

House Appropriations

Article II Subcommittee

February 27, 2023



Roll Call

Jetton, Jacey, Chair - Present

Howard, Donna - Chair - Present

Rose, Toni - Absent

Wu, Gene - Present

Gates, Gary - Present

Orr, Angelia - Present

Stucky, Lynn - Present

Resources

[Public hearing notice](#)

[Video of hearing](#)

[HHSC presentation](#)

Invited testimony

Health and Human Services Commission

Claire Steg, LBB (03:52)

88.6 billion in all funds, 6.5 billion decrease, no change to FTEs.

Less favorable matching rates are the cause of less federal funding.

Recommendations include: increasing funding to maintain salary increases and salary adjustments.

CHIP - 1.8 B in all funds for CHIP client services, as continuous coverage ends, higher CHIP needs are expected.

HTW increase in funding to match increased forecasted caseload at the end of continuous eligibility.

Anticipated growth in ECI caseload.

Howard clarified that the "less favorable" FMAP is a result of the end of the PHE and asked our forthcoming FMAP apart.

TEXAS ASSOCIATION OF HEALTH PLANS

Meeting Update–February 27, 2023

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Howard: Decrease in womens.
6.35 compared.

Howard: Asking for an estimate of what it would cost to extend postpartum coverage. Does the ECI increase get us back to where we were before? Do the accounts of Women's health account for the increase for the number of births post-Roe?

Steg: LBB can't speak to how the forecast was made but it does account for the increase in the number of cases at the end of continuous eligibility.

Wu: Does LBB help determine the amount of funding needed? Weigh in on if estimates are accurate.

Edward, LBB: There is back and forth between the agency to help determine what is appropriate. At the end of the day, our board makes the determinations.

Wu: So how do you, the LBB, determine if it is enough?

Edward: There are limitations, we do our best to vet the agency request, the final decision falls to the Legislature. We look at things like funding to meet performance measures.

Wu: Many items in Art. II are entitlements, meaning that people receive them despite what the Legislature you put in. Do your models take things like new births, etc. into account?

Edward: We have models and we have a revised model closer to the conference as we get more information.

Wu: So if they don't think about it, you can't count for it.

Steg: We get historical data, but we can't anticipate births that have not happened yet.

Andrew Marshall, LBB: We will look at outside trends including population trends from the Texas Demographic Center.

Wu: So you can't do the change in modeling until you actually see the changes?

Marshall: To an extent. We would rely on information from the agency and what are the underlying assumptions.

Wu: My concern is that we are not taking into account new pregnancies post-Dobbs. Those would show up until we are about halfway through our legislative session.

Marshall: If the births happening are happening because of policy changes, the eligibility of that population would also have to be accounted for.

Wu: So far, have you seen a change in data trends?

Marshall: Not so far.

Stuckey: But you could factor in historical data related to abortions and the alternative to abortions numbers?

Marshall: Yes.

Howard: We don't have the demographics, I assume, of who would be eligible even though we can see the trends in abortion and birth rates. Is that correct?

Marshall: That is correct. It also has to do with the type of data, monthly versus yearly, etc.

Howard: Going back to FMAP, because the enhanced funding is phased out, will that be accounted for in the conference time report?

Marshall: Yes.

Howard: So what we have now is based on the PHE ending in January?

Marshall: Yes.

Howard: So we will have better coverage than what is shown now?

Marshall: Yes.

Cecile Young, Executive Commissioner, HHSC (36:55)

Top need is the workforce, the increase in funding will help keep up with the cost of living and keep/attract talent.

Provider partners facing similar challenges - attendants.

Continuous eligibility coming to an end - the undertaking is too massive to redetermine eligibility for millions.

Trey Wood, CFO, HHSC (40:05)

Anticipating a drop in Medicaid caseload but will see an increase in CHIP.

Wu: So, do you have to redetermine everyone?

Wood: This is an unprecedented process.

Wu: Is there federal funding for that process?

Wood: I think that's part of why the funding is being phased out instead of stopping.

Stuckey: Asked about additional building on existing campus.

Young: We have plans but don't anticipate needing to build right now. We are moving staff out of the building. That is a savings of about \$25,000 a month.

Stuckey: Is that an asset we might need to consider selling?

Young: Yes sir.

Howard: You have an exceptional item to reduce the number on the waitlist, but that would leave a huge number.

Wood: Yes, depending on the program, we have different take up rates. Some may no longer be eligible for a number of reasons.

Howard: We have heard up to 20 years wait.

Wood: Yes, that is a longer one.

Howard: California and California have wait times in months instead of decades. I think it is important we figure that out. On community care attendants, \$8.11 will not entice many Texans to apply to provide these services. We talked about \$15 an hour. What would that cost be?

Wood: About \$3 billion for the biennium.

Howard: I don't want to pit one against the other but what would it take to eliminate the waitlist?

Wood: About \$1.9 billion

Wu: For the workers that help keep people at home, if they aren't there, what happens to the people who need their services?

Wood: They may need to go to a nursing home or a different medical setting. A family member may step in. They may go without.

Wu: If the state doesn't spend the \$3 billion, what would be the decrease in workers? If we project that down the line, how many homes would be closed, patients in hospital settings? What would be the increased costs for the state for not taking care of this option?

Wood: We don't have the info to make that estimate, but your premise is correct. There would likely be a long-term increased cost to the state.

Wu: If 10% of homes closed, could you come up with a number that it would cost the state?

Wood: We could make an estimate.

Wu: Can you tell us about the \$76 million in improving mental health services and item 8?

Wood: A portion of what is here is the FTEs needed to staff the programs for what the Legislature has already funded in the base bill, a new facility and a new center in Uvalde.

Wu: That extra \$500 million, is only providing 600-800 beds. In Harris County, we have lots of people waiting for beds, for critical issues. Is that spending going to actually make it better?

Wu: Part of our uncompensated care comes from federal money, correct?

Wood: There is no state money going to that.

Wu: What is the status of the 1115 waiver?

Wood: We got an extension approved, the feds have rescinded and we have since gone to court. The federal government dropped the challenge and now we have that waiver until 2031.

Wu: A lot of what you have is entitlements. Has your agency taken into account increases in birth?

Wood: We take these figures into account as much as we can.

Wu: Have you taken into account an increase in births?

Wood: When we submitted LAR, not yet. We have since revised those numbers to the extent that we can.

Wu: Have you seen data on the increase of births?

Wood: No, but we would not have seen an increase because of the timing.

Wu: So we may not see increases until after the session?

Wood: That is 100% true.

Wu: So that would go into the supplemental?

Wood: Yes, we have an estimate for what would go into the 89th session.

Stuckey: What is the real cost with \$8.11 when you factor in turnover?

Wood: That is at the provider level, so we don't have those numbers. I know that our turnover rate at 30% makes it a real challenge.

Howard: I hear that some Uvalde families are having trouble accessing services because San Antonio is not covered and that is where they want to get services.

Sonia Gaines: There are conversations on the local level. There are funds through the Governor's office. That could include subcontracts with San Antonio Providers.

Howard: Had the feds approved the six months postpartum coverage, would be ready IT wise to provide those services?

Wood: Yes.

Howard: So we could go forward as intended but it would require state funds. What would we need to do in the Legislature to expedite that? We know women will be rolling off Medicaid after 2 months.

Wood: It is currently against state law to pay for them through GR if federal funding is available. Some modification of the statute would be needed.

Howard: So if we gave you that directive, could you do it before the end of the session? If we wanted to expand to 12 months, how long would it take?

Wood: It would take about 8 months plus additional costs.

Howard: If it was clear there was intent from the legislative body, would you be able to start earlier?

Wood: I don't see why not.

Howard: I would like us to dig into that.

Howard: Alternatives to abortion program, \$20 million increase.

Wood: That came from the Legislature. The agency did not give input on that.

Rob Reese: We award funding based on cost per client and on a monthly basis, we receive workbooks on the services provided. We also collect demographic data.

Howard: Where does the \$20 million come from?

Reese: We have not gone through a forecasting process.

Howard: Can you give me examples of how your mission is served?

Reese: It could be a counseling session, referrals to the Medicaid program, counseling on nutrition and parenting.

Wu: Does HHSC have a crisis response team? Thinking in terms of Uvalde, or a disaster?

Sonia Gaines: We do have a disaster response team focused on all the things you mentioned. We work with the local mental health authorities and universities and regional service centers. Most recently we received a federal grant to expand that network.

Stuckey: What steps are being taken to keep SSLT attendants in the workforce?



Stephanie Stephens: We did use federal funding. We got a 10% match rate on long-term services and support. Used more than \$700 million given to providers for recruitment and retention. We required it to be for one-time use knowing that the money would be limited.