



# **Public Health Funding and Policy Committee 2021 Annual Report**

---

**As Required by  
Texas Health and Safety Code  
Section 117.103**

**Public Health Funding and Policy  
Committee**

**November 2021**

## Table of Contents

Executive Summary .....	1
1. Introduction .....	3
2. Background .....	4
3. Accomplishments .....	6
4. Current Activities .....	7
5. Recommendations .....	8
Medicaid Billing .....	8
Public Health Data and Information Systems .....	8
Public Health Provider-Charity Care Program .....	8
6. Future Considerations .....	9
7. Conclusion .....	10
List of Acronyms .....	11

## Executive Summary

The Public Health Funding and Policy Committee (PHFPC) 2021 Report is in response to [Texas Health and Safety Code, Section 117.103](#), which requires the PHFPC to submit a report to the Governor, Lieutenant Governor, and the Speaker of the House of Representatives on the implementation of Texas Health and Safety Code, Chapter 117.<sup>1</sup>

Chapter 117, Subchapter C of the Texas Health and Safety Code states that the PHFPC shall, at least annually, make formal recommendations to the Department of State Health Services (DSHS) regarding:

- The use and allocation of funds available exclusively to local health entities (LHEs) to perform core public health functions
- Ways to improve the overall public health of citizens in this state
- Methods for transitioning from a contractual relationship between DSHS and the LHEs to a cooperative-agreement relationship between DSHS and the LHEs
- Methods for fostering a continuous collaborative relationship between DSHS and the LHEs

Recommendations made must be in accordance with:

- Prevailing epidemiological evidence, variations in geographic and population needs, best practices, and evidence-based interventions related to the populations to be served
- State and federal law
- Federal funding requirements

Not every Texan has the same level of local public health protection. Texas delivers public health services through a system of state and LHEs. As detailed in the 2012 PHFPC Annual Report, the presence, scope, and quality of public health services vary greatly among Texas counties and cities.<sup>2</sup> Among the 254 counties in Texas, 58 operate under a local public health services contract with DSHS. Many other entities provide a small subset of environmental permitting and/or clinical services. DSHS public health regions (PHRs) provide local public health services to counties without a local public health entity. On a routine basis, PHRs support LHEs in the

---

<sup>1</sup> This report is submitted by the Public Health Funding and Policy Committee and has not been substantially edited by the Texas Department of State Health Services.

<sup>2</sup> Texas Department of State Health Services. 2012 PHFPC Annual Report. *Public Health Funding and Policy Committee*. <http://www.dshs.state.tx.us/phfpccommittee/default.aspx>. Published February 2013. Accessed March 7, 2016.

provision of services when the LHE does not have the resources available. PHRs also assist with the response to disease outbreaks and natural disasters.

State funding of local public health services is also complex and not well understood. Local health entities may receive city, county, state, federal, or other sources of funding. Historically, LHE funding does not always align with known public health risks, vulnerabilities, threats, and/or disease statistics.

The current PHFPC recommendations to DSHS focus on expanding definitions of the previous annual report's recommendations. Recommendations include support and coordination to assist LHEs with Medicaid billing, attaining Public Health Provider-Charity Care Program funding as well as the streamlining and enhancing interoperability of public health data and information systems. During 2021, PHFPC continued efforts toward completing the current recommendations with a strong focus on COVID-19 related activities.

# 1. Introduction

[Texas Health and Safety Code, Section 117.103](#) requires the Public Health Funding and Policy Committee (PHFPC) to submit a report to the Governor, Lieutenant Governor, and the Speaker of the House of Representatives on the implementation of the Texas Health and Safety Code, Chapter 117.

The PHFPC developed recommendations based on discussions during meetings throughout the fiscal year 2021 and included them in the annual Public Health Funding and Policy Committee 2021 Recommendations Report.

These new recommendations address the COVID-19 pandemic and bolster public health in the following areas:

- Medicaid Billing;
- Public Health Data and Information Systems; and
- Public Health Provider-Charity Care Program (PHP-CCP)

## 2. Background

In 1997, the 75th Texas Legislature passed H.C.R. 44 which required an interim study to evaluate the role of local governments in providing public health services. As a result, a steering committee and working group submitted recommendations to the 76th Texas Legislature. With the passage of H.B. 1444, 76th Texas Legislature, Regular Session, 1999, Texas established itself as one of the first states to codify the essential services of public health into statute. However, the effort to fund these essential services remains "subject to the availability of funds." In addition, local service delivery remains problematic, because the majority of funds are tied to categorical streams. What is needed is transformative change in state and federal funding of services.

Although H.B. 1444 provided a foundation, it did not define what constitutes a health department in Texas, establish standards, scope of services, or establish a mechanism for funding. Since 1999, when H.B. 1444 was passed, persistent programmatic funding cuts have resulted in decreased public health capacity. Many local governments voiced concerns about their inability to absorb state funding cuts without additional county or city dollars. In March 2010, discussions began on how the Department of State Health Services (DSHS) could benefit from the creation of an advisory committee aimed at reviewing policy development and funding allocations to local health entities (LHEs). In 2011, the 82nd Texas Legislature passed S.B. 969, which established the Public Health Funding and Policy Committee (PHFPC). The bill, which went into effect September 1, 2011, required the Commissioner of DSHS to appoint nine members to the PHFPC, as well as provide staff and material support to the PHFPC and meetings. The committee meetings are subject to Chapter 331 of the Government Code, Open Meetings Act.

The PHFPC's general duties are outlined in Section 117.101 of the Texas Health and Safety Code. The PHFPC shall:

- Define the core public health services a local health entity should provide in a county or municipality.
- Evaluate public health in this state and identify initiatives for areas that need improvement.
- Identify all funding sources available for use by LHEs to perform core public health functions.
- Establish public health policy priorities for this state.
- At least annually, make formal recommendations to DSHS regarding:
  - ▶ The use and allocation of funds available exclusively to LHEs to perform core public health functions,
  - ▶ Ways to improve the overall public health of citizens in this state,
  - ▶ Methods for transitioning from a contractual relationship between DSHS and the LHEs to a cooperative-agreement relationship between DSHS and the LHEs, and

- ▶ Methods for fostering a continuous collaborative relationship between DSHS and the LHEs.

The statute further specifies that recommendations must be in accordance with the following:

- Prevailing epidemiological evidence, variations in geographic and population needs, best practices, and evidence-based interventions related to the populations to be served,
- State and federal law, and
- Federal funding requirements

### 3. Accomplishments

In 2021, the Public Health Funding and Policy Committee (PHFPC) continued to work through the COVID-19 pandemic, providing the foundation for data-sharing improvements through their recommendations. The PHFPC continues to adapt and bring to light many issues and concerns regarding the pandemic. Additionally, the PHFPC has continued to pursue its previous projects in the realms of Medicaid billing, public health data, and the changes made to the 1115 Delivery System Reform Incentive Payment (DSRIP) Waiver as is shown within this report's recommendations.

The PHFPC continued to discuss data sharing and interoperability within the electronic laboratory reporting workgroup. Throughout the pandemic, a need for the development of minimum viable products, standards, and efficient processes were noted. Issues regarding deduplication and standardization have both been improved and continued to be discussed.

Due to the public health emergency, the current 1115 Medicaid Waiver has received an extension. This extension will adequately enable Texas to respond to the pandemic while also working with providers through the DSRIP transition. Currently, HHSC is proposing to expand the uncompensated care program for LHEs from dental care only to covering a wider array of public health services under the name of the Public Health Provider–Charity Care Program (PHP-CCP). The PHP-CCP is designed to allow qualified providers to receive reimbursement for the cost of delivering healthcare services, including behavioral health services, vaccine services, and other preventative services when those costs are attributed to an uninsured patient and there is no expectation of reimbursement. The program is in the best interest of LHEs as it will provide a source for continued reimbursement for the uncompensated costs of delivering services to people outside of the Medicaid program.

The PHFPC had the opportunity to give comments and feedback on the Public Health Work Force Grant funding methodology for LHEs. Recommendations were submitted to facilitate a focus on geographic areas based on the Social Vulnerability Index and specific areas of public health need, such as education and surveillance. The PHFPC also met to finalize the Framework of Core Public Health System Services which can now be found on its public-facing website. This brings the importance of this project full circle, providing an identification of the different types of public health services provided at the local level while allowing LHEs the flexibility to identify the services that are most important in their respective jurisdictions.

Additionally, with the high level of engagement between the PHFPC, contractors, and other stakeholders, new recommendations have been made by the PHFPC to DSHS this year.



## 4. Current Activities

The Public Health Funding and Policy Committee (PHFPC) is working with the Texas Department of State Health Services (DSHS) on numerous activities. The Electronic Laboratory Reporting Workgroup continues with its goal of addressing specific issues regarding laboratory reporting and data consistency. The PHFPC provided DSHS with new recommendations on this topic regarding a greater collaborative effort.

The PHFPC is currently preparing for the onset of two new grants affecting LHEs. The Public Health Workforce Grant will help bolster the public health workforce based on the criteria mentioned above, and DSHS' COVID-19 Health Disparity Funding will help in the identification and implementation of aid in communities disproportionately impacted by COVID-19.

Continued discussion and follow-up are presently held at each PHFPC meeting on Medicaid billing and the new 1115 DSRIP Waiver Transition extension. The PHFPC recognizes the importance of these topics, especially during the continued pandemic response.

## 5. Recommendations

The following details the recommendations and their status.

### Medicaid Billing

**PHFPC recommends that DSHS become the leading agency in the implementation of SB73 to ensure that Local Health Entities (LHEs) can expand their participation in Texas Medicaid and continue forward momentum regarding LHE Managed Care Organization contract execution. As the lead agency, DSHS will obtain monthly updates from the Health and Human Services Commission (HHSC), coordinate with a member of HHSC executive leadership to participate in regular implementation planning, request a timeline of implementation, and ensure technical assistance for LHE provider type enrollment.**

**Status:** This process is ongoing

### Public Health Data and Information Systems

**The PHFPC recommends that DSHS lead a collaborative effort, including but not limited to the potential representation of LHEs, hospital groups, and the healthcare provider community, to establish a collective vision that includes a modern and efficient public health data and information system. This includes developing a plan, strategies, and timeline to accomplish goals.**

**Status:** This process is ongoing

### Public Health Provider-Charity Care Program

**The PHFPC recommends that DSHS become a leading agency in the 1115 Waiver transition and advocate for the Public Health Provider-Charity Care Program (PHP-CCP). This should include the provision of assistance with the allocation of a proportionate share of the funds available for LHEs and mental health programs, advocacy for a comprehensive inclusion of core public health services within the PHP-CCP, and provision of technical assistance regarding cost-reporting and charity care policy development.**

**Status:** This process is ongoing

## 6. Future Considerations

The PHFPC continues to engage in meaningful discussion regarding Public Health Data and Information Systems. Discussions involving a collaborative effort towards standardization continue to be at the forefront of this topic. Interoperability between local health entities (LHEs) is also a high priority with continued updates from the Electronic Laboratory Reporting Workgroup.

The PHFPC continues to express its desire for stronger language in the contracts between managed care organizations (MCOs) and LHEs. This will help LHEs with the credentialing and contracting processes. The PHFPC will work with the Department of State Health Services (DSHS) and the Health and Human Services Commission (HHSC) to follow up on all updates associated with the recommendations made for this topic.

The PHFPC also continues to engage in discussions involving the 1115 DSRIP Waiver and its new extension the Public Health Provider-Charity Care Program. LHEs are working closely with HHSC and providing meaningful input to this new extension program. The PHFPC continues to pursue previously proposed recommendations to enable LHEs to maintain the infrastructure created because of the 1115 Waiver.

## **7. Conclusion**

The Public Health Funding and Policy Committee (PHFPC) was productive in the last year and made progress in most of the areas in which it focused. The PHFPC recognizes its progress is due to partnerships with the Health and Human Services Commission, Department of State Health Services, local health entities, and major stakeholders such as the Texas Association of City and County Officials (TACCHO). The PHFPC will continue its mission working with DSHS and HHSC on the previous recommendations and to further characterize and develop the statewide public health system.

## **List of Acronyms**

<b>Acronym</b>	<b>Full Name</b>
DSHS	Department of State Health Services
HHSC	Health and Human Services Commission
LHE	Local Health Entity
MCO	Managed Care Organization
PHFPC	Public Health Funding and Policy Committee
PHP-CCP	Public Health Provider-Charity Care Program
PHR	Public Health Region
TACCHO	Texas Association of City and County Officials