



Presentation to the House Appropriations Committee Article II Subcommittee

Department of State Health Services

***David Lakey, M.D., Commissioner
Bill Wheeler, Chief Financial Officer***

February 2011

Agency Overview

The mission of the Department of State Health Services is to improve health and well-being in Texas.

DSHS Services

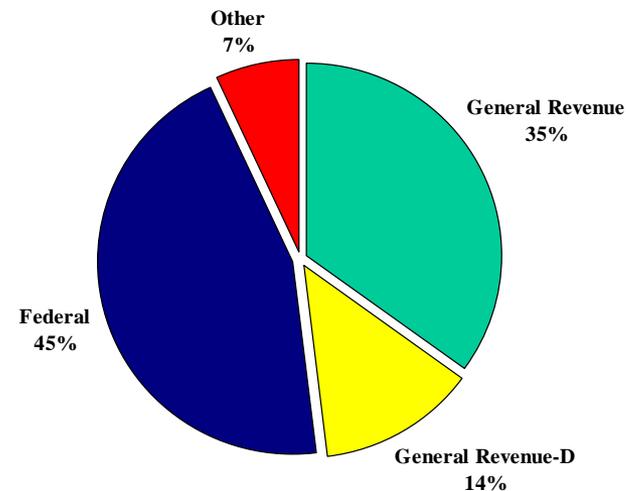
- Family & Community Health Services
- Health Information & Vital Statistics
- Mental Health & Substance Abuse Services
- Prevention & Preparedness Services
- Regional & Local Health Services
- Regulatory Services

Scope

- Alzheimer's and Ambulances to Zoonosis and Zebra Meat
- Impact on millions of people
- Nearly 7900 client services and administrative contracts
- ~160 DSHS sites

DSHS Budget Facts – FY 10-11

- \$6.16 billion biennial budget
- 50% of the DSHS budget is general revenue (GR/GR-D)
- Over 50% of DSHS GR is for mental health services
- DSHS has 220 funding streams/methods of finance
- Regulatory Services are primarily supported by fees



Fiscal Year 2012-13 Issues

Public Health Threats

- Public health emergency preparedness/response protect Texans from natural and man-made disasters
- Infectious diseases remain a threat to Texans
- The burden of chronic diseases is increasing and is a driver of health care costs - prevention programs for obesity and tobacco help to mitigate this burden

Health Cost Containment by DSHS

- Community mental health services reduce the need for more costly services, such as hospitalizations
- Substance abuse continues to be a driver of poor health and costs throughout the state budget
- Community health services improve health and reduce costs to the state budget, such as Medicaid
- Health care quality is an important factor in reducing health care costs

Regulatory Services – Impact to Business and Health

- Diminished regulatory services affect licensing and inspection activities

Fiscal Year 2012-13 Issues

- Costs to sustain community mental health services and other clinical services in an environment of population growth and increasing health care costs
- Costs to preserve mental health hospital capacity, facilities and equipment
- Annualization of costs for projects from last session
- Method of finance swaps
- Implementation of cost containment measures



Comparison of Current Biennium with H.B. 1 as Introduced

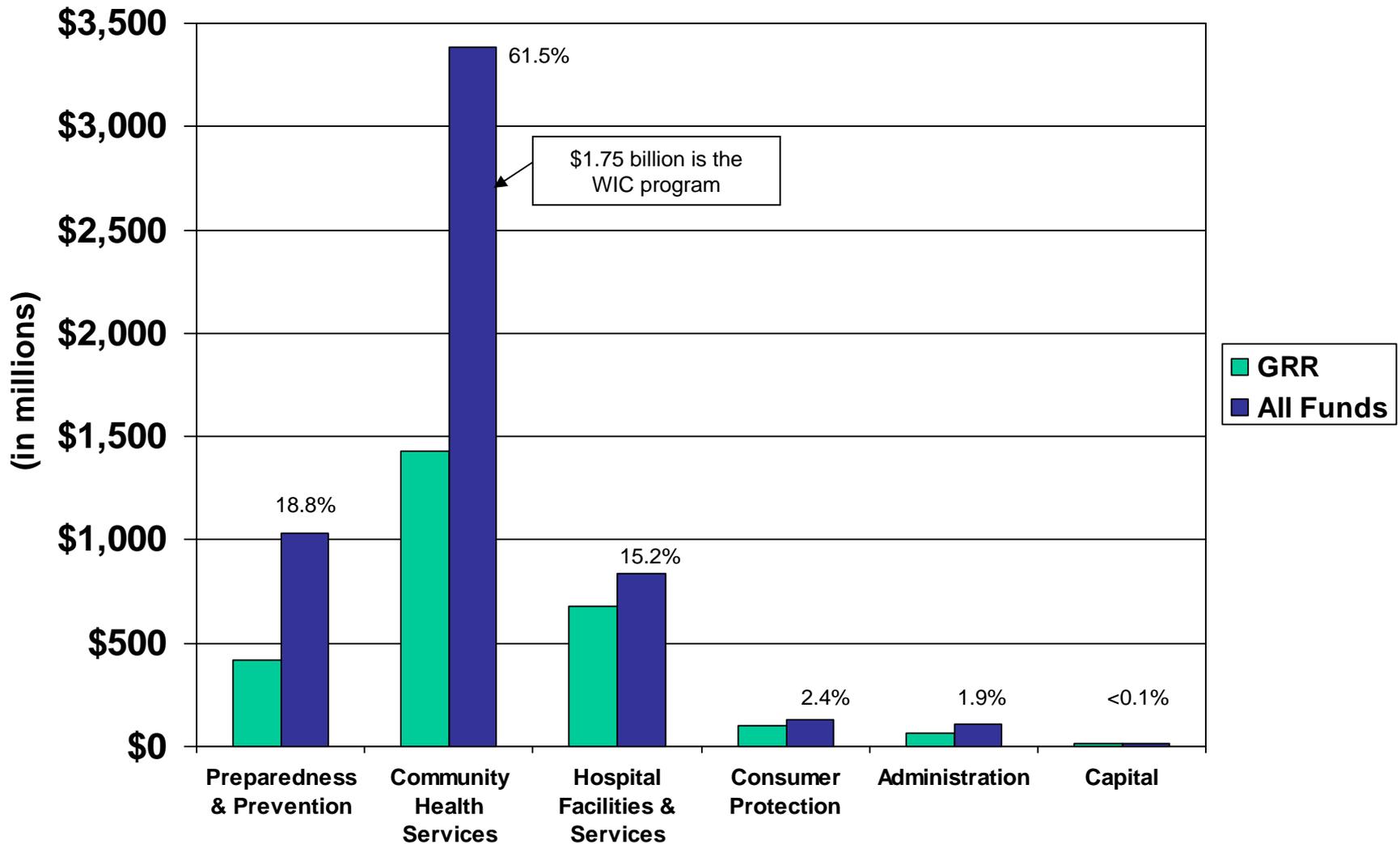
Description	FY2010-11	FY2012-13
	Exp/Bud	Introduced Bill
GOAL 1 - Preparedness and Prevention	\$1,220,532,170	\$1,031,731,514
GOAL 2 - Community Health Services	\$3,706,877,855	\$3,384,611,515
GOAL 3 - Hospital Facilities	\$874,304,269	\$835,860,020
GOAL 4 - Consumer Protection Services	\$147,847,016	\$129,786,829
GOAL 5 - Indirect Administration	\$112,204,513	\$106,178,139
GOAL 6 - Capital Items	\$78,392,897	\$12,861,691
TOTAL AGENCY REQUEST	\$6,140,158,720	\$5,501,029,708
General Revenue	\$2,165,220,342	\$1,963,394,650
General Revenue-Dedicated	\$789,769,030	\$729,114,464
Fed Funds	\$2,727,030,856	\$2,426,538,270
Federal FMAP Adjustment	\$23,944,523	
Other Funds	\$434,193,969	\$381,982,324
TOTAL, METHOD OF FINANCING	\$6,140,158,720	\$5,501,029,708
FTEs	12,580.7	12,347.0

Implementing H.B. 1

- Change available services
- Modify policies, such as eligibility or co-payments/cost-sharing
- Consider changes to service delivery and business models
- Consider wait lists
- Implement other cost containment strategies
- Review fees for regulatory and laboratory services per rider direction
- Request statutory changes

H.B. 1 - FY 2012-13

(By Goal)





Clients Served in Selected Programs

Program	FY 2011	FY 2012*	FY 2013*
Immunization <i>(Vaccine Doses)</i>	14,290,417	14,576,225	14,576,225
Children with Special Health Care Needs <i>(Average per month)</i>	1,239	1,000	1,000
Community Mental Health Services for Adults <i>(Average per month)</i>	52,484	48,705	48,705
Community Mental Health Services for Children <i>(Average per month)</i>	12,206	11,455	11,455
Substance Abuse - Prevention <i>(Average per month)</i>	135,640	135,640	135,640
Substance Abuse - Intervention <i>(Average per month)</i>	20,363	16,962	16,962
Substance Abuse - Treatment <i>(Average per month)</i>	6,110	6,110	6,110
Mental Health State Hospitals <i>(Average Daily Census)</i>	2,477	2,347	2,347
Regulatory - Surveillance	303,500	303,500	303,500
Regulatory - Enforcement	15,400	15,400	15,400
Regulatory – Licenses / Registrations	183,170	182,170	182,170

*FY 2012 and FY 2013 numbers were pulled from the measures in the base bill.



Priorities for Consideration

Agency Request Above Introduced Bill	FY 2012		FY 2013		BIENNIAL TOTAL		FY 2012	FY 2013	Appendix Page #
	GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs	
1 Restore Critical Base Bill Reductions	\$84,738,836	\$119,536,402	\$84,738,836	\$118,150,842	\$169,477,672	\$237,687,244	154.5	154.5	11
2 Preserve Public Health Services	\$2,510,780	\$2,510,780	\$21,710,779	\$21,710,779	\$24,221,559	\$24,221,559	0.0	0.0	12
3 Maintain Hospital Operations	\$28,432,112	\$28,432,112	\$29,791,927	\$29,791,927	\$58,224,039	\$58,224,039	49.0	49.0	13
4 Hospital Capacity	\$5,180,553	\$5,180,553	\$5,180,553	\$5,180,553	\$10,361,106	\$10,361,106	0.0	0.0	14
5 Hospital Repair and Maintenance	\$5,268,681	\$57,268,681	\$5,060,495	\$5,060,495	\$10,329,176	\$62,329,176	0.0	0.0	15
6 Patient Safety	\$1,550,446	\$1,550,446	\$1,074,236	\$1,074,236	\$2,624,682	\$2,624,682	8.0	8.0	16
7 Healthy Babies	\$2,050,000	\$2,050,000	\$2,050,000	\$2,050,000	\$4,100,000	\$4,100,000	0.0	0.0	17
8 Preventable Hospitalizations	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000	0.0	0.0	18
9 Infectious Disease Prevention & Treatment	\$2,685,654	\$2,685,654	\$3,630,154	\$3,630,154	\$6,315,808	\$6,315,808	21.0	21.0	19
10 Environmental Safety	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000	\$2,000,000	0.0	0.0	20
11 Critical Repairs to the Moreton Building	\$0	\$20,000,000	\$0	\$0	\$0	\$20,000,000	0.0	0.0	21
Total Agency Requests	\$134,417,062	\$241,214,628	\$155,236,980	\$188,648,986	\$289,654,042	\$429,863,614	232.5	232.5	



Appendix

Priorities for Consideration

Department of State Health Services

David Lakey, M.D., Commissioner
Bill Wheeler, Chief Financial Officer

February 2011



Item #1

Restore Critical Base Bill Reductions

Preparedness

- A.1.1 - GRR \$4,576,214

Laboratory Services

- A.4.1 - GRR \$7,854,690

Dental Services

- B.1.2 - GRR \$1,600,000

Community Mental Health Services including Adults, Children, Crisis Services & NorthSTAR

- B.2.1 - GRR \$45,819,742
- B.2.2 - GRR \$7,684,390
- B.2.3 - GRR \$9,085,236
- B.2.4 - GRR \$12,378,706

Substance Abuse Intervention Services

- B.2.5 - GRR \$4,000,000

Tobacco Prevention and Cessation

- B.2.6 - GRR \$20,943,000

State & Community Mental Health Hospitals

- C.1.3 - GRR \$30,711,938
- C.2.1 - GRR \$9,000,000

Regulatory Services

- D.1.1 – D.1.5 - GRR \$15,823,756

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	84,738,836	84,738,836	169,477,672
All Funds	119,536,402	118,150,842	237,687,244

FTEs	154.5	154.5
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Program Impact	FY 2012	FY 2013
Children served in dental program	11,500	11,500
MH Adults served	15,323	15,323
MH Children Served	2,571	2,571
Mental Health Crisis Clients	9,849	9,849
Substance Abuse Screening	40,811	40,811
State Hospitals Beds	209	209
Community Hospitals Beds	54	54
Inspection Activities	TBD	TBD

Item #2

Preserve Public Health Services

HIV Medications

- A.2.2 - GRR \$19,200,000
- While the number of new cases of HIV has remained relatively stable, the number of HIV deaths has decreased. The result is an increase in people living with HIV/AIDS.
- Because of improved medications, individuals are able to maintain productive lives.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	2,510,780	21,710,779	24,221,559
All Funds	2,510,780	21,710,779	24,221,559

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Additional Clients Served	3,300	3,300
Inspection Activities	TBD	TBD

Regulatory Services

- D1.1-
D.1.5 - GRR \$5,021,559
- Growth in regulated businesses requires increases in regulatory services.

Maintain Hospital Operations

Maintain Capacity

- C.1.3 - GRR \$15,804,718
- Increasing patient costs at state hospitals: outside medical services, salaries, medications, food, and other

Annualization of New Capacity from Prior Session

- C.1.3 & C.2.1 – GRR \$32,500,000

Market-level Salaries

- C.1.3 – GRR \$9,919,321
- Average starting salaries for DSHS psychiatrists are 16-20 percent below other state agencies, 27 percent below the private sector, and 54 percent below the Veteran's Administration (with bonuses)

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	28,432,112	29,791,927	58,224,039
All Funds	28,432,112	29,791,927	58,224,039

FTEs	49.0	49.0
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Program Impact	FY 2012	FY 2013
Increase in beds due to annualization	107	107

Item #4

Hospital Capacity

Increase Funding for Hospitality House

- B.2.1 – GRR \$433,106
- This item addresses increased costs for Hospitality House, which provides community based residential services to about 62 individuals with mental illness including 24/hr on-site supervision (including nursing care), basic life skills training and psychiatric care.
- The rate at Hospitality House is \$100 per day – significantly lower than state hospitals.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	5,180,553	5,180,553	10,361,106
All Funds	5,180,553	5,180,553	10,361,106

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Number of beds increased in Harris County	20	20

Increase Capacity in Harris County for Forensic Patients

- C.2.1 - GRR \$9,928,000
- This item would purchase a 20-bed competency restoration unit.
- Historical restoration rate of 74 percent.



Item #5

Hospital Repair and Maintenance

Bonds for Aging Facilities

- C.1.3 - GRR \$0/Bonds \$52,000,000
- Only Tier 1 projects included: renovations for suicide prevention, roof repair, fire safety, piping/valves for water, gas and sewer systems, emergency generators, asbestos removal, and mold remediation.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	5,268,681	5,060,495	10,329,176
All Funds	57,268,681	5,060,495	62,329,176

FTEs	0	0
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Critical Information Technology Items

- C.1.3 & C.2.1 – GRR \$1,660,000

Program Impact	FY 2012	FY 2013
N/A	N/A	N/A

Emergency Preparedness

- C.1.3 – GRR \$356,310

Critical Equipment for Hospitals

- C.1.3 – GRR \$6,635,262

Consolidated Laundry Operations

- C.1.3 – GRR \$77,604

Vehicles Supporting Patient Care

- C.1.3 – GRR \$1,600,000

Preventable Adverse Events data reporting (required by SB 203, 81st Texas Legislature)/ Health Care Associated Infections

- C.1.3 - GRR \$1,795,713

Targeted Interventions for Health Care Associated Infections

- A.1.2 – GRR \$264,893
- Preventing infections through interventions like the Michigan Keystone Project.

Quality Assurance Teams

- A.1.2 – GRR \$564,076
- Two quality assurance teams who will provide training and promote best practices for reducing health care-associated infections.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	1,550,446	1,074,236	2,624,682
All Funds	1,550,446	1,074,236	2,624,682

FTEs		
	8	8

Program Impact	FY 2012	FY 2013
Health Care Facilities served with educational and training activities	1,000	1,000

Item #7

Healthy Babies

Reduce Causes of Infant Mortality

- A.1.2 - GRR \$4,100,000
- Expect preterm birth rate to decrease by 8 percent over 2 years
- Translates into savings of approximately \$7.2 million in Medicaid costs over 2 years
- Evidence-based interventions will be used, but communities will have flexibility to adapt those that fit their population the best
- Local partnerships and coalitions will have a major role in shaping programs in their communities
- Based on successful strategies implemented in Kentucky.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	2,050,000	2,050,000	4,100,000
All Funds	2,050,000	2,050,000	4,100,000

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Medicaid Preterm Births Averted	392	392

Preventable Hospitalizations

Grants to Counties for Preventive Hospitalization Projects

- A.3.1 - GRR \$2,000,000
- Grants to eligible counties to reduce adult hospitalizations and/or non-Medicare hospital charges by 15% through the implementation of evidence-based community interventions (e.g., immunizations and patient case management).
- The estimated savings is \$9.6 million in non-Medicare hospital charges. It is projected that the savings of \$9.6 million would include \$2 million in reduced charges to Medicaid and \$2.3 million in reduced charges to Uninsured (Self-Pay/Charity/Indigent).
- Based on proven interventions implemented in Red River and Freestone counties.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	1,000,000	1,000,000	2,000,000
All Funds	1,000,000	1,000,000	2,000,000

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Interventions Funded	32	32

Infectious Disease Prevention & Treatment

Texas Center for Infectious Diseases – full capacity

- C.1.1 - GRR \$3,815,808
- Funding is required to staff the 40 additional beds that will now be available to treat tuberculosis patients, many who are awaiting admission and/or being served in communities across the state.

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	2,685,654	3,630,154	6,315,808
All Funds	2,685,654	3,630,154	6,315,808

FTEs	21.0	21.0
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Pediatric Protection

- A.2.3 – GRR \$1,000,000
- This exceptional item will: (1) promote vaccination to protect newborns against pertussis disease and (2) promote vaccination against rotavirus, a leading cause of unnecessary hospitalizations of young infants.

Program Impact	FY 2012	FY 2013
Increased bed capacity at TCID	40	40
Additional mothers receiving Tdap vaccine as a result of education and awareness	13,750	13,750
Increase in rotavirus vaccine rate	50%	50%

Other Surveillance Systems

- A.2.3 – GRR \$1,500,000
- Critical modifications to HIV/STD/TB systems

Item #10

Environmental Safety

Child Blood Lead Poisoning

- A.1.2 - GRR \$2,000,000
- This funding would provide additional case management and improve automation systems
 - Increase the number of children screened (on/before second birthday)
 - Identify more children with lead exposure earlier to avoid long-term effects
 - Target high-risk areas
 - Allow DSHS to conduct environmental investigations more quickly to identify the cause
 - Improve case management to help children get treatment

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	1,000,000	1,000,000	2,000,000
All Funds	1,000,000	1,000,000	2,000,000

FTEs	0	0
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Program Impact	FY 2012	FY 2013
Screening caseload per year	70,000	70,000
Services to additional children identified with elevated blood levels	900	900

Critical Repairs - Moreton Building

Critical Repairs to the Moreton Building

- New - GRR \$0
- Bonds \$20,000,000

A report from the Texas Facilities Commission that was recently provided to DSHS indicates that critical repairs are necessary for the Robert Moreton Building, 49th Street, Austin, to extend the life of the building (the current life of the building is estimated to be 3-5 years left.)

MOF (\$ in millions)	Request FY 2012	Request FY 2013	Totals
GR Related	0	0	0
All Funds	20,000,000	0	20,000,000

FTEs	0	0
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Program Impact	FY 2012	FY 2013
N/A	N/A	N/A

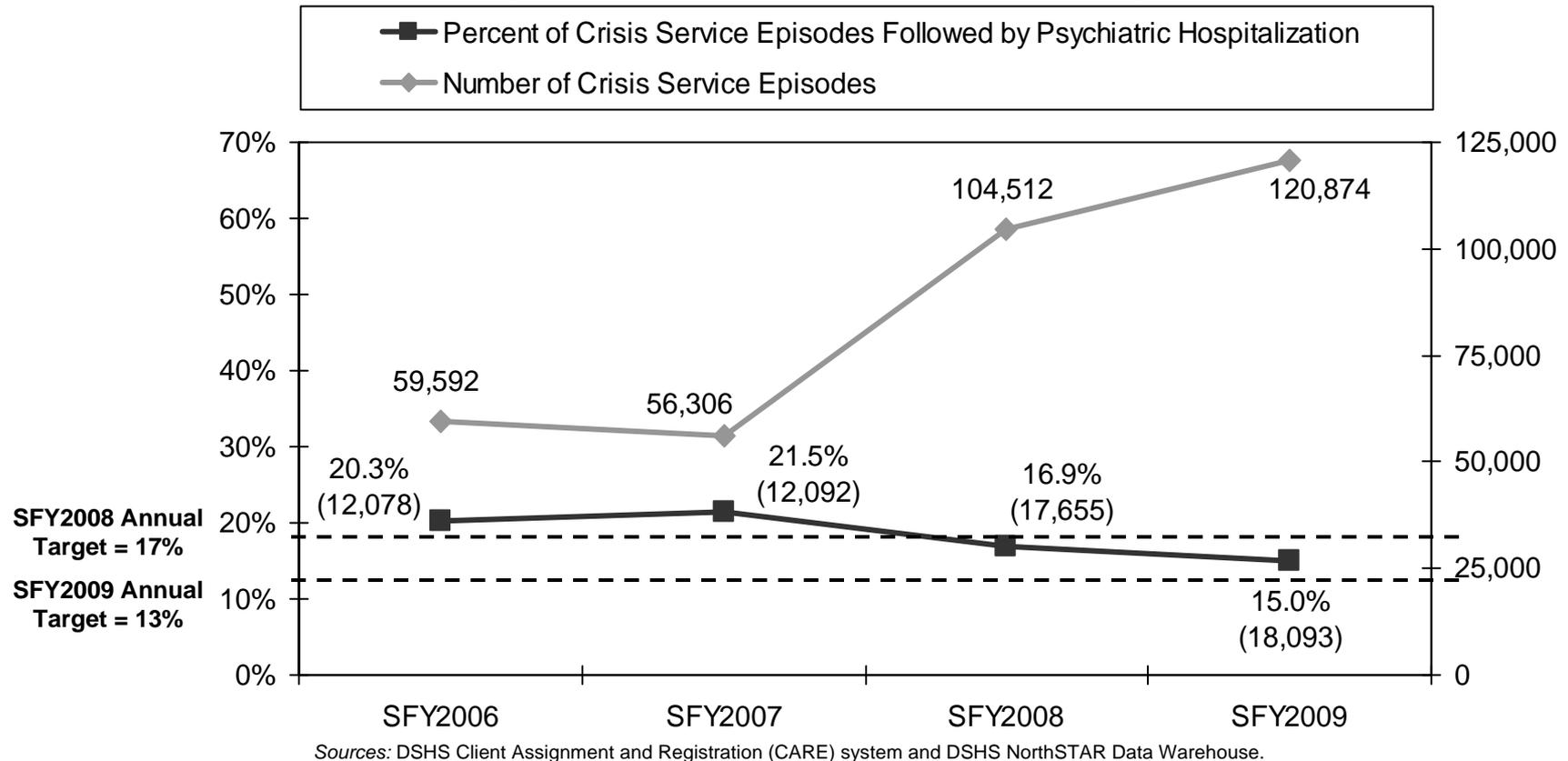
Restore Critical Base Bill Reductions

Impact of Mental Illness

- **3% of Texans suffer from a severe and persistent mental illness**
- **1 in 10 children between 9 and 17 years of age suffers from a serious emotional disturbance**
- **Mental health disorders are the leading cause of disability in the United States**
- **Individuals with serious mental illness have a life expectancy that is 25 years shorter than the overall population**
- **Serious mental illness is often linked to obesity, smoking, and substance abuse**
- **Underserved populations with mental health and substance abuse issues often end up in local hospital emergency rooms, and jails and prisons.**
- **Inadequate treatment leads to an increase in indirect public costs related to crime and criminal justice, homelessness and uncompensated health care.**

Restore Critical Base Bill Reductions

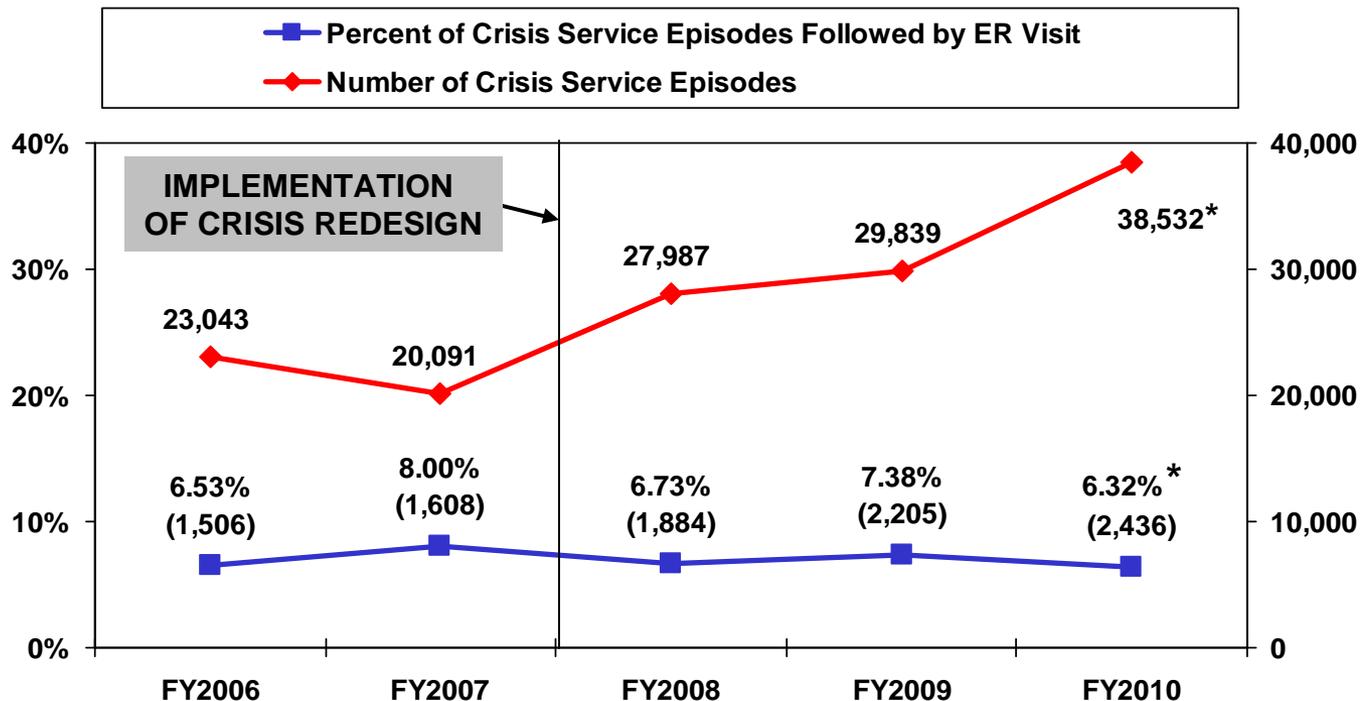
Texas Crisis Redesign Services Leading to Fewer Psychiatric Hospitalizations as a Percent of Crisis Episodes



Percent of Crisis Episodes at DSHS-Funded Community Mental Health Centers Followed by a State or Community Psychiatric Hospitalization within 30 Days

Restore Critical Base Bill Reductions

Texas Crisis Redesign Leading to Fewer Emergency Room (ER) Visits



Percent of Crisis Episodes among Medicaid Clients at DSHS-Funded Community Mental Health Centers Followed by an ER Visit within 30 Days

Sources: DSHS Client Assignment and Registration (CARE) system, DSHS NorthSTAR Data Warehouse, and HHSC Medicaid Database.

Notes: *The ER data utilized for this data point was for the period September 2009 to January 2010 only, due to Medicaid data lag. Therefore, as an estimate, the number was annualized. This number does not represent the actual total annual effect of Crisis Redesign on Medicaid ER use in FY 2008. This measure reports the percent of persons (regardless of age) with a crisis episode who have an emergency room (ER) service, with a mental health or substance abuse primary diagnosis, within 30 days of the first day of each crisis episode, excluding ER services that occurred on the same day or the day immediately following the crisis. A crisis episode is defined as all crisis services received from Community Mental Health Centers, including NorthSTAR, with no break longer than 7 days. A crisis service occurring after another crisis service by 8+ days is considered a separate crisis episode. The crisis services include both residential and outpatient.

Restore Critical Base Bill Reductions

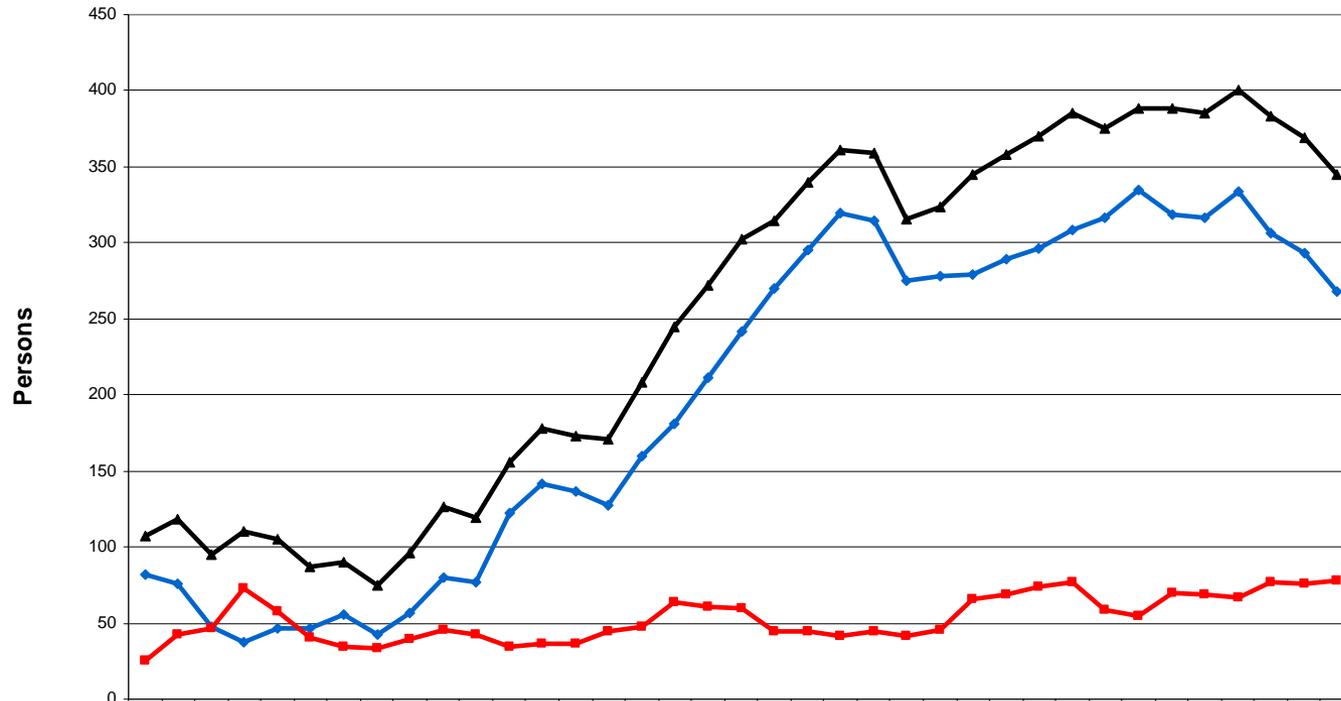
Impact of Substance Abuse

- The economic cost of substance abuse to Texans exceeds \$33 billion annually.
- Texas continues to have the most alcohol-related motor vehicle fatalities in the nation.
- According to the Texas Department of Transportation, drivers under the influence of alcohol caused 30.9 percent of the total traffic fatalities in 2009.
- About 75% of all prisoners in Texas are involved with alcohol or drugs.
- Alcohol misuse is the third leading preventable cause of death in the United States and is directly linked to increased rates of suicide, chronic liver diseases, and other illnesses.

Item #1

Restore Critical Base Bill Reductions

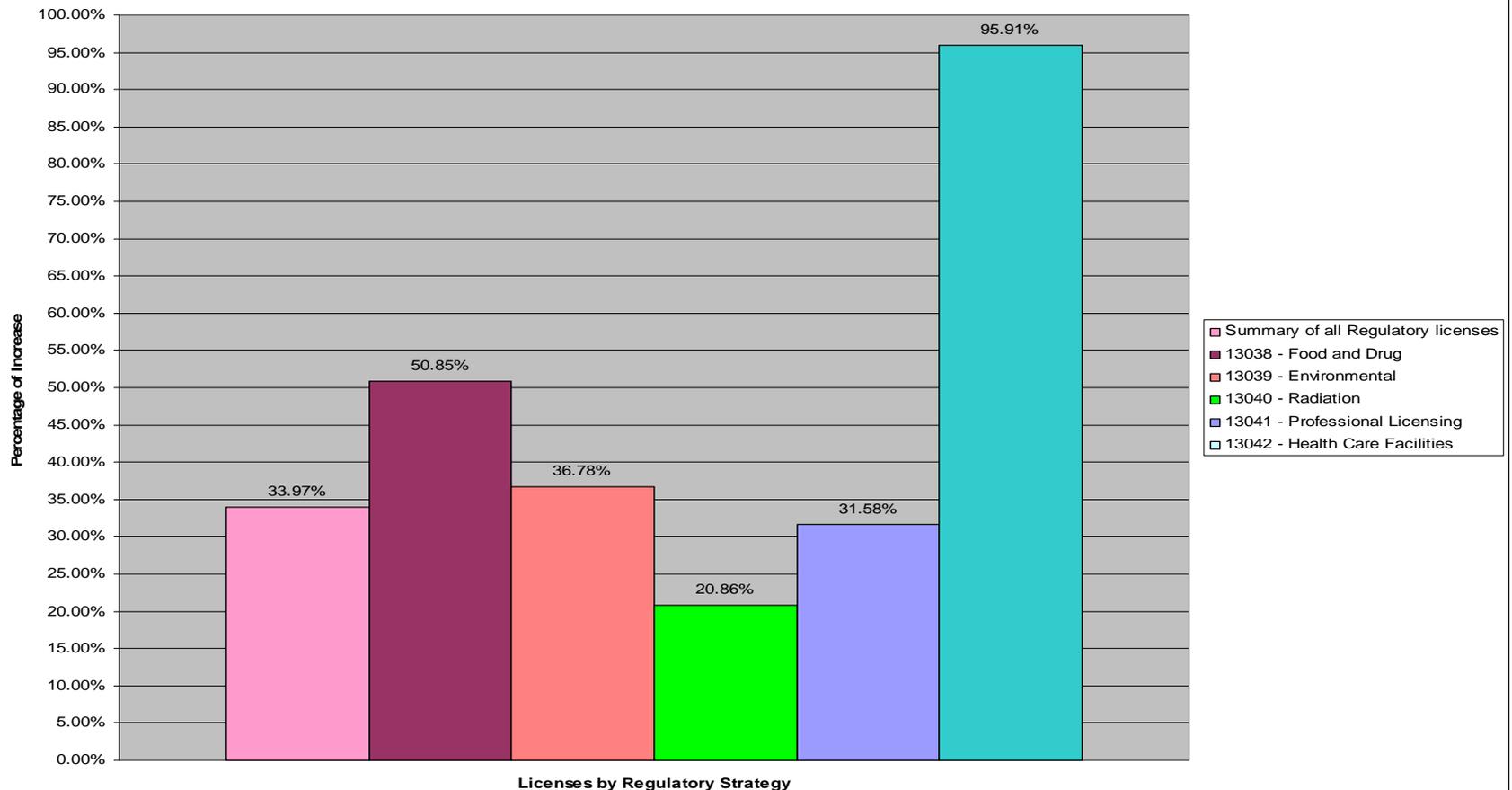
Waiting List for State Mental Hospitals: Jan 2008 – Jan 2011



	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11
Clearinghouse Waiting List	82	76	48	37	47	47	56	42	57	80	77	122	142	137	127	160	181	211	242	270	295	320	314	275	278	279	289	296	309	316	334	319	317	334	306	293	268
MSU Waiting List	25	42	47	73	58	40	34	33	39	46	42	34	36	36	44	48	64	61	60	45	45	41	45	41	46	66	68	74	77	58	54	70	69	67	77	76	78
Total	107	118	95	110	105	87	90	75	96	126	119	156	178	173	171	208	245	272	302	315	340	361	359	316	324	345	358	370	386	375	389	388	385	400	383	369	345

Restore Critical Base Bill Reductions

**Increase in Licenses for Division of Regulatory Services
2002 thru 2010**



Restore Critical Base Bill Reductions

- Growth in regulated businesses requires increases in regulatory services.
- Additional licensees increase the demand for regulatory business services, such as:
 - licensure processing,
 - compliance inspections,
 - response to complaints, and
 - enforcement.
- To ensure that regulatory services are cost-effective, DSHS uses risk-based inspections in most programs.
- Regulatory programs are fee-supported.

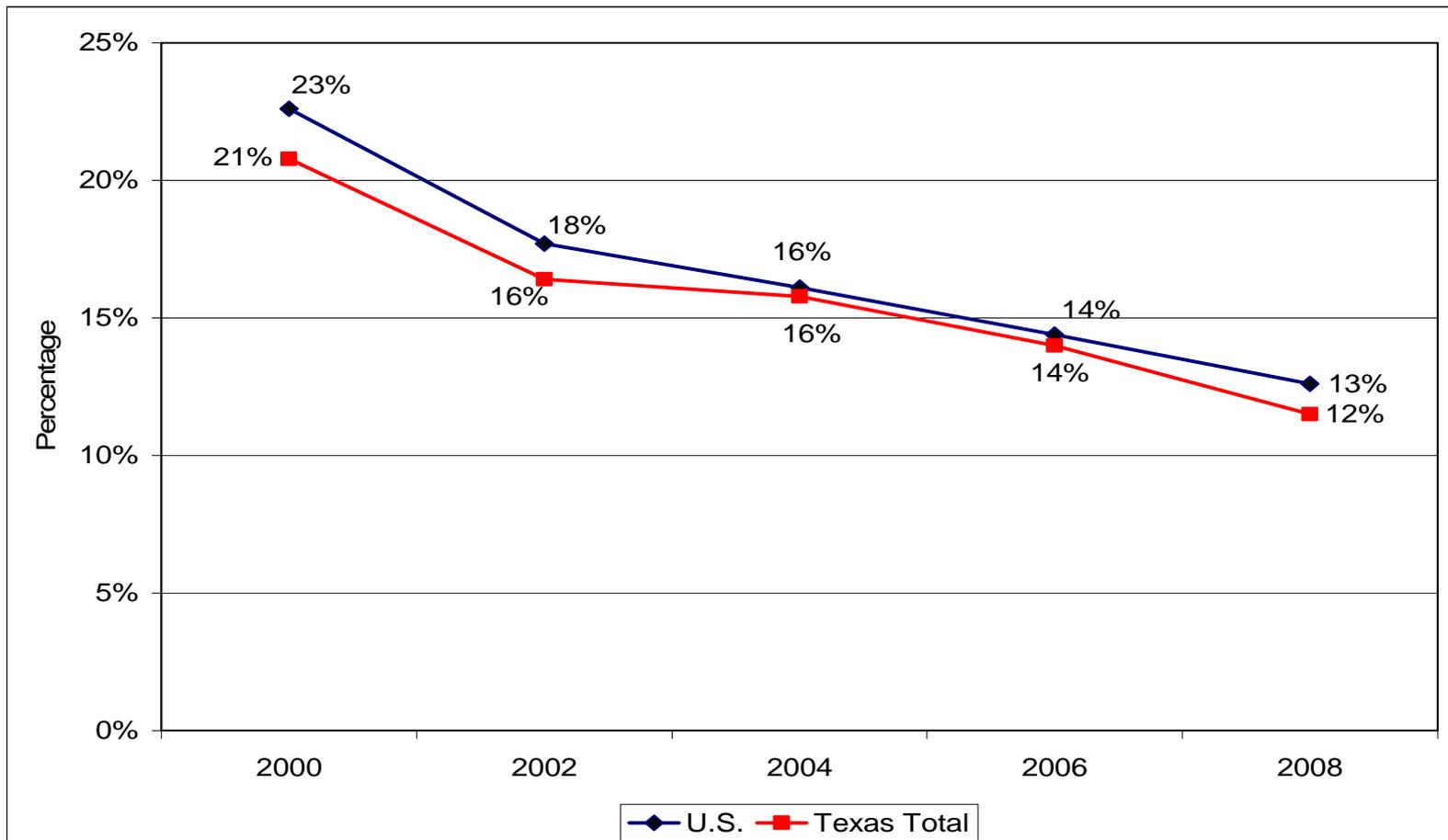
Restore Critical Base Bill Reductions

Impact of Tobacco

- Tobacco is the number one preventable cause of premature death and disability, costing the Texas economy nearly \$11 billion annually in medical care and health-related productivity losses.
- Texas has a higher rate of adult smokers than the U.S. average
 - ¼ of adults aged 26 and older smoke
- Tobacco kills 24,000 Texans each year
- 18.5% of Texans smoke
- 21.6% use tobacco
- More than 32,000 Texans under age 18 start smoking every year.

Restore Critical Base Bill Reductions

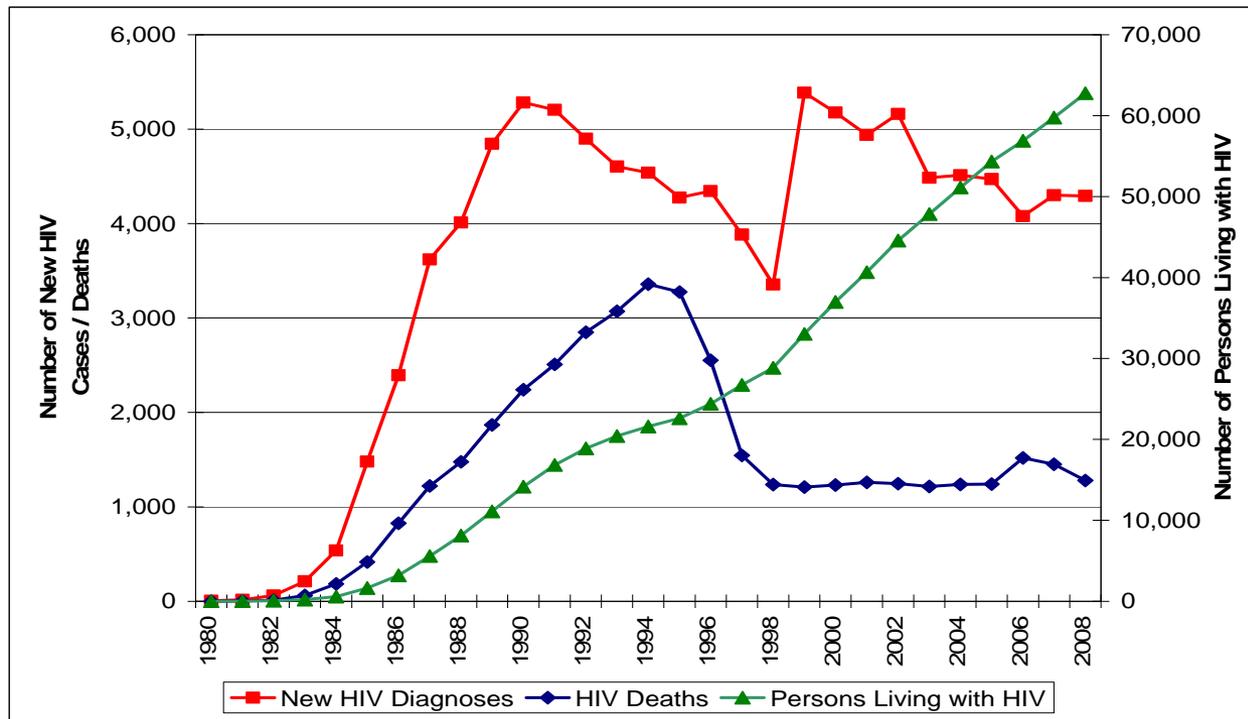
Prevalence of Past-Month Cigarette Use among Youth in Texas and the United States, 2000-2008



Item #2

Preserve Public Health Services

Number of Newly Diagnosed HIV Cases, Deaths, and Persons Living with HIV (PLWH) in Texas, 1980-2008

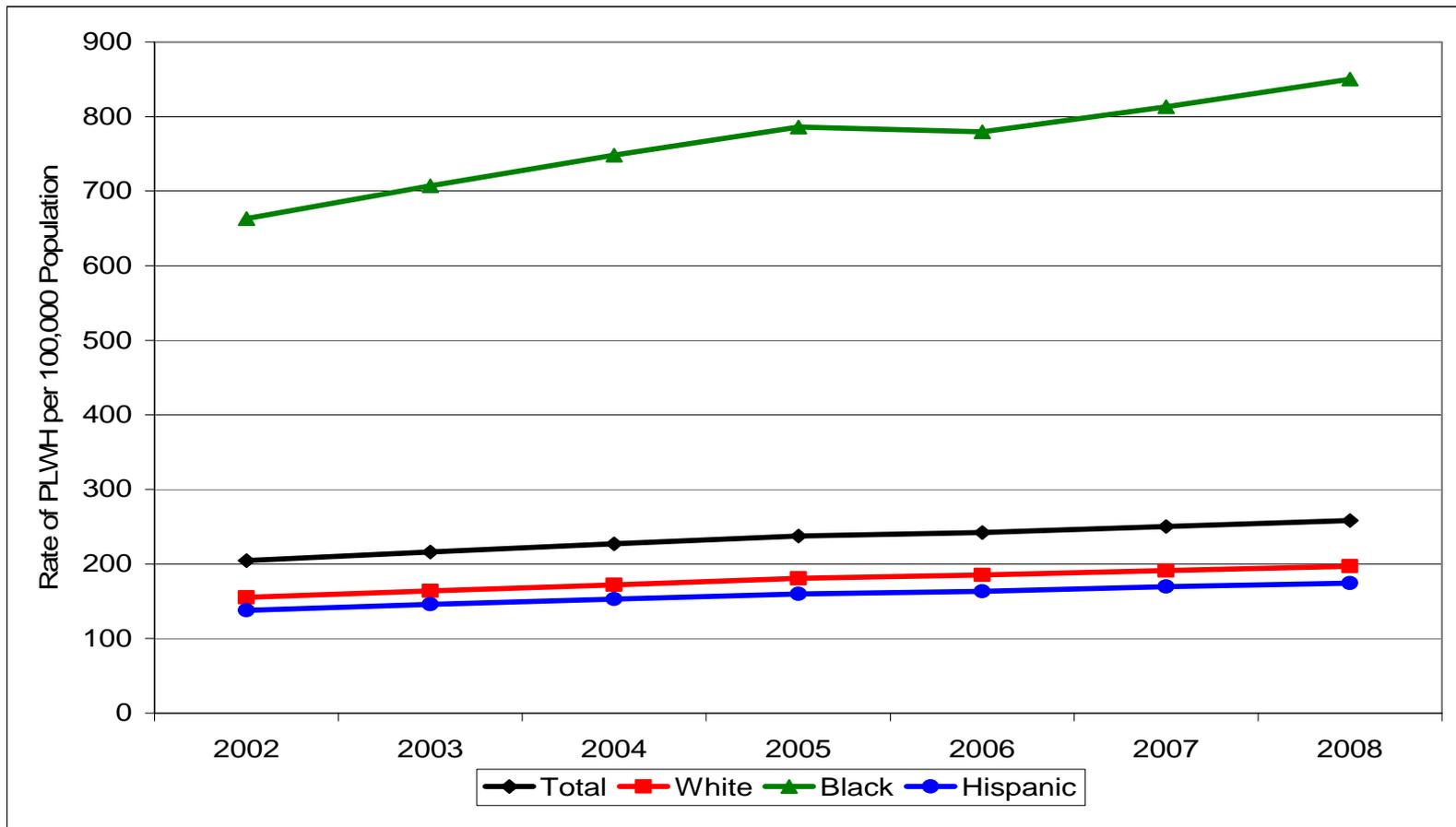


- While the number of new cases of HIV has remained relatively stable, the number of HIV deaths has decreased. The result is an increase in people living with HIV/AIDS.
- Because of improved medications, individuals are able to maintain productive lives.

Item #2

Preserve Public Health Services

Prevalence Rate of People Living with HIV (PLWH) in Texas,
by Race/Ethnicity, 2002-2008



Maintain Hospital Operations

- Increasing patient costs at State Hospitals:

	FY2010 vs. FY2009
• Outside Medical Services	20.6% or \$ 3,030,440
• Salaries	0.5% or \$ 1,227,324
• Medications	5.6% or \$ 809,899
• Food costs	8.2% or \$ 576,407
• Other Operating*	35.4% or \$ 3,110,317

**i.e. supplies, maintenance/repairs, and building/equipment rentals*

- Outside Medical Services:
 - DSHS is responsible for health care of patients
 - Need for these services is difficult to predict
 - Examples of *individual* patient medical costs in FY 2010:

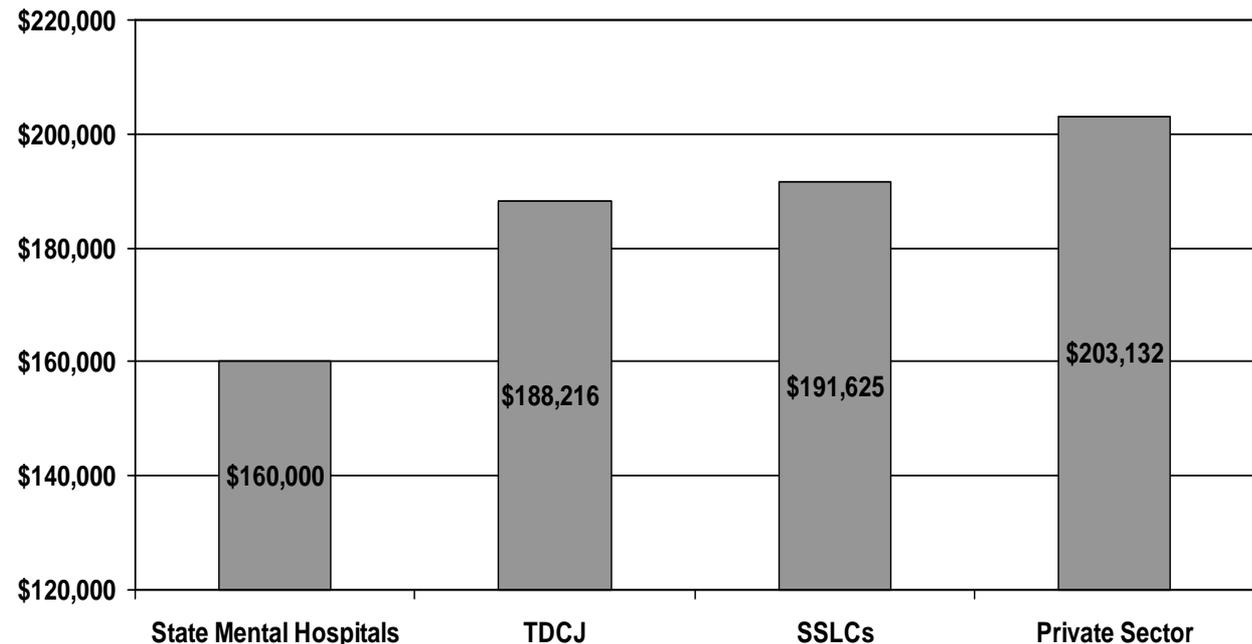
– Unstable blood chemistry	\$ 125,000
– Respiratory Distress (COPD)	\$ 92,387
– Pneumonia/Abdominal Pains	\$ 134,241
– Aorta Aneurysm/Pneumonia	\$ 189,835
– Non-Hodgkins Disease/Chemotherapy	\$ 358,291
– Renal Failure	\$ 121,844
– Abdomen/Bowel Obstruction/Heart Attack	\$ 188,026
– Congestive Heart Failure	\$ 136,086

Maintain Hospital Operations

Average Starting Salaries for Psychiatrists Compared to DSHS

- ~16 percent higher at TDCJ
- ~20 percent higher at SSLCs
- ~27 percent higher in private sector
- Up to ~54 percent higher at Veterans' Administration (with bonuses)

Comparison of Average Starting Salaries for Psychiatrists in Texas

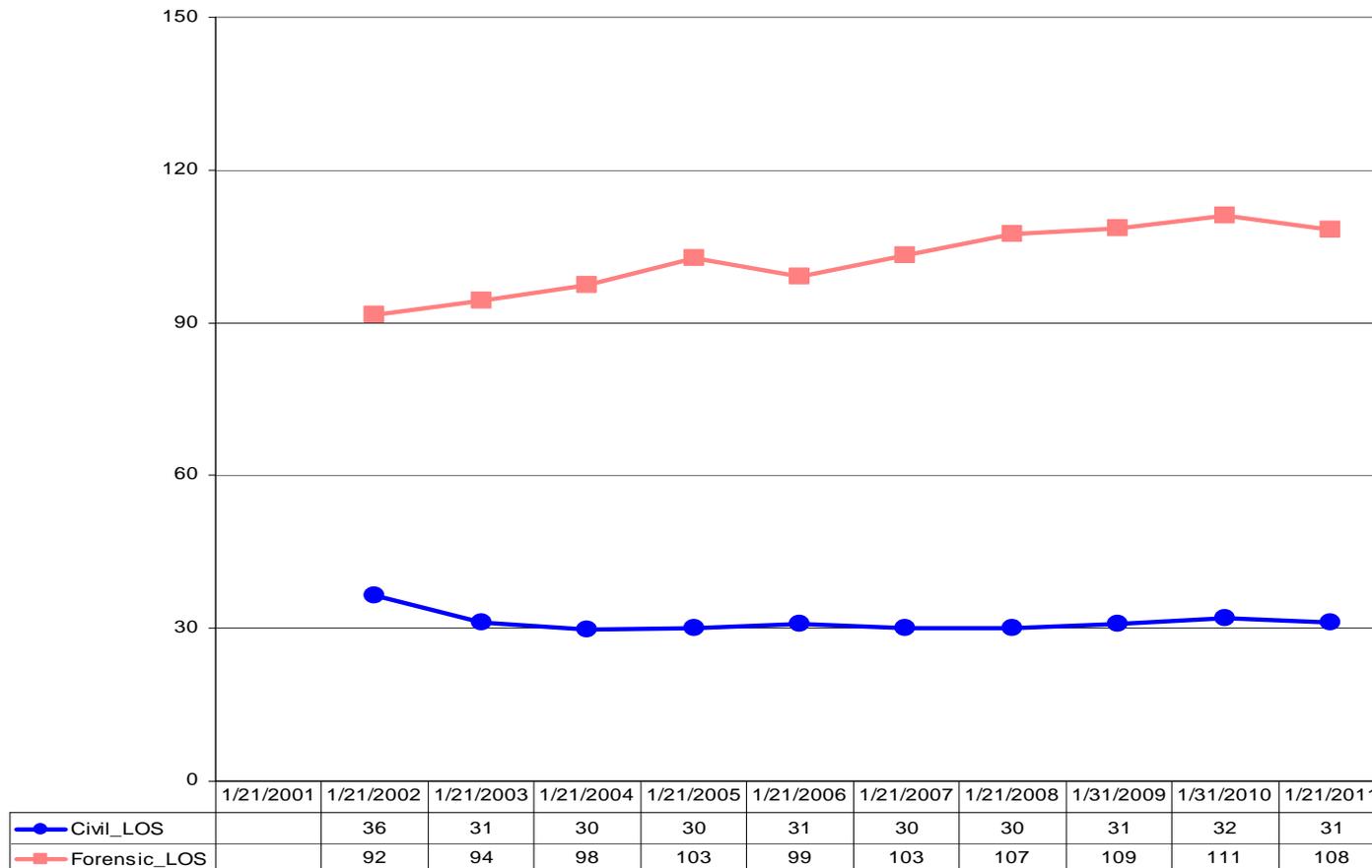


Maintain Hospital Operations

- Psychiatrists are needed to maintain accreditation and a safe therapeutic environment.
- A shortage of psychiatrists on staff results in:
 - A risk to the quality of patient care and to the safety of patients and staff
 - A decline in the psychiatric care provided to patients will likely increase rates of injuries and adverse events, and may lead to litigation against the state.
 - Increased costs of overtime and temporary psychiatric staffing
 - Reduction of the time hospital psychiatrists can spend on clinical and administrative duties
 - A risk to accreditation and certification status and the potential loss of payment from Medicare, Medicaid, Disproportionate Share, and third party payment

Maintain Hospital Operations

Average Length of Stay for Patients Discharged*
by Forensic and Civil Commitments



*Discharge within One Year of Specified Dates with an Length of Stay of Less Than one Year

Maintain Hospital Operations

Current Cost Containment Projects

- Prescribing practices within the state mental health hospitals
- Restoration practice
- Use of polycom for meetings
- Change the membership of the dangerous review board to reduce travel
- More efficient use of training for all staff in all state mental health hospitals
- Consolidation of business functions
- Residential rehabilitation units

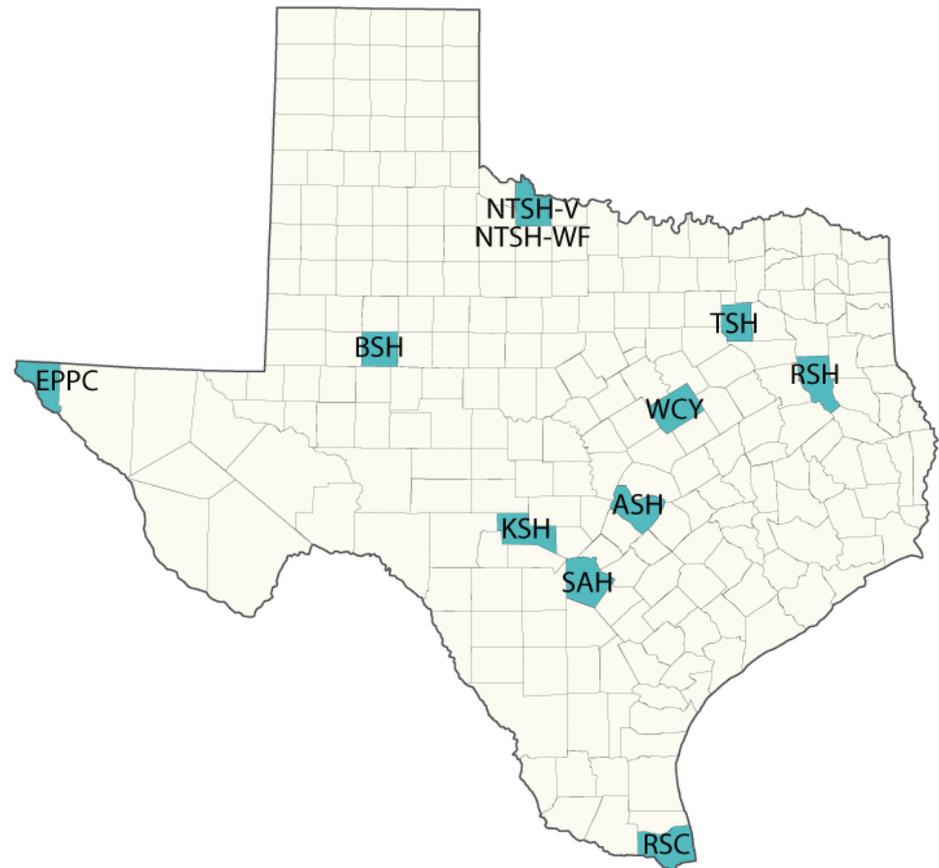
Under Consideration:

- General Limit of Admissions
- Further Use of Advanced Practice Registered Nurse
- Review of Rule Requiring Physician Review of Patients
- Providing only one week of medications for patients upon discharge rather than two
- After hours telemedicine
- Elimination of some training activities that were previously used for competency evaluation

Hospital Repair and Maintenance

Texas State Mental Health Hospitals

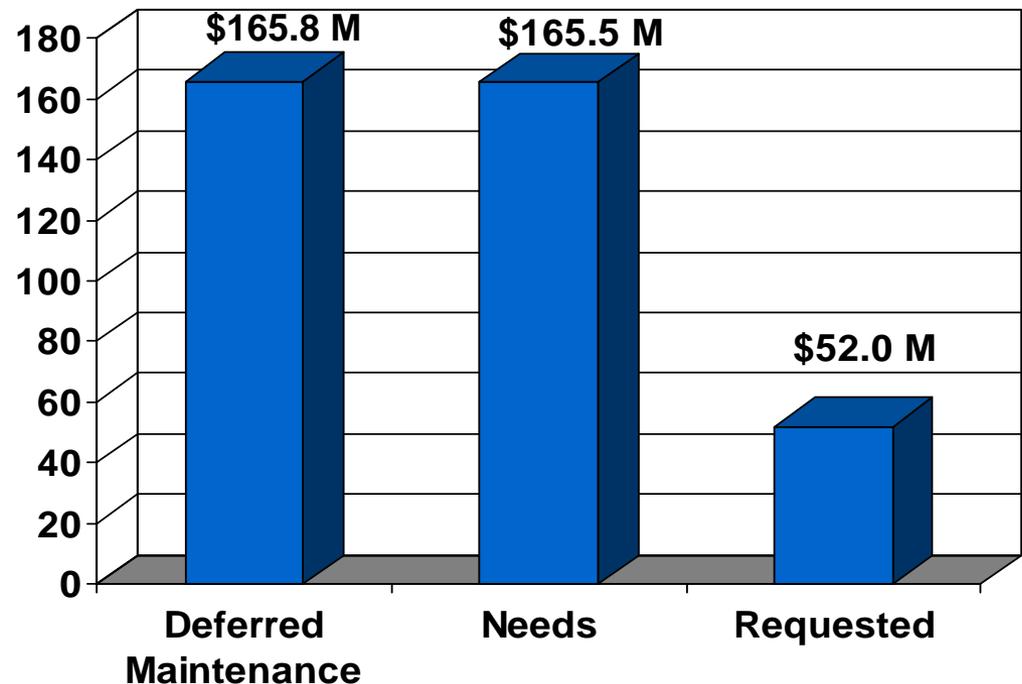
- 11 State Mental Health Facility campuses.
- 1,967 acres, 557 buildings, 5.0 million square feet.
- \$897 million replacement value.
- Average age is over 55 years old.
- Over 84% of total building area is dedicated to patients and patient support.



Hospital Repair and Maintenance

FY12-13 Capital Construction Needs

- Identified deficiencies (deferred maintenance): \$165.8 million
- \$165.5 million in capital construction needs have been identified for FY12-13 funding for State Hospitals.
- Of that, \$52.0 million has been identified as the most critical (tier 1).
- Tier 1 projects include: renovations for suicide prevention, roof repair, fire safety, piping and valves for water, gas and sewer systems, emergency generators, asbestos removal, and mold remediation.



- **The number of preventable health care associated infections (HAIs) continues to increase year over year**
 - Leading cause of death from infectious diseases in the U.S. and in Texas
 - HAIs kill 99,000 people each year
 - Cause an estimated 1.7 million infections in the U.S.
- **HAIs are the leading cause of infectious deaths in Texas with:**
 - 8,000-9,000 deaths each year
 - HAIs also add more than \$500 million in annual medical costs

Patient Safety Successes

- **The 81st Legislature provided \$2.2 million to create a Healthcare-Association Infections Reporting System.**
- **In addition, DSHS received \$1.2 million in ARRA funding to help develop the system.**
- **Milestones:**
 - **Development of a plan for CDC**
 - **HAI system will be ready for facilities to report in mid-2011**
 - **Patient safety plan to implement Preventable Adverse Events when funding becomes available**
 - **HAI training contract awarded to Association for Professionals in Infection Control and Epidemiology**
 - **HAI rules are in process for posting to the *Texas Register***

Michigan Keystone Intensive Care Unit Project

- Johns Hopkins and Michigan Health & Hospital Association
- Targeted catheter-related bloodstream infections in 100 ICUs
- Created a checklist – hand washing, cleaning patient’s skin, using a cap, gown and mask, and more careful catheter use
- Results:
 - 66 percent reduction in these infections
 - In 18 months, 1,500 lives and \$200 million saved
 - Return on investment was \$200 to every \$1 spent

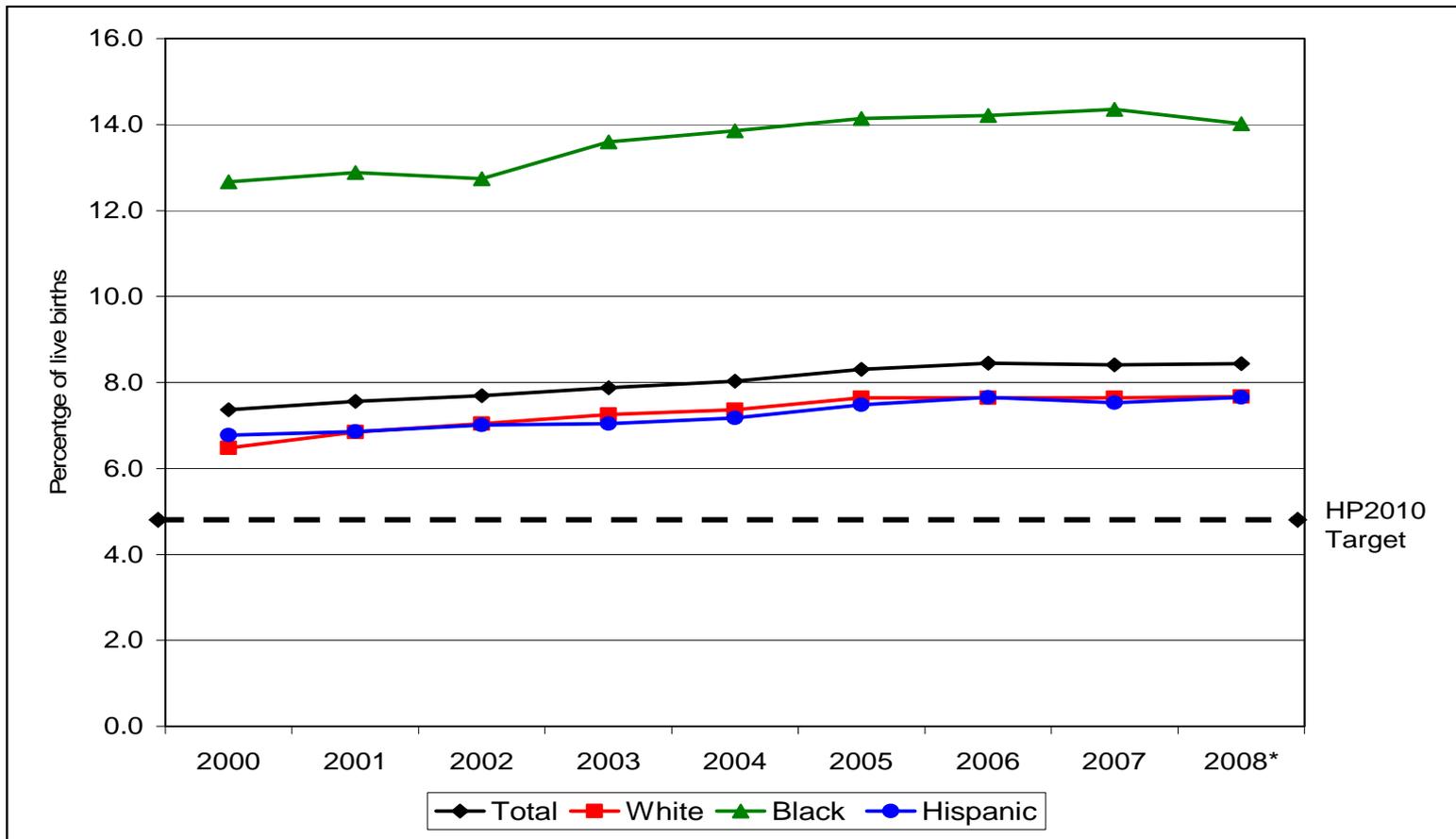
HAI Quality Assurance Teams

- Provides staffing for two quality assurance teams who will provide training and promote best practices for reducing health care-associated infections.
 - Respond to questions from the public concerning HAI.
 - Conduct data validation audits at hospitals and surgery centers reporting HAI data.
 - Provide technical support to healthcare facilities on infection control issues, e.g. surgical site infections, Methicillin-resistant *Staphylococcus aureus* outbreaks, *Clostridium difficile* outbreaks, etc.
- Each team is composed of one Public Health Nurse III & one Program Specialist V
- Teams would be headquartered a health service region offices, for example, Arlington and Houston

Item #7

Healthy Babies

Percent of Infants Born Low Birth Weight in Texas, by Mother's Race/Ethnicity, 2000-2008 (preliminary)



Healthy Babies are Worth the Wait...

Success of the Kentucky Model –

- Preliminary information indicates:
 - Preterm birth rates decreased in the project sites and in Kentucky
 - C-Section rates in the intervention sites increased by 2.2 percent, compared with 11.9 percent in the comparison sites
 - Smoking rates during pregnancy decreased 10 percent in the intervention sites, and 8 percent in the comparison sites
 - Provider behavior changed – providers at the intervention sites talked to patients about Quit Line, domestic violence and home visitation program and dental care at twice as much as comparison sites (the baseline was that there was no difference in the sites).

- Implementing Healthy Babies Initiative in Texas
 - Expect preterm birth rate to decrease by 8 percent over 2 years
 - Translates into savings of approximately \$7.2 million in Medicaid costs over 2 years
 - Evidence-based interventions will be used, but communities will have flexibility to adapt those that fit their population the best
 - Local partnerships and coalitions will have a major role in shaping programs in their communities

Adult Potentially Preventable Hospitalizations in Texas

Results of Community Interventions:

Under the leadership of the county judge, community health coalitions in Freestone and Red River County used the potentially preventable hospitalization data to implement community interventions (e.g., vaccine outreach campaign) to reduce hospitalizations for Bacterial Pneumonia.

Freestone County: 32% decrease in hospitalizations for Bacterial Pneumonia for 2008 as compared to 2007 (\$1,055,448 in hospital charges were avoided).

Red River County: 29% decrease in hospitalizations for Bacterial Pneumonia for 1st Quarter 2009 as compared to 1st Quarter 2008 (\$317,658 in hospital charges were avoided).

Preventable Hospitalizations

Bacterial Pneumonia Potentially Preventable Hospitalizations for Adult Texans (2005-2008)

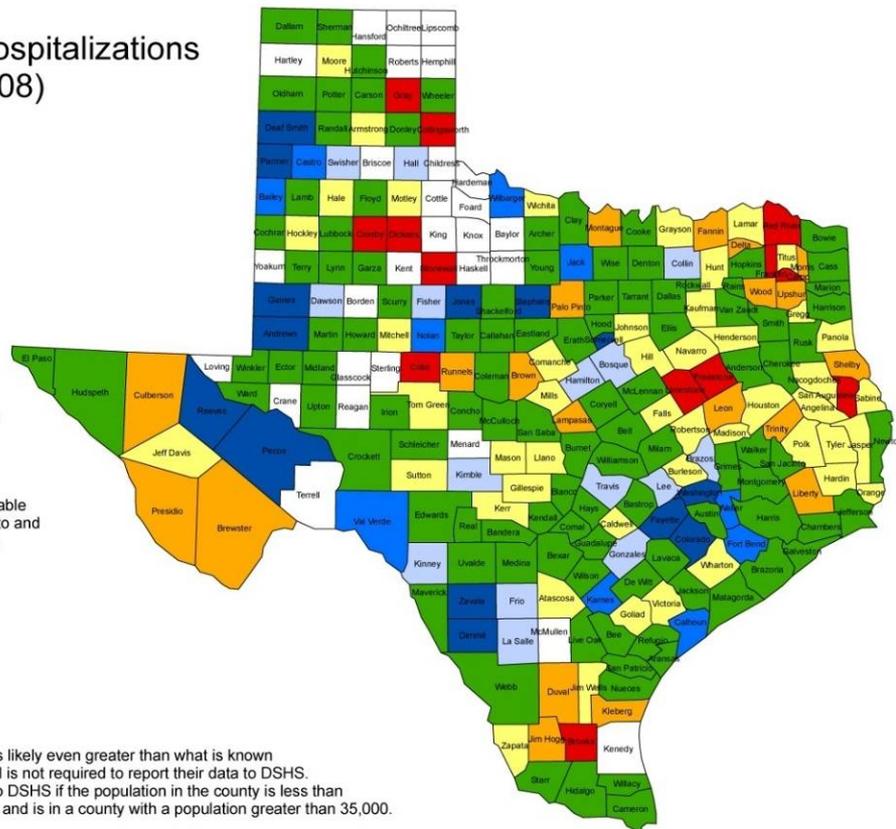
Red = Extremely Higher than State Average/Rate
(150%+ more than state average/rate)
Orange = Higher than State Average/Rate
(100% to 149% more than state average/rate)
Yellow = Slightly Higher than State Average/Rate
(50% to 99% more than state average/rate)
Green = Similar to State Average/Rate
(49% more to 49% less than state average/rate)
Light Blue = Slightly Lower than State Average/Rate
(50% to 99% less than state average/rate)
Blue = Lower than State Average/Rate
(100% to 149% less than state average/rate)
Dark Blue = Extremely Lower than State Average/Rate
(150%+ lower than state average/rate)
White = County Not Included (residents had less
than 20 hospitalizations)

The following conditions are called "potentially preventable hospitalizations," because if the individual had access to and cooperated with appropriate outpatient health care, the hospitalization would potentially have not occurred:

- Bacterial Pneumonia;
- Dehydration;
- Urinary Tract Infection;
- Angina (without procedures);
- Congestive Heart Failure;
- Hypertension (High Blood Pressure);
- Asthma;
- Chronic Obstructive Pulmonary Disease and;
- Diabetes.

The impact of potentially preventable hospitalizations is likely even greater than what is known for counties with no hospital or counties whose hospital is not required to report their data to DSHS. Hospitals are exempt from having to report their data to DSHS if the population in the county is less than 35,000 or the hospital has less than 100 licensed beds and is in a county with a population greater than 35,000.

For more information on Potentially Preventable Hospitalizations, go to www.dshs.state.tx.us/ph.



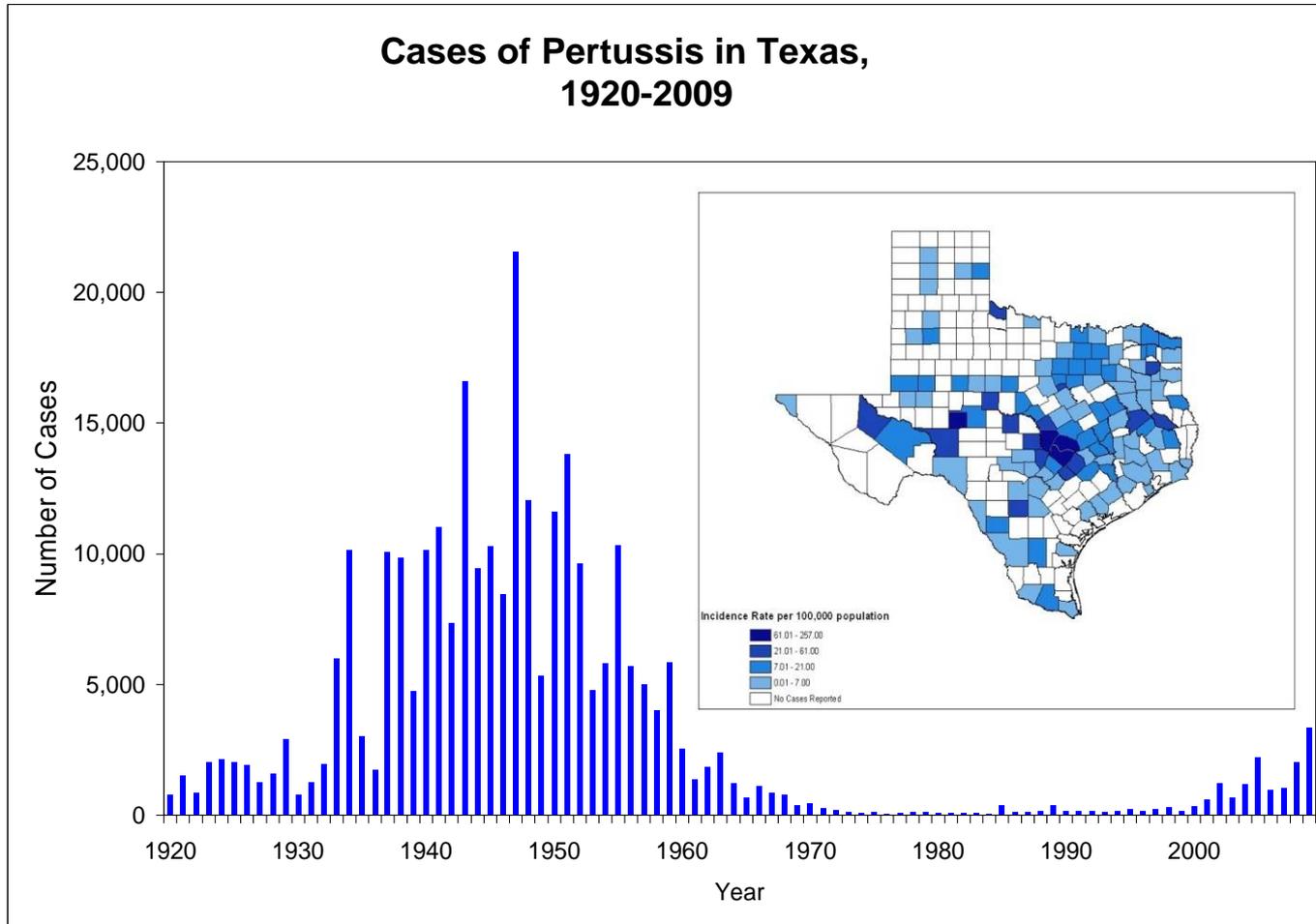
Infectious Disease Prevention & Treatment

The new Texas Center for Infectious Diseases opened September 22, 2010.



Additional funding is required to staff the 40 additional beds that will now be available to treat tuberculosis patients, many who are awaiting admission and/or being served in communities across the state

Infectious Disease Prevention & Treatment



	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
■ Pertussis Cases	287	152	327	615	1,240	670	1,184	2,224	954	1,051	2,046	3,358
Pertussis Deaths	0	1	2	5	4	6	2	9	1	0	4	3

Infectious Disease Prevention & Treatment

Reducing Pediatric Hospitalizations

- Rotavirus is the leading cause of gastroenteritis – it causes 44% of cases
- Range of symptoms for rotavirus:
 - Diarrhea, vomiting, dehydration, stroke, even death
- Rotavirus infection is preventable through immunization
 - Administer the first dose at age 6 through 14 weeks
 - The maximum age for the final dose in the series is 8 months
- The goal is to raise awareness among pediatric healthcare providers about the high proportion of related preventable hospitalizations among Texas children.
 - Develop and implement outreach to raise awareness, educate and motivate pediatric health care providers to include rotavirus immunization as routinely as other long-standing childhood vaccines.
- Goal – Increase rotavirus vaccine coverage levels to 50% in FY 12 and to 70% in FY 13.
- Effective prevention through immunization could reduce overall pediatric hospitalizations by up to 22%

Item #10

Environmental Safety

- Dangers of Exposure to Lead for Children
 - Problems learning/reading, delayed growth and hearing loss
 - At high levels, permanent brain damage and death
- This funding would provide additional case management and improve automation systems
 - Increase the number of children screened (on/before second birthday)
 - Identify more children with lead exposure earlier to avoid long-term effects
 - Target high-risk areas
 - Allow DSHS to conduct environmental investigations more quickly to identify the cause
 - Improve case management to help children get treatment

