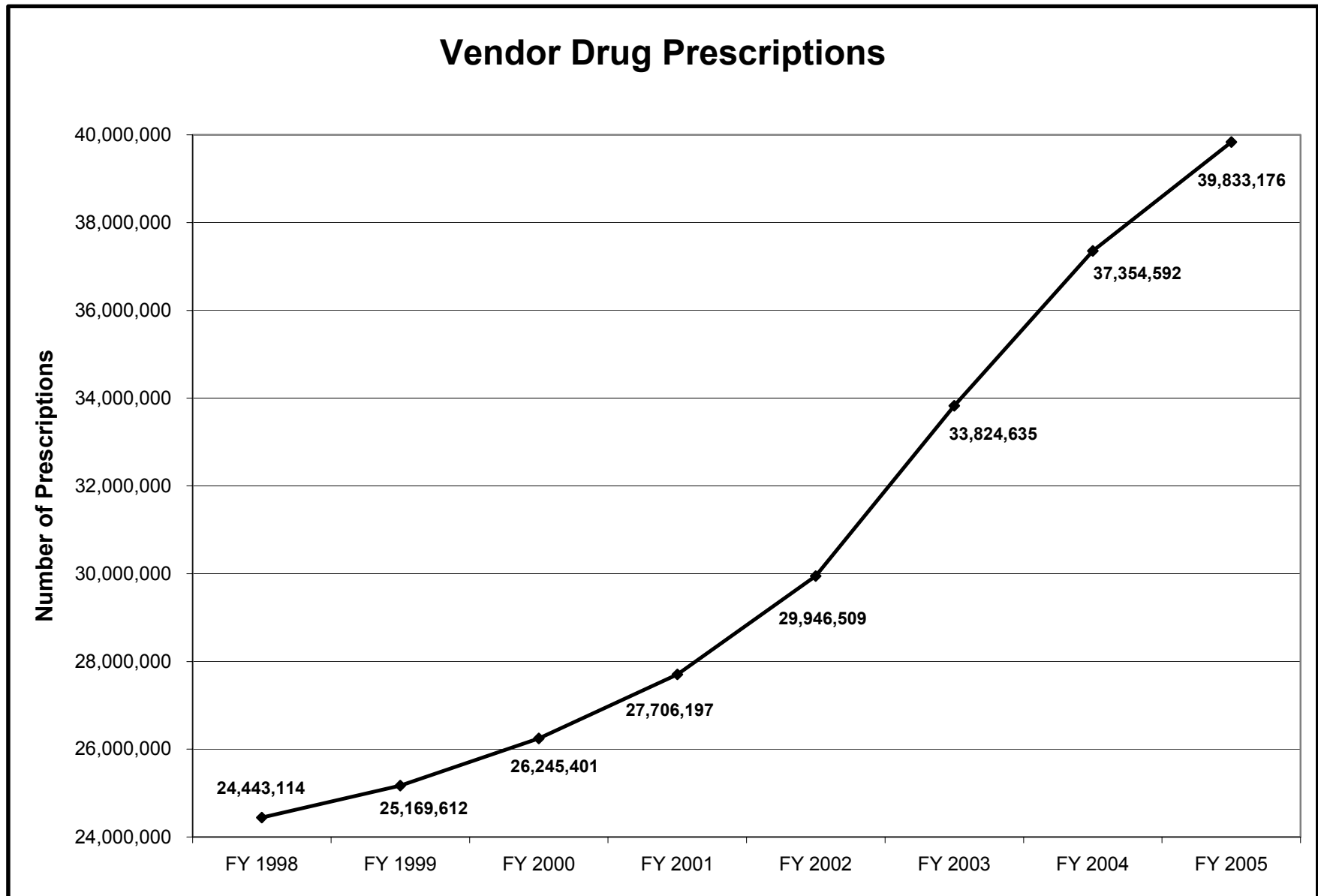
Total Medicaid Caseload



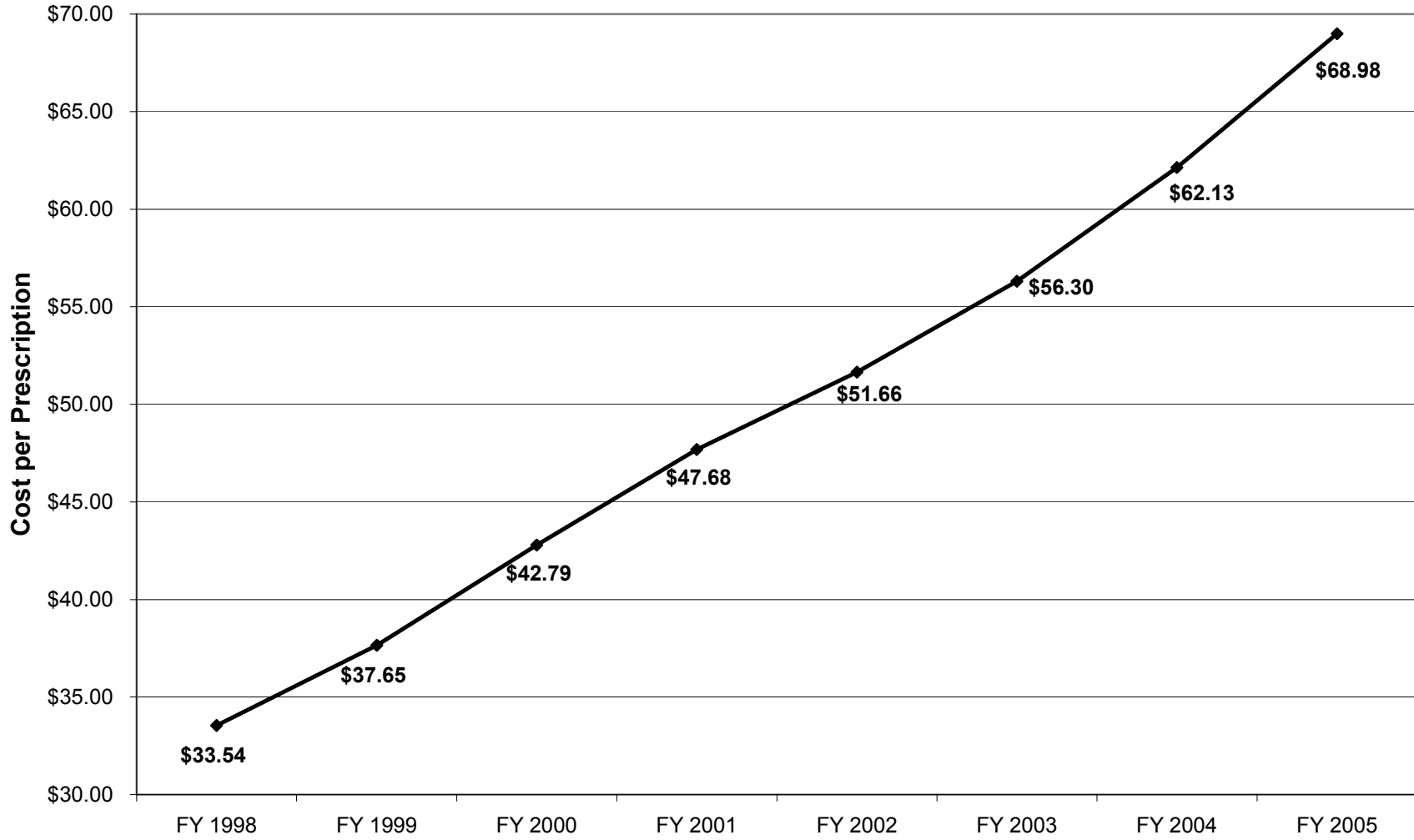
Total Medicaid Cost



Vendor Drug Prescriptions



Vendor Drug Cost per Prescription



HHSC Approach to Developing Budget Building Blocks for the 2004-05 Fiscal Biennium

The “Building Blocks” submission prepared in response to Legislative Budget Board instruction is structured to provide key decision-making information at various levels of funding. Separate building blocks are presented for: 1) the Children’s Health Insurance Program (CHIP) and for 2) Medicaid (acute care) and other HHSC programs. CHIP building blocks are arrayed among two tiers beginning with the Initial General Revenue allocation. Medicaid/other HHSC building blocks are distributed among five tiers, also beginning with the Initial General Revenue allocation. Four fundamental questions are answered at each tier:

- (1) Which eligible populations are served?
- (2) What services would be available?
- (3) How many eligible clients would receive services?
- (4) What is the cost of delivering the services to these clients?

Cost-Saving Options

Implementing new cost-saving initiatives, continuing existing cost containment measures and modifying certain state laws and policies would significantly further efforts to contain the scope and cost of health care programs.

The cost and caseload estimates presented here reflect the impact of the cost-saving options identified below:

Contain Costs

- Reduce administrative and service delivery costs
- Limit coverage of optional services
- Strengthen utilization controls
 - Implement a Preferred Drug List (PDL)
 - Increase CHIP cost-sharing and co-payment levels
 - Establish a comprehensive disease management program (savings not estimated)
- Maintain FY 2002-03 cost containment initiatives (Rider 33)
 - Competitive bidding and pricing for eyeglasses
 - Competitive bidding and pricing for medical equipment and supplies
 - Hospital cost savings
 - Vendor drug savings through changes to the reimbursement formula, sliding-scale co-payments, increased utilization review and 34-day supply on prescriptions.

Manage Caseloads

- Prioritize mandatory populations
- Limit eligibility period not to exceed six months
- Conduct eligibility interview at initial certification
- Verify assets
- Establish a 90-day waiting period for enrollment in CHIP (Tier 2)

**CHIP and Maintenance of Effort (MOE)
Medicaid Clients**

The portion of the HHSC budget attributable to CHIP and maintenance of effort (MOE) Medicaid clients is presented in the two Tiers described below. Each Tier contains multiple building blocks.

Tier 1

State Share: \$396.0 Million
Federal Funds: \$704.9 Million

CHIP clients up to 150 percent of FPL, maintenance of effort Medicaid clients, and services that can be financed with this funding level are included in this block.

Tier 2

State Share: \$611.4 Million
Federal Funds: \$1,009.7 Million

This block would continue to fund services for all populations covered under amended policies.

Tier 1

CHIP clients and maintenance of effort Medicaid clients that can be financed with this funding level are included in this block

\$396.0 Million State Share

Building Blocks

- CHIP at or below 150 percent of FPL \$229.8 million state share
- CHIP general revenue-funded programs at or below 150 percent of FPL \$ 50.2 million state share
- Medicaid Maintenance of Effort \$116.0 million state share

Includes

Client Populations

CHIP	<u>Caseload</u>	
	<u>FY 2004</u>	<u>FY 2005</u>
• CHIP children at or below 150 percent of FPL	281,732,250,709	
• Children at or below 150 percent of FPL who are eligible for CHIP general revenue-funded programs including:		
- Legal Immigrants	9,326	8,584
- Children of School Employees	5,799	4,883
- SKIP	3,890	4,279

Medicaid Maintenance of Effort	<u>FY 2004</u>	<u>Caseload</u>	<u>FY 2005</u>
- Pregnant Women under age 19 above 133 percent through 185 percent of FPL	2,056		2,138
- Infants above 133 percent through 185 percent of FPL	34,465		35,762
- Medically Needy children at or below 24 percent of FPL	1,921		2,269

Summary of Clients Served

Total Medicaid	38,442	40,169
Total CHIP	282,135	251,202

Services

- Inpatient and outpatient hospital and physician services for Medicaid and CHIP
- Drugs for Medicaid and CHIP

Provider Reimbursement

- CHIP provider rates at 100 percent of the FY 2003 reimbursement level
- Medicaid provider rates at 67 percent of the FY 2003 provider reimbursement level

Savings Due to Cost Containment Initiatives

- PDL with prior authorization \$1.4 million GR biennial
- Increase cost-sharing requirements for CHIP to \$14 per month \$2.3 million GR biennial

Tier 2

Funding for services for all populations under amended policies

\$611.4 Million State Share

Building Blocks

- CHIP children above 150 percent through 185 percent of FPL \$ 96.2 million state share
- CHIP children above 185 percent through 200 percent of FPL \$ 25.9 million state share
- CHIP state share programs above 150 percent through 185 percent of FPL \$ 33.2 million state share
- CHIP state share programs above 185 percent through 200 percent of FPL \$26.6 million state share
- CHIP rate increases \$26.6 million state share
- Medicaid rate increases \$ 6.9 million state share

Includes

Client Populations	<u>Caseload</u>	
	<u>FY 2004</u>	<u>FY 2005</u>
CHIP		
- CHIP children at or below 150 percent of FPL	281,732	250,709
- Children at or below 150 percent of FPL who are eligible for CHIP general revenue-funded programs	19,015	17,746
- <i>Children above 150 percent through 200 percent of FPL who are eligible for CHIP or CHIP general revenue-funded programs</i>	110,523	98,766
Medicaid maintenance of effort		
- Pregnant Women under age 19 above 133 percent through 185 percent of FPL	2,056	2,138
- Infants above 133 percent through 185 percent of FPL	34,465	35,762
- Medically Needy children at or below 24 percent of FPL	1,921	2,269

Summary of Clients Served

Total Medicaid	No Change from Tier 1	38,442	40,169
CHIP	Tier 1	282,135	231,202
	<u>Tier 2 Addition</u>	<u>106,633</u>	<u>94,487</u>
Total CHIP		388,768	345,684

Services

- Inpatient and outpatient hospital and physician services for Medicaid and CHIP
- Drugs for Medicaid and CHIP

Provider Reimbursement

- CHIP provider rates at the FY 2003 reimbursement level *adjusted for inflation*
- Medicaid provider rates at FY 2003 reimbursement levels *adjusted for inflation with an additional two percent for physicians, professional services, and outpatient hospitals*

Savings Due to Cost Containment Initiatives

- | | |
|---|----------------------------|
| • PDL with prior authorization | \$ 1.9 million GR biennial |
| • 90-day waiting period for CHIP enrollment | \$42.4 million GR biennial |
| • Increase cost-sharing for CHIP to federal maximum | \$61.6 million GR biennial |

Medicaid Acute Care and Other HHSC Programs

The portion of the HHSC budget attributable to Medicaid and programs other than CHIP is presented in the five Tiers described below. Each Tier contains multiple building blocks.

Tier 1 Initial General Revenue

GR: \$5.2 Billion
FF: \$8.2 Billion

This tier covers **federally mandated** clients and services and only includes optional services that are a lower cost alternative to federally mandated services.

Tier 2

GR: \$ 6.7 Billion
FF: \$10.4 Billion

This tier includes options for restoring provider rates up to the FY 2003 reimbursement level.

Tier 3

GR: \$ 7.7 Billion
FF: \$11.9 Billion

This tier would continue current policy for priority populations and services that are not funded in tier 1.

Tier 4

GR: \$ 8.3 Billion
FF: \$12.8 Billion

This block would continue to fund services for all populations currently covered.

Tier 5

GR: \$ 8.4 Billion
FF: \$13.0 Billion

This block selects key exceptional items from the previously submitted Legislative Appropriations Request.

Tier 1

This tier covers federally mandated clients and services and only includes optional services that are a lower cost alternative to federally mandated services.

\$5.2 Billion General Revenue

Building Blocks

- Premiums: Children and Medically Needy \$1,488.2 million GR
- Premiums: Aged and Disabled \$1,196.1 million GR
- Premiums: TANF Adults and Children \$ 386.9 million GR
- Premiums: Pregnant Women \$ 324.8 million GR
- Medicaid Vendor Drugs \$ 776.7 million GR
- EPSDT Comprehensive Care \$ 171.9 million GR
- Cost Reimbursed Services \$ 301.4 million GR
- Medicare Payments \$ 516.5 million GR
- Various Administrative costs include: \$ 24.3 million GR
 - State Medicaid Office
 - Investigations and Enforcement

- Rate Setting
- System Integration

Includes

Caseload

Client Populations

	<u>FY 2004</u>	<u>FY 2005</u>
• Pregnant Women at or below 133 percent of the federal poverty level (FPL)	90,824	94,457
• Children ages 0-5 at or below 133 percent of FPL	647,711	676,580
• Children ages 6-18 at or below 100 percent of FPL	987,931	1,031,423
• Adults with children at or below the TANF income limit (about 17 percent of FPL) including those eligible for transitional coverage	134,638	145,479
• Aged, Blind and Disabled clients at or below 100 percent of SSI (SSI is about 73 percent of FPL)	500,310	509,638

Summary of Clients Served

Adults	646,208	667,795
Children	<u>1,715,205</u>	<u>1,789,783</u>
Total Clients	2,361,413	2,457,578

Services

Medicaid

- Inpatient and outpatient hospital and physician services for eligible clients to the extent required by federal law, or to provide a lower cost alternative to a required service (e.g., ambulatory surgery centers).
- Drugs for pregnant women
- Drugs for children
- Drugs for Aged, Blind and Disabled clients at or below 100 percent of SSI who are in nursing homes
- Services provided by Federally-Qualified Health Centers (FQHCs)
- Part A/B Medicare payments
- Medicare co-insurance and deductibles for clients above SSI through 100 percent of FPL
- Emergency services per federal mandates

Other

- HIPAA compliance

Provider Reimbursement

- Provider rates at 67 percent of the FY 2003 reimbursement level

Savings Due to Cost Containment Initiatives at this Tier

- PDL with prior authorization \$64.7 million GR biennial
- Vision care \$.08 million GR biennial
- Competitive pricing for medical supplies \$.64 million GR biennial
- Hospital cost savings \$45 million GR biennial
- Vendor Drug \$53.5 million GR biennial

Tier 2

This tier restores provider rates to the
FY 2003 reimbursement level.

\$6.7 Billion General Revenue

Building Blocks

- Medicaid provider rates at approximately 80 percent of FY 2003 reimbursement level \$ 608.6 million GR biennial
- Medicaid provider rates at approximately 90 percent of FY 2003 reimbursement level \$1,076.8 million GR biennial
- Medicaid provider rates at 100 percent of FY 2003 reimbursement level \$1,538.4 million GR biennial

Includes

Client Populations

	<u>Caseload</u>	
	<u>FY 2004</u>	<u>FY 2005</u>
• Pregnant Women at or below 133 percent of FPL	90,824	94,457
• Children ages 0-5 at or below 133 percent of FPL	647,711	676,580
• Children ages 6-18 at or below 100 percent of FPL	987,931	1,031,423
• Adults with children at or below the TANF income limit (about 17 percent of FPL) including those eligible for transitional coverage	134,638	145,479
• Aged, Blind and Disabled clients at or below 100 percent of SSI (SSI is about 73 percent of FPL)	500,310	509,638

Summary of Clients Served

		<u>Caseload</u>	
		<u>FY 2004</u>	<u>FY 2005</u>
Adults	No change from Tier 1	646,208	667,795
Children	<u>No change from Tier 1</u>	<u>1,715,205</u>	<u>1,789,783</u>
Total Clients	No change from Tier 1	2,361,413	2,457,578

Services

Medicaid

- Inpatient and outpatient hospital and physician services for eligible clients to the extent required by federal law, or to provide a lower cost alternative to a required service (e.g., ambulatory surgery centers)
- Drugs for Pregnant Women
- Drugs for children
- Drugs for Aged, Blind and Disabled clients at or below 100 percent of SSI who are in nursing homes
- Services provided by Federally-Qualified Health Centers (FQHCs)
- Part A/B Medicare payments
- Medicare co-insurance and deductibles for clients above SSI through 100 percent of FPL
- Emergency services per federal mandates

Other

- HIPAA compliance

Provider Reimbursement

- Provider rates at **100 percent** of FY 2003 reimbursement level

Savings Due to Cost Containment Initiatives

- PDL with prior authorization \$72.4 million GR biennial

Tier 3

This block would continue current policy for priority populations and services not already funded.

\$7.7 Billion General Revenue

Building Blocks

- Breast and cervical cancer services \$2.5 million GR biennial
- Drugs for Community-Based Alternatives (CBA) and Community Living Assistance and Support Services (CLASS) under 100 percent SSI \$72.1 million GR biennial
- Drugs for Aged, Blind and Disabled clients (below 100) percent of SSI but not on a waiver or in a nursing home \$724.4 million GR biennial
- Drugs for all Aged, Blind and Disabled clients above 100 percent through 200 percent of SSI \$158.3 million GR biennial

Includes

Caseload

Client Populations

	<u>FY 2004</u>	<u>FY 2005</u>
• Pregnant Women at or below 133 percent of FPL	90,824	94,457
• Children ages 0-5 at or below 133 percent of FPL	647,711	676,580
• Children ages 6-18 at or below 100 percent of FPL	987,931	1,031,423
• Adults with children at or below the TANF income limit (about 17 percent of FPL) including those eligible for transitional coverage	134,638	145,579
• Aged, Blind and Disabled clients at or below 100 percent of SSI (SSI is about 73 percent of FPL.)	500,310	509,638
• <i>Aged, Blind and Disabled clients above 100 percent through 200 percent of SSI</i>	33,658	33,887
• <i>Clients eligible for Breast and Cervical Cancer Program (BCCP) services</i>	366	366

Summary of Clients Served

Adults	Tier 2	646,208	667,795
	Tier 3 Addition	<u>33,658</u>	<u>33,887</u>
Total Adults	Tier 3 Total	679,866	701,682
Children	No change from Tier 2	<u>1,715,205</u>	<u>1,789,783</u>
Total Clients	No change from Tier 2	2,395,071	2,491,465

Services

Medicaid

- Inpatient and outpatient hospital and physician services for eligible clients to extent required by federal law, or provide lower cost alternative to required minimum (e.g., ambulatory surgery centers)
- Drugs for pregnant women
- Drugs for children
- Drugs for Aged, Blind and Disabled clients at or below 100 percent of SSI who are in nursing homes
- Services provided by FQHCs
- Part A/B Medicare payments
- Medicare co-insurance and deductibles for clients above SSI through 100 percent of FPL
- Emergency services per federal mandates
- ***Breast and cervical cancer services***
- ***Drugs for all Aged, Blind and Disabled clients at or below 200 percent of SSI***
- ***Drugs for adults with children at or below TANF income limit (three prescription limit)***

Other

- HIPAA compliance
- ***Guardianship Alliance***

- **211 Information and Referral Network**
- **Family-Based Alternatives**
- **Permanency Planning**
- **Community Resource Coordination Groups (CRCGs)**
- **Texas Integrated Funding Initiative (TIFI)**
- **The Children's Bureau**

Provider Reimbursement

- Provider rates at 100 percent of FY 2003 reimbursement level

Savings Due to Cost Containment Initiatives at this Tier

- | | |
|--|-----------------------------|
| • PDL with prior authorization | \$146.3 million GR biennial |
| • Three prescription savings | \$ 41.1 million GR biennial |
| • Vision care | \$.2 million GR biennial |
| • Competitive pricing for medical supplies | \$1.6 million GR biennial |
| • Hospital cost savings | \$45 million GR biennial |
| • Vendor Drug | \$120.4 million GR biennial |

Tier 4

This block would continue to fund services for all populations covered under amended policies.

\$8.3 Billion General Revenue

Building Blocks

- Medically Needy adults above 17 percent through 24 percent of FPL \$ 63.4 million GR biennial
- Pregnant Women 19 years and older above 133 percent through 185 percent of FPL \$ 90.0 million GR biennial
- Aged, Blind and Disabled clients above 200 percent through 300 percent of SSI \$ 40.7 million GR biennial
- Eyeglasses and hearing aids \$ 9.2 million GR biennial
- Podiatrists, chiropractics and counselors/psychologists \$ 9.5 million GR biennial
- GME payments, SHARS, TB clinics \$ 44.8 million GR biennial
- Unlimited prescriptions for TANF adults and Aged, Blind and Disabled adults in managed care waiver \$ 41.1 million GR biennial
- Adjust FY 2003 reimbursement levels for inflation \$229.0 million GR biennial

Includes

Caseload

Client Populations

FY 2004

FY 2005

• Pregnant Women at or below 133 percent of FPL	90,824	94,457
• Children ages 0-5 at or below 133 percent of FPL	647,711	676,580
• Children ages 6-18 at or below 100 percent of FPL	987,931	1,031,423
• Adults with children at or below the TANF income limit (about 17 percent of FPL) including those eligible for transitional coverage	134,638	145,579
• Aged, Blind and Disabled clients at or below 200 percent of SSI (SSI is about 73 percent of FPL)	500,310	509,638
• Clients eligible for Breast and Cervical Cancer Program (BCCP) services	366	366
• <i>Medically needy adults above 17 percent through 24 percent of FPL</i>	8,472	9,959
• <i>Pregnant Women 19-years and older above 133 percent through 185 percent of FPL</i>	16,547	17,209
• <i>Aged, Blind and Disabled clients above 200 percent through 300 percent of SSI</i>	8,641	8,702

Summary of Clients Served		<u>Caseload</u>	
		<u>FY 2004</u>	<u>FY 2005</u>
Adults	Tier 3	679,472	701,288
	Tier 4 addition	<u>33,660</u>	<u>35,870</u>
Total Adults	Tier 4 total	713,132	737,158
Children	No change from Tier 3	<u>1,715,205</u>	<u>1,789,783</u>
Total Clients	Tier 4 Total	2,428,337	2,526,941

Services

Medicaid

- Inpatient and outpatient hospital and physician services for eligible clients to extent required by federal law, or provide lower cost alternative to required minimum (e.g., ambulatory surgery centers)
- Drugs for pregnant women
- Drugs for children
- Drugs for Aged, Blind and Disabled clients at or below 200 percent of SSI
- Services provided by FQHCs
- Part A/B Medicare payments
- Medicare co-insurance and deductibles for clients above SSI through 100 percent of FPL
- Emergency services per federal mandates
- Breast and cervical cancer services
- Drugs for adults with children below TANF income limit

- ***Drugs for all Aged, Blind and Disabled clients above 200 percent SSI through 300 percent SSI***
- ***Eyeglasses and hearing aids for Medicaid adults***
- ***Podiatrists, chiropractics and counselors/psychologists***
- ***Graduate Medical Education (GME) payments***
- ***School Health Related Services (SHARS)***
- ***TB clinics***
- ***Unlimited prescriptions for TANF adults and Aged, Blind & Disabled Adults on managed care waivers.***

Other

- HIPAA compliance
- Guardianship Alliance
- 211 Information and Referral Network
- Family-based Alternatives
- Permanency Planning
- Community Resource Coordination Groups (CRCGs)

- Texas Integrated Funding Initiative (TIFI)
- The Children’s Bureau

Provider Reimbursement

- Medicaid provider rates at 100 percent of FY 2003 reimbursement level ***adjusted for inflation***

Savings Due to Cost Containment Initiatives at this Tier

- | | |
|--------------------------------|-----------------------------|
| • PDL with prior authorization | \$150.8 million GR biennial |
| • Vision | \$.8 million GR biennial |
| • Competitive pricing | \$ 6.4 million GR biennial |
| • Hospital costs | \$ 45 million GR biennial |
| • Vendor Drug | \$128.7 million GR biennial |

Tier 5

This tier selects key exceptional items from the previously submitted Legislative Appropriations Request.

\$8.4 Billion General Revenue

Building Blocks

- Promoting independence \$5.1 million GR biennial
- Complete HHSAS \$5.4 million GR biennial
- Complete 211 implementation \$12.8 million GR biennial
- Increase rates by two percent \$95.0 million GR biennial

Includes

Client Populations

	<u>Caseload</u>	
	<u>FY 2004</u>	<u>FY 2005</u>
• Pregnant Women at or below 133 percent of FPL	90,824	94,457
• Children ages 0-5 at or below 133 percent of FPL	647,711	676,580
• Children ages 6-18 at or below 100 percent of FPL	987,931	1,031,423
• Adults with children at or below the TANF income limit (about 17 percent of FPL) including those eligible for transitional coverage	134,638	145,579

	<u>FY 2004</u>	<u>FY 2005</u>
• Aged, Blind and Disabled clients at or below 200 percent of SSI (SSI is about 73 percent of FPL)	500,310	509,638
• Clients eligible for Breast and Cervical Cancer Program (BCCP) services	366	366
• Medically needy adults above 17 percent through 24 percent of FPL	8,472	9,959
• Pregnant Women 19-years and older above 133 percent through 185 percent of FPL	16,547	17,209
• Aged, Blind and Disabled clients above 200 percent through 300 percent of SSI	8,641	8,702

Summary of Clients Served

Adults	Tier 5 (no change from Tier 4	713,132	737,158
Children	<u>Tier 5 (no change from Tier 4</u>	<u>1,715,205</u>	<u>1,789,783</u>
Total Clients	Tier 5 (no change from Tier 4	2,428,337	2,526,941

Services

Medicaid

- Inpatient and outpatient hospital and physician services for eligible clients to extent required by federal law, or provide lower cost alternative to required minimum (e.g., ambulatory surgery centers)
- Drugs for pregnant women
- Drugs for children
- Drugs for Aged, Blind and Disabled clients at or below 300 percent of SSI

- Drugs for adults with children below TANF income limit
- Unlimited prescriptions for TANF Adults and Blind & Disabled Adults on managed care waivers
- Services provided by FQHCs
- Part A/B Medicare payments
- Medicare co-insurance and deductibles for clients between SSI and 100 percent of FPL
- Emergency services per federal mandates
- Breast and cervical cancer services
- Eyeglasses and hearing aids for Medicaid adults
- Podiatrists, Chiropractics and Counselors/Psychologists
- Graduate Medical Education (GME) payments
- School Health Related Services (SHARS)
- TB clinics

Other

- HIPAA compliance
- Guardianship Alliance
- 211 Information and Referral Network
- Family-based Alternatives

- Permanency Planning
- Community Resource Coordination Groups (CRCGs)
- Texas Integrated Funding Initiative (TIFI)
- The Children's Bureau
- Provide housing, transportation, and other support services for individuals who are leaving institutions or who are at risk of institutionalization (Promoting Independence initiative)
- Complete implementation of Health and Human Services Administrative System (HHSAS)
- ***Complete statewide implementation of 211 Information and Referral System***

Provider Reimbursement

- FY 2003 reimbursement levels adjusted for inflation with an additional two percent for physician, professional service, and outpatient hospitals

Savings Due to Cost Containment Initiatives

- | | |
|--------------------------------|-----------------------------|
| • PDL with prior authorization | \$150.8 million GR biennial |
| • Vision | \$.8 million GR biennial |
| • Competitive pricing | \$ 6.4 million GR biennial |
| • Hospital costs | \$ 45 million GR biennial |
| • Vendor Drug | \$128.7 million GR biennial |