

# **Presentation to the Senate Finance Committee on Senate Bill 1**

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**TEXAS**  
Health and Human  
Services

# Presentation Overview

- ◆ Mission Statement and Key Functions
- ◆ Fiscal Years 2016-2017 Accomplishments
- ◆ Fiscal Year 2017 Critical Budget Issues
- ◆ Key Budget Drivers
- ◆ Comparison of Current Biennium to Senate Bill 1
- ◆ Summary of Senate Bill 1
- ◆ DSHS Approach to Exceptional Item Revisions
- ◆ Summary of Exceptional Item Requests
- ◆ Appendix- DSHS Exceptional Item Requests

# DSHS Mission Statement and Key Functions

**DSHS Mission: To improve the health, safety, and well-being of Texans through good stewardship of public resources, and a focus on core public health functions.**

## **Key Public Health Functions**

- ◆ Infectious disease prevention and control
- ◆ Health emergency preparedness and response
- ◆ Public health data and surveillance
- ◆ Chronic disease prevention
- ◆ Community health
- ◆ Consumer protection

# Fiscal Years 2016-2017 Accomplishments

## Critical Services that Impact Texas Health

- ◆ 15.5 million doses of disease-preventing vaccine each year to children and adults
- ◆ Support for public health programs that conduct about 15,000 tuberculosis investigations
- ◆ Oversight of the EMS/trauma system that includes 282 designated trauma facilities, 64,000 EMS personnel, 800 EMS providers and 4,500 EMS vehicles
- ◆ Newborn screening of almost 400,000 babies annually for genetic and metabolic disorders
- ◆ Provider of public health services in 94 of Texas's 254 counties

## Major Initiatives in the Current Biennium

- ◆ High Consequence Infectious Disease preparedness activities (Ebola)
- ◆ Zika virus disease surveillance, preparedness, and response
- ◆ Public Health Inventory and Action Plan
- ◆ Neonatal levels of care designations for hospitals
- ◆ Expanded heart attack and stroke data collection
- ◆ Breastfeeding education and outreach initiatives

# Fiscal Year 2017 Critical Budget Issues

| Supplemental Request                                       |  |
|--|--|
| Description  | Need   |
| Rusk and San Antonio State Hospital Repairs                | \$3.9 Million in Funding and Capital Authority |
| State Hospital Funding Shortfall                           | \$17.9 Million in Funding                      |
| Cost Containment   | (\$2.8 Million)                                |
| <b>TOTAL AGENCY SUPPLEMENTAL REQUEST (GENERAL REVENUE)</b> | <b>\$19.0 Million</b>                          |

# Key Fiscal Years 2018-2019 Budget Drivers

- ◆ Population Growth
  - ◆ Increasing number of disease investigations
  - ◆ Added need for public health professionals
  - ◆ Higher number of consumer protection investigations and compliance activities
- ◆ Emerging disease threats like Zika virus
- ◆ Laboratory operations and infrastructure
- ◆ EMS/Trauma program method of finance
- ◆ Potential for changes to federal funds that are the major support for public health activities

# Comparison of Current Biennium To S.B. 1

| Description                                     | FY 2016-17<br>EXP/BUD<br>(LBE) | FY 2018-19<br>Introduced Bill |
|---|--------------------------------|-------------------------------|
| Goal 1 – Preparedness and Prevention Services   | \$1,192,775,569                | \$1,056,159,150               |
| Goal 2 – Community Health Services              | \$547,296,097                  | \$455,378,527                 |
| Goal 3 – Consumer Protection Services           | \$95,617,623                   | \$82,858,075                  |
| Goal 4 – Agency Wide Technology Projects        | \$50,488,260                   | \$25,591,179                  |
| Goal 5 – Indirect Administration                | \$91,719,153                   | \$43,945,598                  |
| Goal F – Health & Human Svcs Sunset Legislation | \$3,639,458,586                | \$0                           |
| <b>TOTAL AGENCY REQUEST</b>                     | <b>\$5,617,355,288</b>         | <b>\$1,663,932,529</b>        |
| General Revenue                                 | \$1,987,176,355                | \$441,953,105                 |
| General Revenue - Dedicated                     | \$875,537,966                  | \$424,595,160                 |
| Other Funds                                     | \$591,410,190                  | \$268,068,516                 |
| Federal Funds                                   | \$2,163,230,777                | \$529,315,748                 |
| <b>TOTAL, METHOD OF FINANCING</b>               | <b>\$5,617,355,288</b>         | <b>\$1,663,932,529</b>        |
| <b>FTES</b>                                     | <b>11,669.0</b>                | <b>2,986.3</b>                |

# Summary of S.B. 1

- ◆ S.B. 1 ends the reliance of DSHS programs on earnings from the corpus of the Tobacco Settlement fund, and provides partial back fill with General Revenue for Preparedness and EMS/Trauma.
  - ◆ Reductions to Preparedness would decrease the funds available for emergency response; currently the agency has no dedicated state funding stream for response.
- ◆ S.B. 1 maintains largely level funding for the EMS/Trauma program. However, S.B. 1 appropriated levels are above the biennial revenue estimate of the dedicated account's fund balance.
- ◆ Newborn screening is maintained as level funding. However, revenues for newborn screening laboratory testing are not expected to reach S.B. 1 appropriated levels.



# Summary of S.B. 1 (cont.)

- ◆ S.B. 1 includes significant reductions to agency operations required to maintain public health functions.
  - ◆ DSHS would not be able to operate basic agency functions such as processing contract payments and fiscal monitoring.
- ◆ S.B. 1 significantly reduces the scale of the tobacco prevention and cessation program.
  - ◆ This would result in the elimination of tobacco public education campaigns, support for five local community coalitions that provide community outreach, and state-funded enforcement of youth access to tobacco laws.
- ◆ S.B. 1 includes full time equivalent and funding decreases to public health laboratory services.
  - ◆ This would result in decreased testing capacity at the DSHS Public Health Laboratory and decreased capacity at the South Texas Laboratory.
- ◆ S.B. 1 reduces full time equivalents and funding for the Vital Statistics program.
  - ◆ Less timely fulfillment of birth and death record requests; delays to adoption proceedings due to reduced capacity to complete requests for affidavits of paternity.

# Summary of S.B. 1 (cont.)

- ◆ S.B. 1 includes a full time equivalent and funding reduction to the strategy dedicated to immunizations.
  - ◆ Reduced ability to ensure widespread availability and access of vaccine for uninsured children and adults.
- ◆ Program transfers to Texas Department of Licensing and Regulation are required to occur by September 1, 2019; S.B. 1 assumes transfer will occur by September 1, 2017.
  - ◆ DSHS will not be able to support transferring TDLR programs after September 1, 2017, regardless of transition status.
- ◆ S.B.1 reduces full time equivalents and funding for registries that maintain and track health data for the state.
  - ◆ The EMS/Trauma health registry would be discontinued.
- ◆ Article IX requires an additional reduction of 1.5 percent across the budget, and could further impact DSHS public health activities.

# DSHS Approach to Exceptional Item Revisions

- ◆ Ensure DSHS basic capacity to maintain public health services in Texas.
- ◆ Prioritize currently-funded public health programs with immediate health consequences.
- ◆ Maintain the laboratory's ability to support these critical functions, particularly during emergency scenarios.
- ◆ Assure public health capacity statewide to ensure front-line response to infectious disease and tuberculosis.

# Summary of Exceptional Item Requests-S.B. 1

| Exceptional Item  | FY 2018<br>GR/GRD    | FY 2018<br>All Funds | FY 2018<br>FTEs | FY 2019<br>GR/GRD    | FY 2019<br>All Funds | FY 2019<br>FTEs | Biennial<br>GR/GRD   | Biennial<br>All Funds  |
|---|----------------------|----------------------|-----------------|----------------------|----------------------|-----------------|----------------------|------------------------|
| 1. Maintain Critical Agency Functions at LAR Levels     | \$26,278,516         | \$26,278,516         | 219.8           | \$25,065,091         | \$25,065,091         | 212.8           | \$51,343,607         | \$51,343,607           |
| 2. Strengthen the State Public Health Laboratory        | \$8,255,329          | \$8,255,329          | 2.0             | \$7,244,671          | \$7,244,671          | 2.0             | \$15,500,000         | \$15,500,000           |
| 3. Prevent and Control the Spread of Infectious Disease | \$9,876,587          | \$9,876,587          | 42.0            | \$9,623,413          | \$9,623,413          | 42.0            | \$19,500,000         | \$19,500,000           |
| 4. Secure and Preserve Vital Records                    | \$1,133,941          | \$1,133,941          | 0.0             | \$813,040            | \$813,040            | 0.0             | \$1,946,981          | \$1,946,981            |
| <b>Exceptional Item Total</b>                           | <b>\$45,544,373</b>  | <b>\$45,544,373</b>  | <b>263.8</b>    | <b>\$42,746,215</b>  | <b>\$42,746,215</b>  | <b>256.8</b>    | <b>\$88,290,588</b>  | <b>\$88,290,588</b>    |
| <b>S.B. 1 Base Bill</b>                                 | <b>\$434,049,950</b> | <b>\$833,988,402</b> | <b>2,986.3</b>  | <b>\$432,498,315</b> | <b>\$829,944,127</b> | <b>2,986.3</b>  | <b>\$866,548,265</b> | <b>\$1,663,932,529</b> |
| <b>S.B. 1 and Exceptional Item Total</b>                | <b>\$479,594,323</b> | <b>\$879,532,775</b> | <b>3,250.1</b>  | <b>\$475,244,530</b> | <b>\$872,690,342</b> | <b>3,243.1</b>  | <b>\$954,838,853</b> | <b>\$1,752,223,117</b> |

# Appendix

# DSHS Exceptional Items

# Item #1 – Ensure Basic Public Health Capability

- ◆ This exceptional item requests \$51.3 M for basic public health capabilities to:
  - ◆ Recruit providers, manage vaccine inventory, and provide immunizations to Texans.
  - ◆ Investigate and respond to incidence of infectious disease, including tuberculosis.
  - ◆ Test for infectious disease at the DSHS Public Health and South Texas Laboratories.
  - ◆ Respond to public health emergency response situations.
  - ◆ Continue all health registry functions.
  - ◆ Support activities to mitigate the impact of chronic diseases on the health care system.
  - ◆ Ensure agency operations to support effective, efficient, and accountable management of public health resources.

| MOF (\$ in Millions) | FY 2018  | FY 2019  | Biennium |
|----------------------|----------|----------|----------|
| General Revenue      | \$26.3 M | \$25.0 M | \$51.3 M |
| All Funds            | \$26.3 M | \$25.0 M | \$51.3 M |

|             |              |              |
|-------------|--------------|--------------|
| <b>FTEs</b> | <b>219.8</b> | <b>212.8</b> |
|-------------|--------------|--------------|

| Program Impact                     | Annual                  |
|------------------------------------|-------------------------|
| Fewer Vaccine Doses Provided       | 42,000                  |
| Delayed Contract Payments          | 50% Increase to 42 Days |
| Reports to the EMS/Trauma Registry | 3,085,912               |

# Item #2 - Strengthen the State Public Health Laboratory

- Laboratory Science Staff Recruitment and Retention, \$3.0 M:** Ensure DSHS ability to maintain essential testing staff and cover testing demand by increasing salary levels of DSHS skilled laboratorians and adding two new molecular biologists.
- Cost of Public Health Testing, \$11.1 M:** Maintain DSHS ability to provide critical disease outbreak response by supporting public health disease surveillance testing needs that are not reimbursed by other funding sources.
- Laboratory Infrastructure, \$1.4 M:** Maintain laboratory safety and infection control by providing proper airflow, acid waste treatment, and biosafety features.

| MOF (\$ in Millions) | FY 2018 | FY 2019 | Biennium |
|----------------------|---------|---------|----------|
| General Revenue      | \$8.3 M | \$7.2 M | \$15.5 M |
| All Funds            | \$8.3 M | \$7.2 M | \$15.5 M |

|      |   |
|------|---|
| FTEs | 2 |
|------|---|

| Program Impact                          | Annual      |
|---|-------------|
| Public Health Lab Tests                 | 1.6 million |
| Newborns Screened for Genetic Disorders | 400,000     |
| Testing for Texas Health Steps          | 450,000     |

# Item #3 - Prevent and Control the Spread of Infectious Disease

- ◆ **Local Health Department Capacity for Tuberculosis (TB) Investigations, \$7.0 M:** Ensure response to the growing number of TB reports by providing support for additional investigation capacity at local health departments.
- ◆ **Front Line Infectious Disease Staff, \$8.1 M:** Provide essential disease investigation and immunizations services in areas without a local health department or with only limited services.
- ◆ **Essential Tools for Responding to Infectious Disease, \$4.4 M:** Ensure quick and accurate identification of TB with additional laboratory testing capacity and capability to detect drug resistance, and provide a greater supply of medications to treat TB infection and disease.

| MOF (\$ in Millions) | FY 2018 | FY 2019 | Biennium |
|----------------------|---------|---------|----------|
| General Revenue      | \$9.9 M | \$9.6 M | \$19.5 M |
| All Funds            | \$9.9 M | \$9.6 M | \$19.5 M |

|      |    |
|------|----|
| FTEs | 42 |
|------|----|

| Program Impact                                      | Annual |
|---|--------|
| Additional TB Screening for Exposed Individuals     | 700    |
| Increase in Percentage of TB Exposures Responded To | 30%    |



# Item #4 - Secure and Preserve Vital Records

- Controlled Access and Surveillance, \$560 K:**  
 Better ensure the security of sensitive personal information that may be used for criminal activity like identity theft by remediating current security controls and cameras.
- Vital Records Preservation, \$837 K:** Assets for preserving vital records and security papers to prevent identity fraud and birth certificate manipulation or theft.
- Microfilming Equipment, \$100 K:** Replace decade-old microfilm equipment necessary to read, produce, and replace copies of records for records retention compliance.
- Long-term Planning, \$450 K:** Conduct an assessment to determine how to address the continued growth of vital statistics records given current space limitations.

| MOF (\$ in Millions) | FY 2018 | FY 2019 | Biennium |
|----------------------|---------|---------|----------|
| General Revenue      | \$1.1 M | \$0.8 M | \$1.9 M  |
| All Funds            | \$1.1 M | \$0.8 M | \$1.9 M  |

|      |   |
|------|---|
| FTEs | - |
|------|---|

| Program Impact          | Annual     |
|-------------------------|------------|
| Birth Records           | 30 Million |
| Death Records           | 10 Million |
| New Adoptions Processed | 8,700      |

# Comparison to Exceptional Items in the LAR

## Total Request Amount

- ◆ Revised total request is reduced from \$89.3 million in the LAR to \$88.3 million

## Reduced Requests

- ◆ Strengthen the Public Health Laboratory: From \$27.5 million to \$15.5 million for the biennium
- ◆ Secure and Preserve Vital Records: From \$3.9 million to \$1.9 million for the biennium

## Combined Requests

- ◆ Support Regional and Local Public Health: Original submission was \$6.3 million for the biennium
- ◆ Improve TB Detection and Control Capacity: Original submission was \$24.7 million for the biennium
- ◆ Combined request from \$31.0 million to \$19.5 million for the biennium

## Deleted Requests

- ◆ Restore Four Percent Reduction to Chronic Disease Programs: \$5.0 million
- ◆ Maintain Critical Public Health Capacity and Tobacco Prevention and Control: \$10.3 million
- ◆ Ensure Continued Operation of Public Health Information Technology: \$11.8 million