



# **Department of State Health Services**

## **Legislative Budget Board-Governor's Office of Budget, Policy and Planning Joint Hearing**

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***September 20, 2012***



# Presentation Outline

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- Agency Mission and Overview
- Current Biennium Initiatives
- FY14-15 Key Issues and Challenges
- FY14-15 Summary of Base Request Table
- Exceptional Items Summary Table
- Exceptional Items Details
- 10% GR-Related Funding Reduction Approach



# 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
- Disease Control & Prevention Services
- Regional & Local Health Services
- Regulatory Services

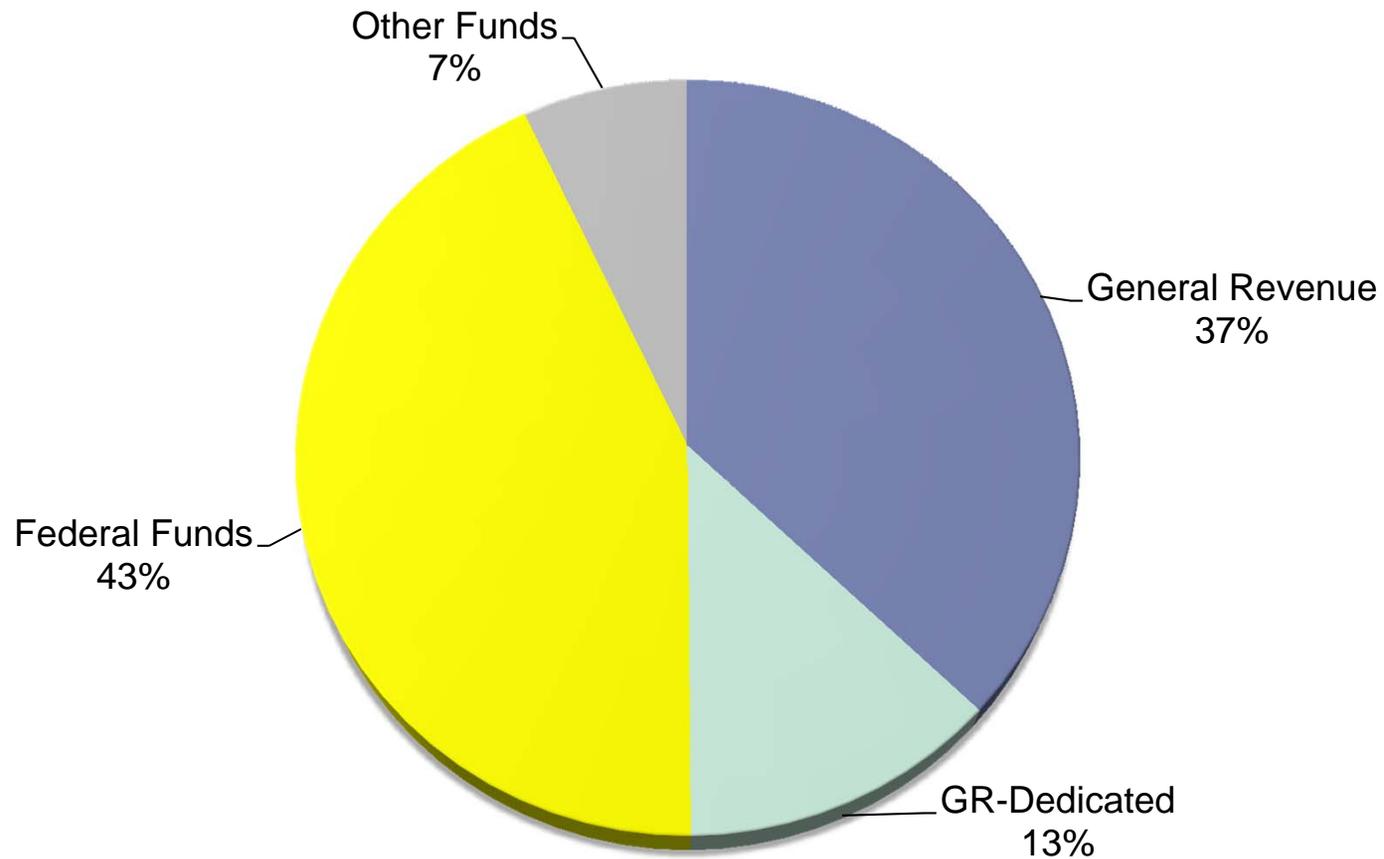
## **Scope**

- Alzheimer's and Ambulances to Zoonosis and Zebra Meat
- Impacts every Texan
- Nearly 7900 client services and administrative contracts
- ~160 DSHS sites

## **DSHS Budget Facts – FY 12-13**

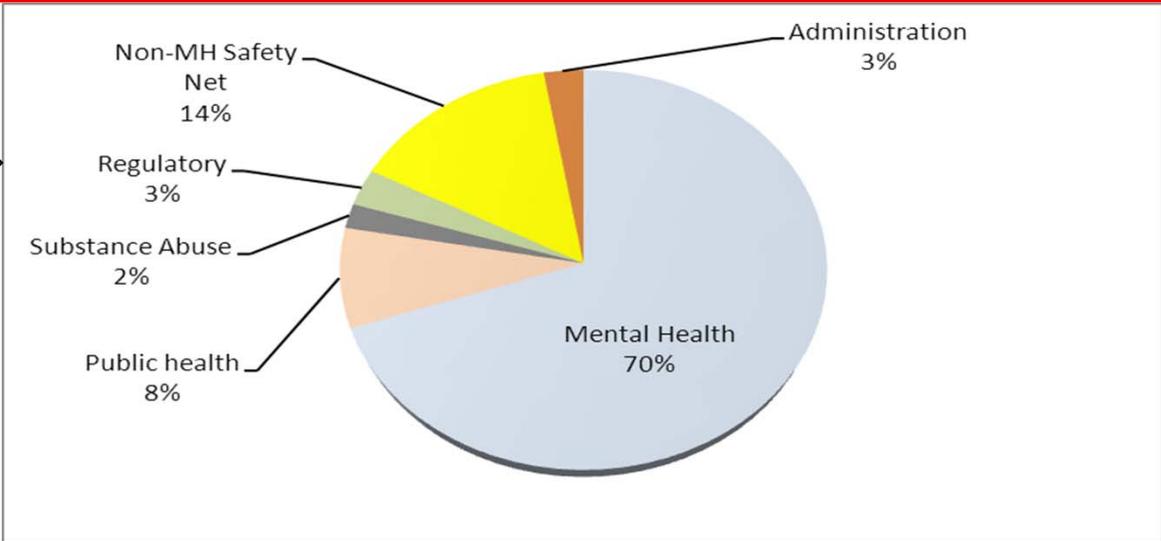
- \$5.8 billion biennial budget
- 50% of the DSHS budget is GR-Related Funds; 43% is Federal Funds; and 7% is Other Funds
- 70% of the DSHS GR is for mental health services (community and hospitals)
- Only 8% of DSHS GR funds are for public health
- Regulatory Services are supported by fees
- Lab Services are primarily supported by fees
- DSHS has 220 funding streams/methods of finance (mostly federal grant sources)

# 2012-2013 GAA by MOF

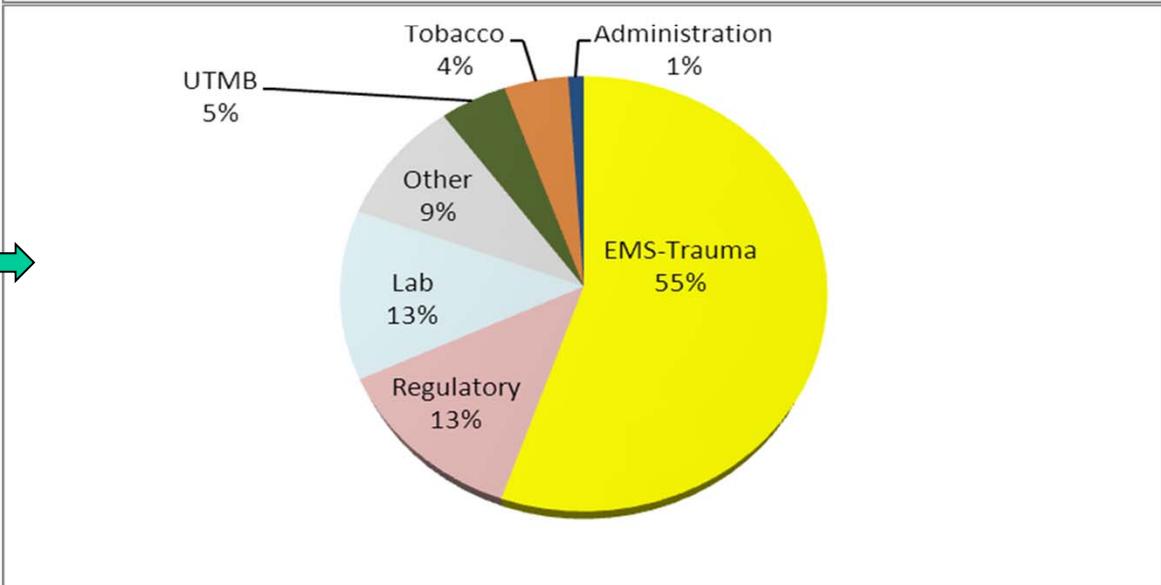


# GR and GRD Makeup

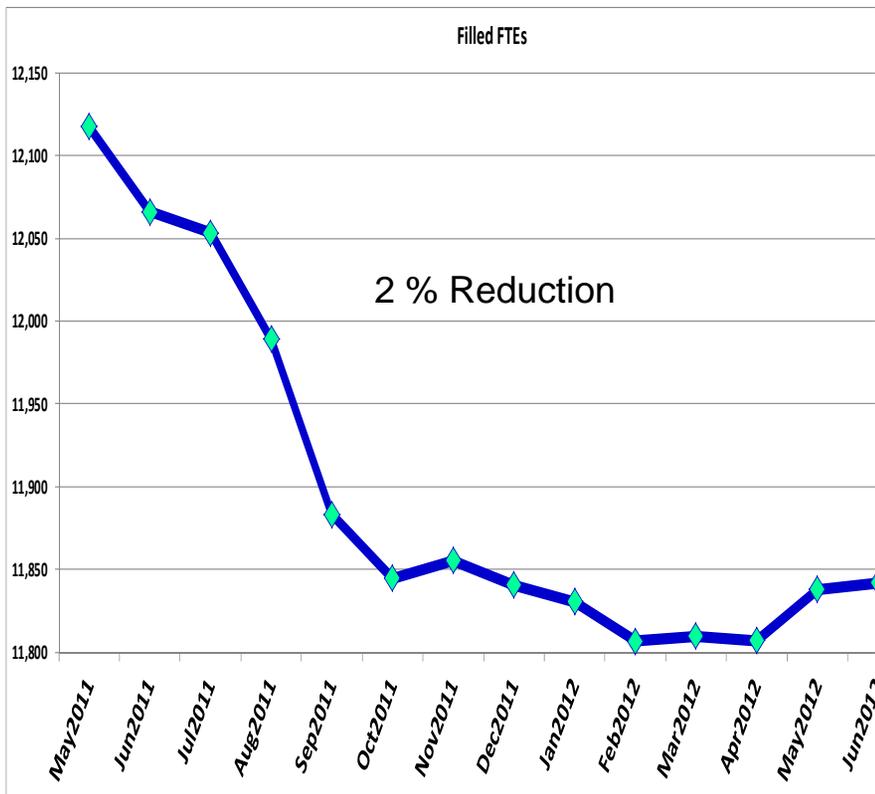
General Revenue



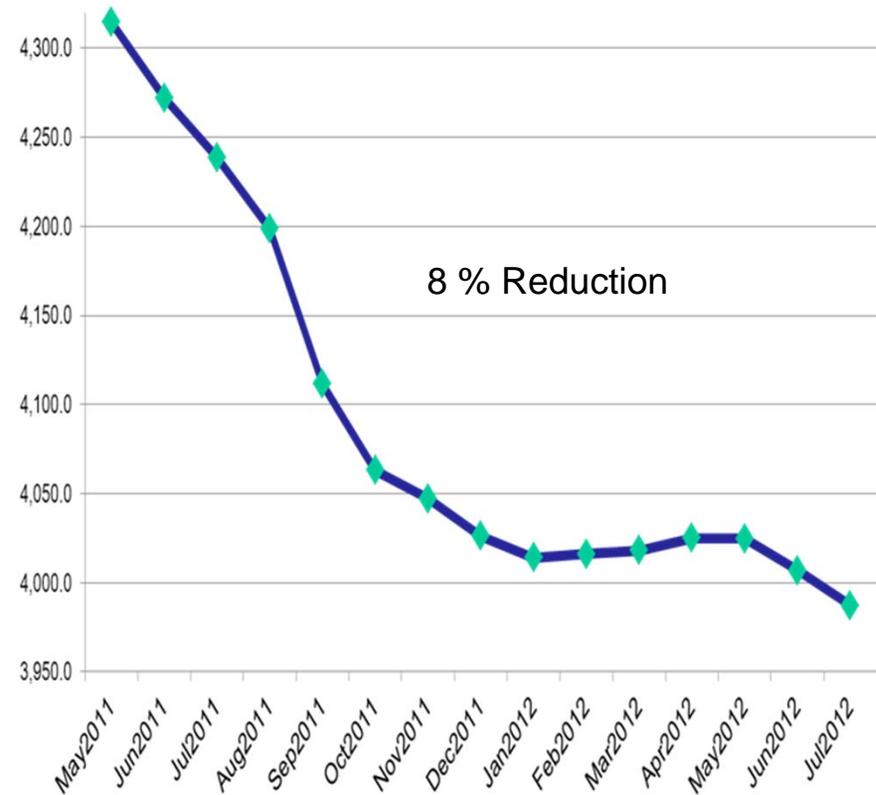
General Revenue Dedicated funds (excluding WIC which is roughly \$200M/year)



## Total Agency Filled FTEs



## Non-hospital FTEs





# Health Challenges in Texas

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## Public Health Threats

- Public health emergency preparedness/response protect Texans from natural and man-made disasters
- Food-borne disease causes approximately 3.9 million illnesses, 10,000 hospitalizations, and 250 deaths each year in Texas
- Infectious diseases (like TB, pertussis and WNV) remain a threat to Texans
- The burden of chronic diseases is increasing and is a driver of Medicaid costs - prevention programs for obesity and tobacco help to mitigate this burden
- Substance abuse impacts the lives of children, youth, and adults, resulting in health crises, injuries due to violence and motor-vehicle accidents, and child maltreatment.

## Health Cost Containment by DSHS

- Community MH services reduce the need for more costly Medicaid services
- Substance Abuse services continues to improve health and cost savings
- Community health services improve health and reduce Medicaid costs
- 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 impact business inspection activities



# Current Biennium Initiatives

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- Healthcare Quality (SB7, HAI)
- Studies (Riders 59, 60, 71, 72: Regulatory, Lab, MH, and VSU)
- Potentially Preventable Hospitalizations
- Healthy Texas Babies
- Community Transformation Grant
- MH Cost Containment Items (Article II S.P. Sec 17)
- Moreton Building
- Hospital Privatization (Rider 63)



# Current Biennium Initiatives (cont.)

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- Improved Administrative Efficiencies
  - Contracts, Including Bundling
  - Women's Health Laboratory
  - Outsource WIC Clinics
  - Initial Applications On-Line (Regulatory)
  - Vital Statistics



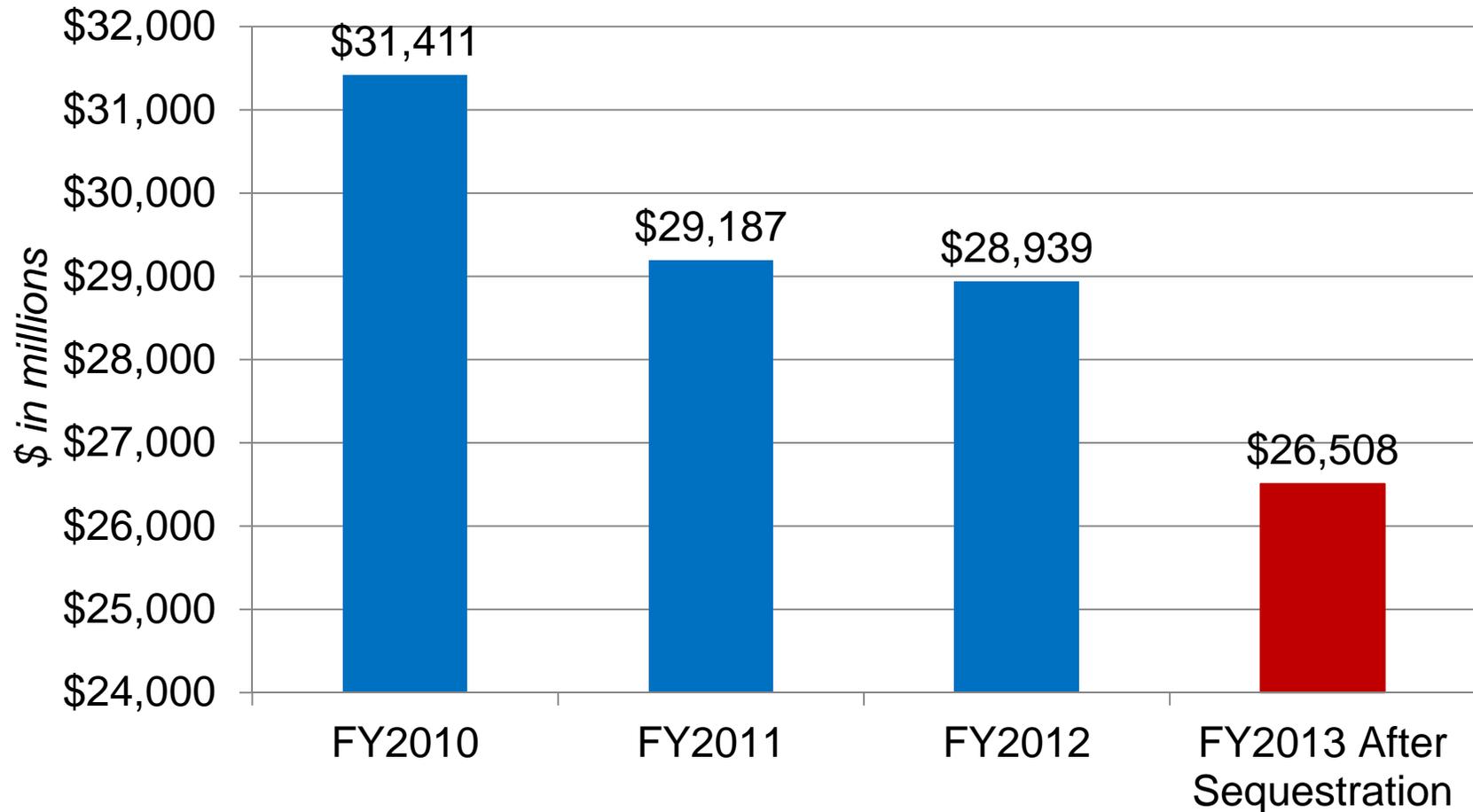
## FY2014-15 Issues

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- Managing Infectious Diseases (TB and West Nile Virus)
- Reducing Chronic Diseases (obesity, tobacco use, cancer and heart disease)
- Adult Immunizations (including college students)
- Hospital Capacity (demands and aging facilities)
- Behavioral Health (focusing on needs and outcomes)
- IT and Data Management
- Federal Budget (potential “across the board reductions” and Health Care Reform)



# Federal Public Health Funding FY 2010 – FY 2013



Source: ASTHO



# FY14-15 Base and Exceptional Requests

Description	FY2012-13 LAR	FY2014-15 Base Request	FY2014-15 Ex Items	FY2014-15 Total Request
<b>GOAL 1 - Preparedness and Prevention</b>	\$1,147,655,885	\$1,113,959,771	\$73,913,887	\$1,187,873,658
<b>GOAL 2 - Community Health Services</b>	\$3,394,450,314	\$3,393,244,888	\$169,518,365	\$3,562,763,253
<b>GOAL 3 - Hospital Facilities</b>	\$962,448,199	\$991,892,831	\$101,286,803	\$1,093,179,634
<b>GOAL 4 - Consumer Protection Services</b>	\$127,894,172	\$127,356,340	\$1,363,147	\$128,719,487
<b>GOAL 5 - Indirect Administration</b>	\$109,984,680	\$109,237,896	\$2,122,783	\$111,360,679
<b>GOAL 6 - Capital Items</b>	\$45,164,409	\$11,903,297		\$11,903,297
<b>TOTAL, GOALS</b>	\$5,787,597,659	\$5,747,595,023	\$348,204,985	\$6,095,800,008
<b>General Revenue</b>	\$2,127,124,374	\$2,126,269,362	\$266,280,170	\$2,392,549,532
<b>General Revenue-Dedicated</b>	\$661,941,408	\$660,953,069	\$0	\$660,953,069
<b>Fed Funds</b>	\$2,504,655,669	\$2,456,363,978	\$4,823,534	\$2,461,187,512
<b>Other Funds</b>	\$493,876,208	\$504,008,614	\$77,101,281	\$581,109,895
<b>TOTAL, METHOD OF FINANCING</b>	\$5,787,597,659	\$5,747,595,023	\$348,204,985	\$6,095,800,008
<b>FTEs</b>	12,349.10	12,349.10	0.00	12,349.10

Note: This excludes Sex Offender Program



# Exceptional Item Approach

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- Priority 1: Maintain Current Services
- Priority 2: Ensure Compliance with Statutory Requirements
- Priority 3: Move Health Forward



# Listing of DSHS Exceptional Items

## *Excluding Office of Sex Offender*

EXCEPTIONAL ITEM	BIENNIAL TOTAL	
	GR	All Funds
<b><i>Priority 1: Maintain Current Services</i></b>		
1. State Hospital Patient Safety and Operations	\$17,733,441	\$17,733,441
2. TB Prevention and Control	\$5,671,868	\$5,671,868
3. Adult Immunizations	\$26,522,000	\$26,522,000
<b><i>Priority 2: Ensure Compliance with Statutory Requirements</i></b>		
4. Disease Outbreaks and Disaster Response	\$7,103,306	\$7,103,306
5. Hospital Facilities and Infrastructure		\$77,101,281
<b><i>Priority 3: Move Health Forward</i></b>		
6. Primary Health Care Expansion	\$69,931,512	\$69,931,512
7. Increase Behavioral Health Treatment Outcomes	\$26,099,234	\$30,922,768
8. Tobacco Cessation and Chronic Disease Prevention	\$8,574,702	\$8,574,702
9. Preventing Healthcare Associated Infections	\$2,000,000	\$2,000,000
10. DSHS Waiting List	\$80,800,000	\$80,800,000
11. Texas Electronic Registry (TER)	\$6,000,000	\$6,000,000
12. CARE Retirement	\$13,740,471	\$13,740,471
13. Increase Mobile Technology	\$2,103,636	\$2,103,636
<b>Total Exceptional Requests</b>	<b>\$266,280,170</b>	<b>\$348,204,985</b>



# Maintain Current Services

## EI #1: State Hospital-Patient Safety & Operations

Exceptional Item	FY2014	FY2015	Biennium
a) Cameras	\$6,381,000		\$6,381,000
b) Victory Field	\$3,650,879		\$3,650,879
c) Resident Stipends	\$1,000,000	\$1,000,000	\$2,000,000
d) Replace Aging Vehicles	\$2,850,781	\$2,850,781	\$5,701,562
<b>Total Request</b>	<b>\$13,882,660</b>	<b>\$3,850,781</b>	<b>\$17,733,441</b>

Method of Finance:			
General Revenue	\$13,882,660	\$3,850,781	\$17,733,441

- a) Install cameras to increase patient safety
- b) Renovate Victory Field campus located at North Texas State Hospital-Vernon (NTSH-V) so it could be used to relocate and operate NTSH-V's adolescent forensic program (AFP)
- c) Provide stipends of resident physicians to complete portions of their training in the Texas public mental health system
- d) Replace 224 old, high maintenance cost vehicles. (204 Hospitals and 20 Other)– Current Average mileage is 93,662. Estimated FY 2014 average mileage will be ~111,157.



## Fence that Separates the Maximum Security Unit from the Adolescent Forensic Program on the Vernon Campus

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# Maintain Current Services

## EI #2: TB Prevention and Control

Exceptional Item	FY2014	FY2015	Biennium
TB Prevention and Control	\$2,668,567	\$3,003,301	\$5,671,868
<b>Total Request</b>	<b>\$2,668,567</b>	<b>\$3,003,301</b>	<b>\$5,671,868</b>

Method of Finance:			
General Revenue	\$2,668,567	\$3,003,301	\$5,671,868

Enhance efforts to identify at risk individuals, improve accuracy of testing, and target effective treatment of latent Tuberculosis (TB) infections by:

- (a) purchasing medications and supplies to treat latent TB infections,
- (b) fund costs associated with TB testing.

Cost to treat a person with LTBI < \$500  
 Cost to treat active TB ranges \$2K-\$250K



# Latent TB Issue in Texas

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- ~500,000+ Texans with LTBI
  - Left untreated, ~25,000-50,000 of these Texans will eventually develop active TB over their life time
  - People with LTBI are at highest risk of developing active TB within first two years after they become infected
  - The number of contact investigation cases has increased 20% from 2009-2011.
  - Cost of diagnosing and treating a person with LTBI < \$500
  - Cost of diagnosing and treating active TB ranges \$2K-\$250K



# Impact of Increased TB Prevention Funding

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- Increase the amount of testing using blood samples (Interferon-Gamma Release Assay or IGRA) by 7,268
- Initiate use of the new treatment regimen now recommended for persons with LTBI (use of two drugs once weekly for three months)
  - Reduces the number of doses from daily or twice weekly to once weekly (total of 76-270 doses in older regimen compared to 12 doses in new regimen)



# Maintain Current Services

## EI #3: Adult Immunizations

Exceptional Item	FY2014	FY2015	Biennium
a) Adult Safety Net Vaccines	\$8,855,000	\$9,087,000	\$17,942,000
b) Meningococcal Vaccines	\$4,290,000	\$4,290,000	\$8,580,000
<b>Total Request</b>	<b>\$13,145,000</b>	<b>\$13,377,000</b>	<b>\$26,522,000</b>

Method of Finance:			
General Revenue	\$13,145,000	\$13,377,000	\$26,522,000

a) Fund the immunization adult safety net program by purchasing 66,688 doses per year of vaccines to prevent the following vaccine preventable diseases among adults: Hepatitis B, tetanus, diphtheria, pertussis, measles, mumps, rubella, influenza and pneumonia.

b) With the passing of SB1107, new college students are required to get their meningococcal vaccine prior to starting college. We are anticipating 65,000 uninsured students per year will need the vaccine.

Based on ASTHO data, \$16 savings for every \$1 spent on all immunizations

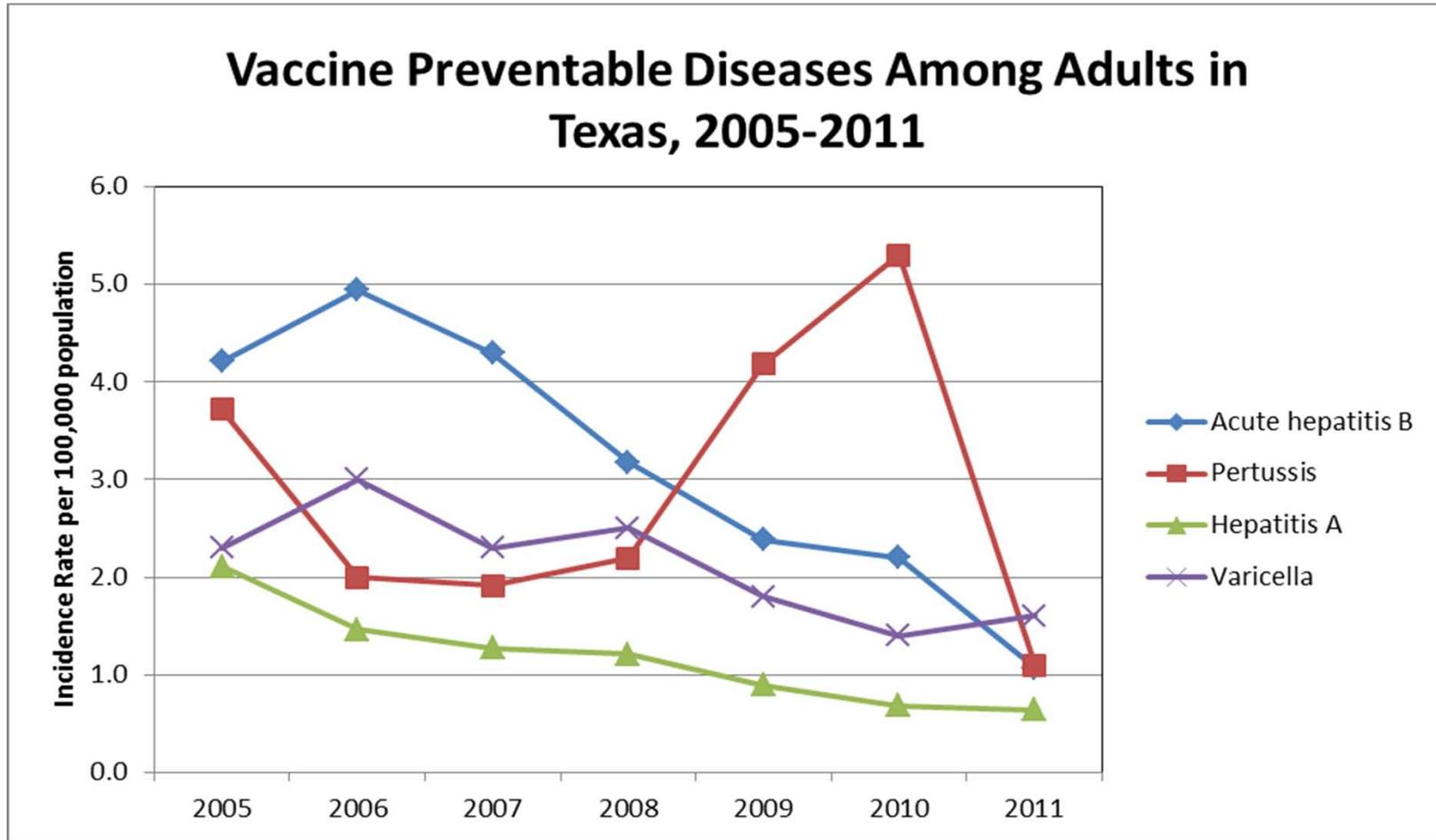


# Return on Investment

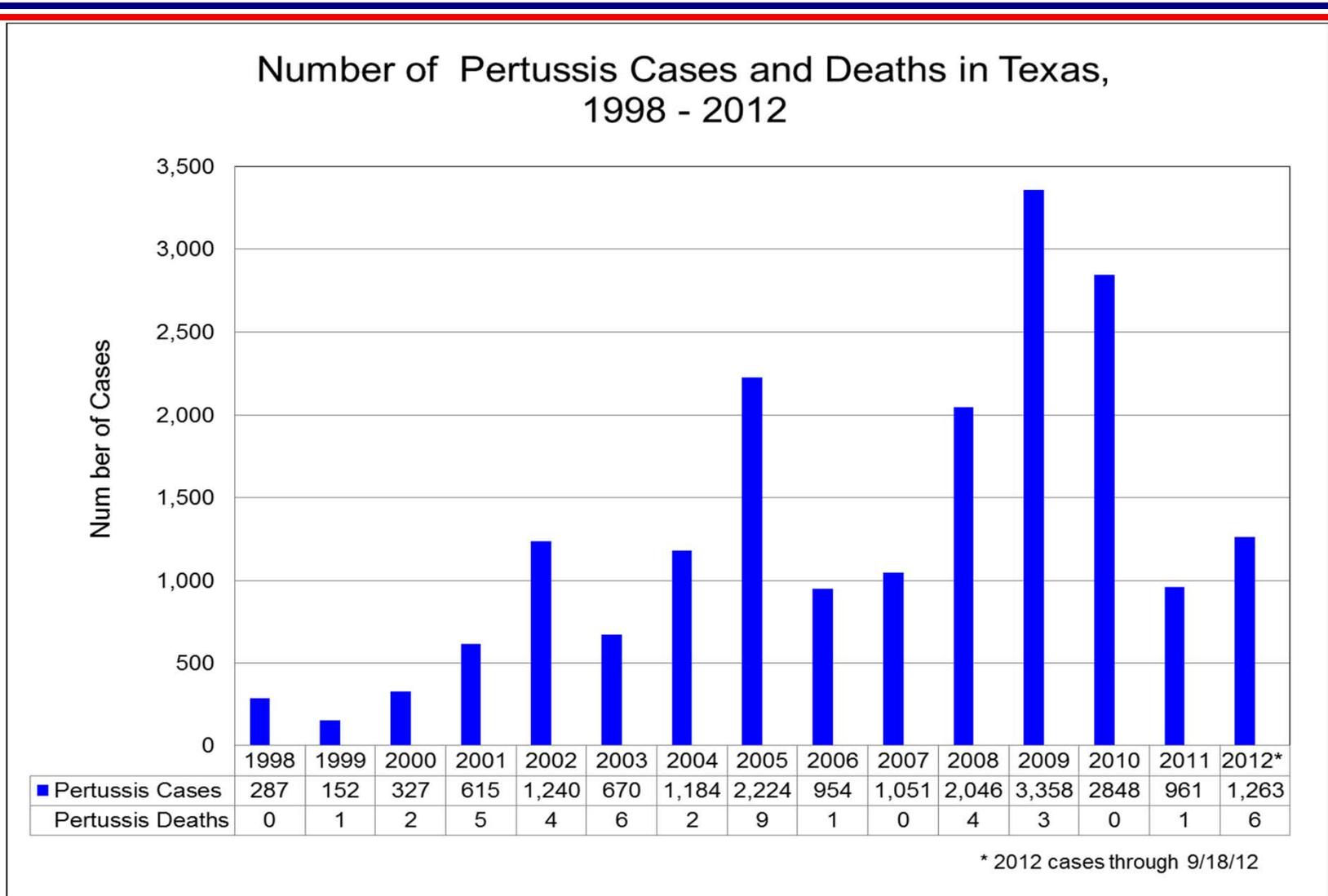
<b>Public Health Saves Healthcare Dollars</b>	
<b>Initiative</b>	<b>Savings for Every \$1 Spent</b>
<b>Chronic Disease Management</b>	<b>\$ 5.60</b>
<b>Immunizations</b>	<b>\$16.00</b>
<b>Smoking Cessation for Pregnant Women</b>	<b>\$6.00</b>

Source: ASTHO analysis of national data  
References on [www.astho.org](http://www.astho.org)

# Vaccine Preventable Diseases among Adults

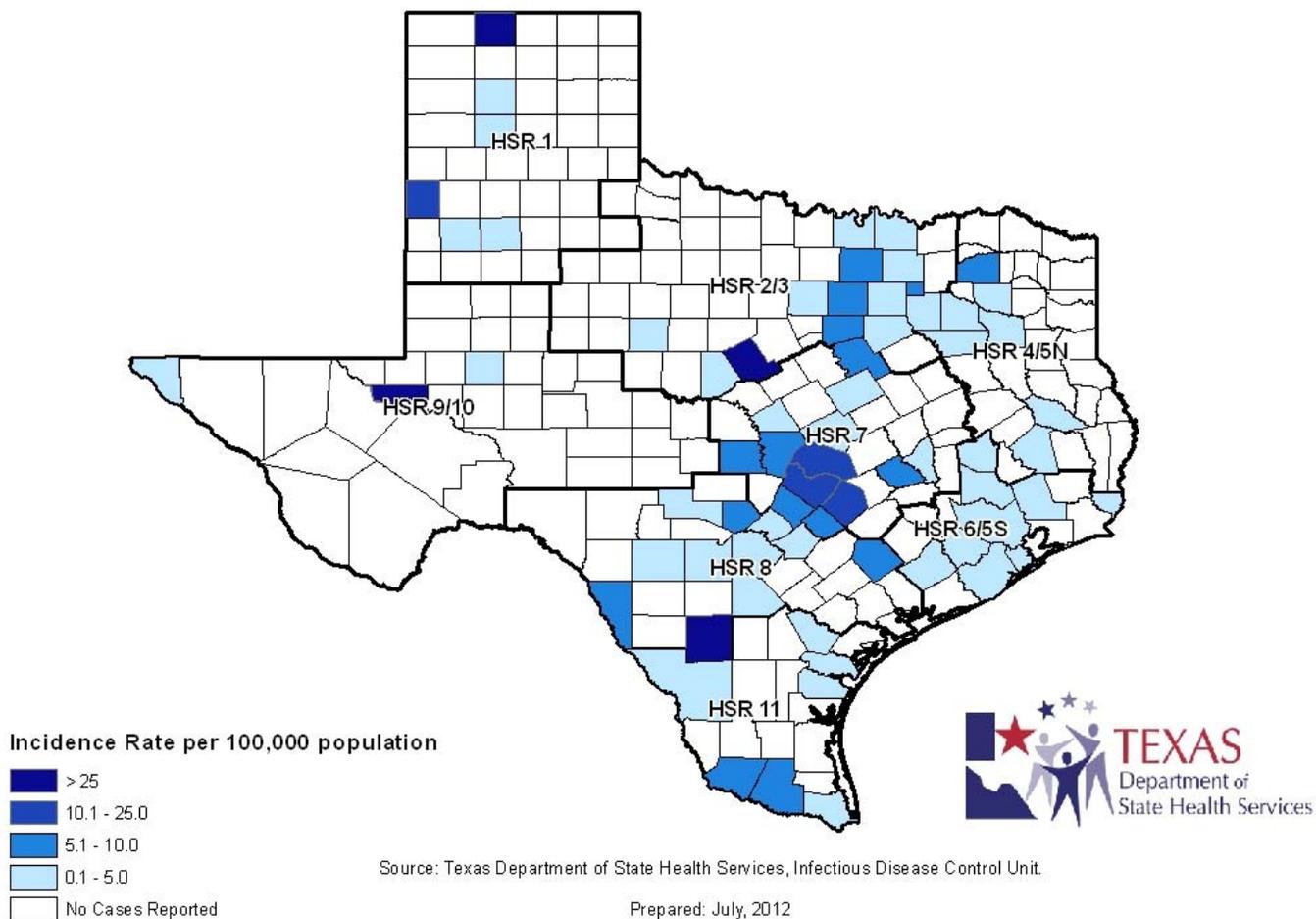


# Pertussis Cases and Deaths in Texas



# Pertussis Rates across Texas Counties

Incidence Rates of Pertussis Cases in Texas, 2011





# Meet Statutory Requirements

## EI #4: Disease Outbreak & Disaster Response

Exceptional Item	FY2014	FY2015	Biennium
Disease Outbreak and Disaster Response	\$3,551,653	\$3,551,653	\$7,103,306
<b>Total Request</b>	<b>\$3,551,653</b>	<b>\$3,551,653</b>	<b>\$7,103,306</b>

<u>Method of Finance:</u>			
General Revenue	\$3,551,653	\$3,551,653	\$7,103,306

Approximately \$1.45M per year will increase DSHS' capacity to detect and respond to foodborne and other disease outbreaks across the state of Texas by funding:

- 11 epidemiologists (approximately one per DSHS Region);
- 10 sanitarians (field staff targeted to high risk areas)

The contracts with LHDs (estimated to be \$2.1 M per year) will be used to hire additional epidemiologists to coordinate surveillance, identify possible cases for foodborne illness, investigate reports of foodborne illnesses and to conduct outbreak investigations.



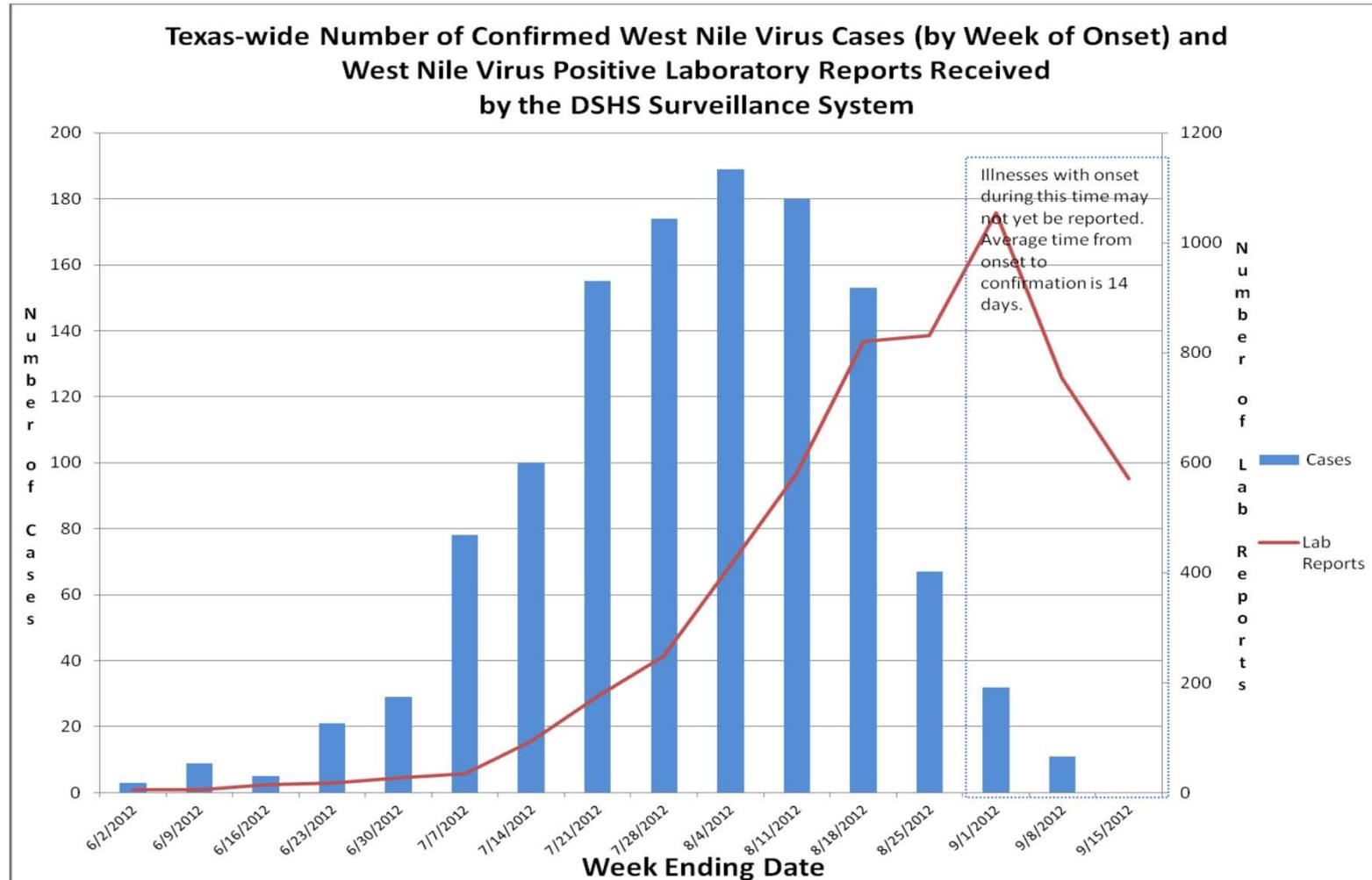
# 2008-2012 DSHS Emergency Responses

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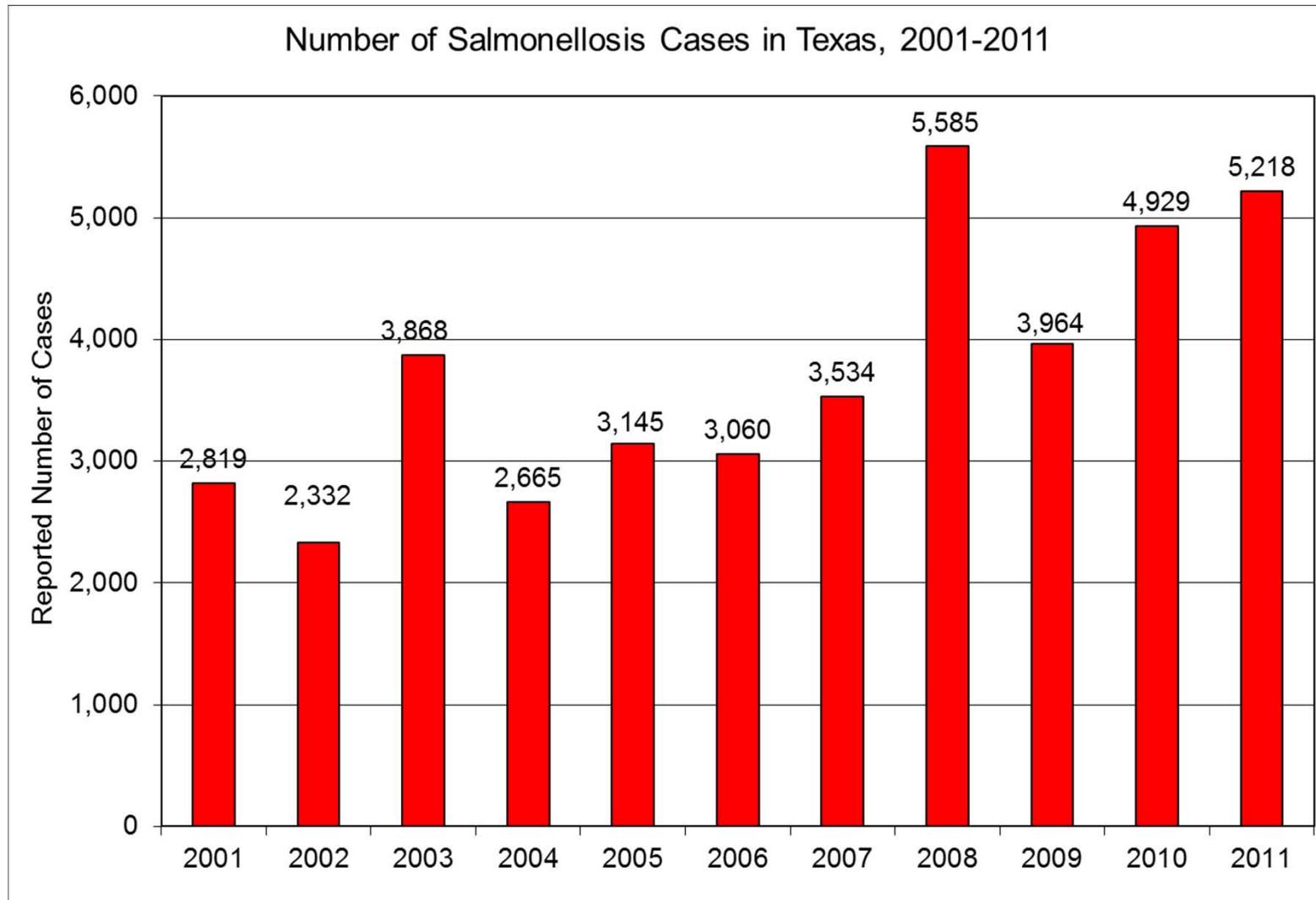
## Texas Leads in Federal Disaster Declarations

- West Nile Virus Outbreak
- Bastrop Wildfires
- Hurricanes
  - Alex
  - Dolly
  - Gustav
  - Ike
- Tropical Storm Edouard
- H1N1 Pandemic Response
- San Angelo
  - Yearning for Zion Ranch
- Epi Investigations
  - TB/Mumps/Measles Outbreaks
  - Peanuts, Tomatoes and Jalapeños
  - Mercury in Skin Cream
- Monitored and responded to concerns:
  - BP Oil spill
  - Fukushima Daiichi radiation release in Japan

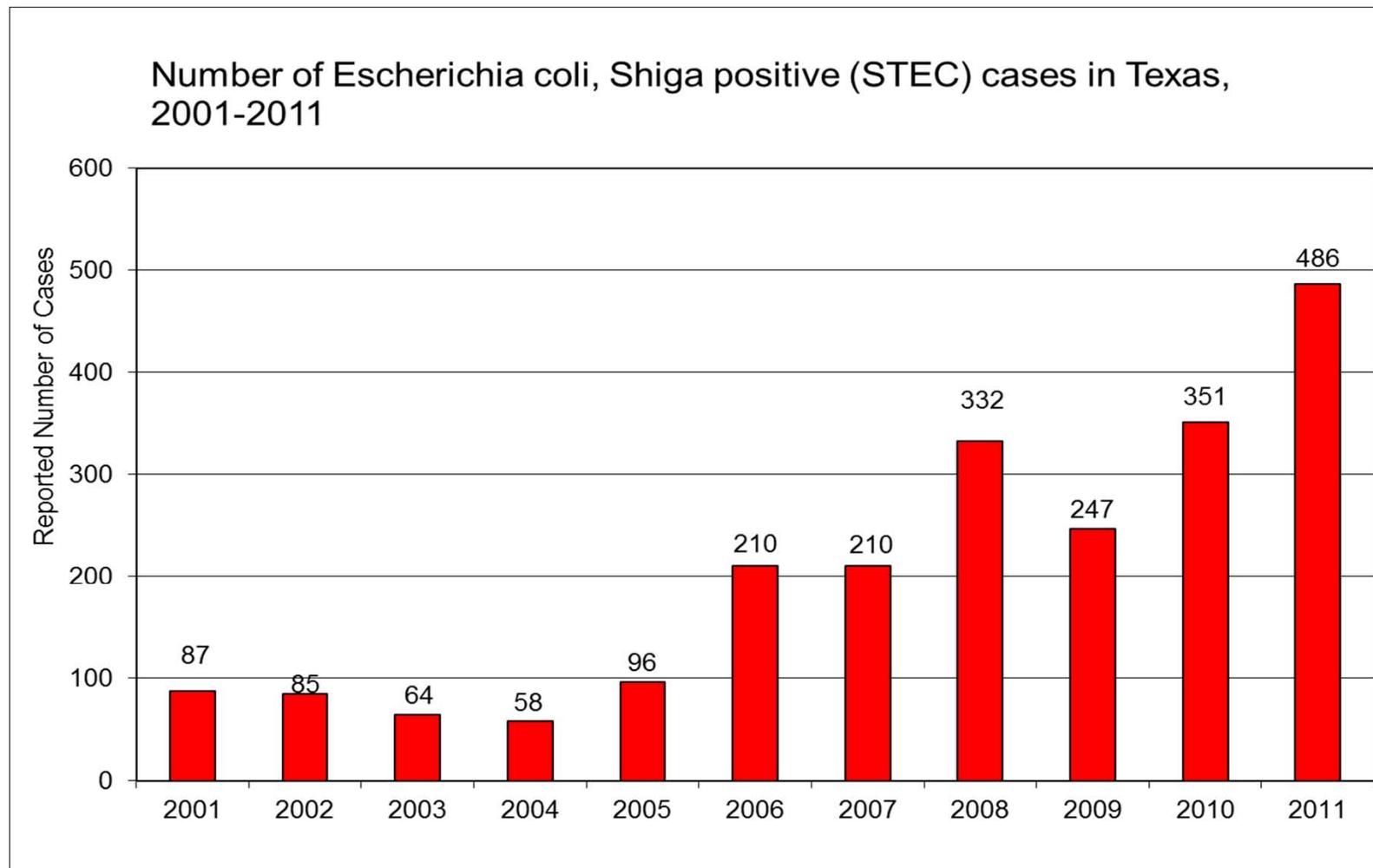
# West Nile Virus in 2012



# Foodborne Illness in Texas



# Foodborne Illness in Texas





# Meet Statutory Requirements

## EI #5: Hospital Facilities & Infrastructure

Exceptional Item	FY2014	FY2015	Biennium
Hospital Facilities & Infrastructure	\$77,101,281	\$0	\$77,101,281
Total Request	\$77,101,281	\$0	\$77,101,281

Method of Finance:			
Other Funds (Bonds)	\$77,101,281	\$0	\$77,101,281

Fund repair and renovation of aging state hospitals and their infrastructure.

This EI request of \$77M would fund priority 1 project of the total \$181 million needed in repair and renovation.

Some of the items addressed will impact Joint Commission, accreditation and limit high cost emergency repairs.



# Summary of EI Request by State MH Hospitals

	Need	Proposed
Austin State Hospital	\$7,095,402	\$6,314,046
Big Spring State Hospital	\$10,267,007	\$5,128,062
El Paso Psychiatric Center	\$989,092	\$845,141
Kerrville State Hospital	\$15,913,384	\$6,816,139
Rio Grande State Center	\$17,205,300	\$2,672,875
Rusk State Hospital	\$16,538,990	\$8,184,535
San Antonio State Hospital	\$19,916,848	\$10,967,527
Terrell State Hospital	\$51,969,966	\$16,547,354
Texas Center for Infectious Diseases	\$3,080,342	\$844,982
North Texas State Hospital: Vernon	\$7,544,613	\$2,436,145
Waco Center for Youth	\$2,180,288	\$2,023,858
North Texas State Hospital: Wichita Falls	\$23,698,042	\$10,042,115
<b>DSHS Subtotal of Projects</b>	<b>\$176,399,273</b>	<b>\$72,822,779</b>
Replace Deteriorated HVAC Systems for Client Use Buildings	\$4,278,502	\$4,278,502
<b>Harris County Psychiatric Center Subtotal</b>	<b>\$4,278,502</b>	<b>\$4,278,502</b>
<b>Grand Total</b>	<b>\$180,677,775</b>	<b>\$77,101,281</b>



# Summary of EI Request by Type of Repair/Renovation:

Type of Repair or Renovation	Amount Requested
Life Safety Code	\$24,182,669
Roofing	\$13,825,509
HVAC	\$9,325,564
Utilities	\$4,573,546
Plumbing	\$5,586,783
Electrical	\$813,762
Renovation	\$11,116,317
Americans with Disabilities Act / Texas Accessibility Standards	\$3,909,040
Non-Structure Site Repair	\$2,901,466
Hazardous Material	\$866,624



# Move Health Forward

## EI #6: Primary Health Care Expansion

Exceptional Item	FY2014	FY2015	Biennium
Primary Health Care Expansion	\$34,965,756	\$34,965,756	\$69,931,512
<b>Total Request</b>	<b>\$34,965,756</b>	<b>\$34,965,756</b>	<b>\$69,931,512</b>

Method of Finance:			
General Revenue	\$34,965,756	\$34,965,756	\$69,931,512

Expand the Primary Health Care Program (PHC) to use community health workers for outreach to direct women to services indicated, leverage for acute care and emergency services, including:

- cancer screenings
- dental services, and
- provide an array of priority women's health services.

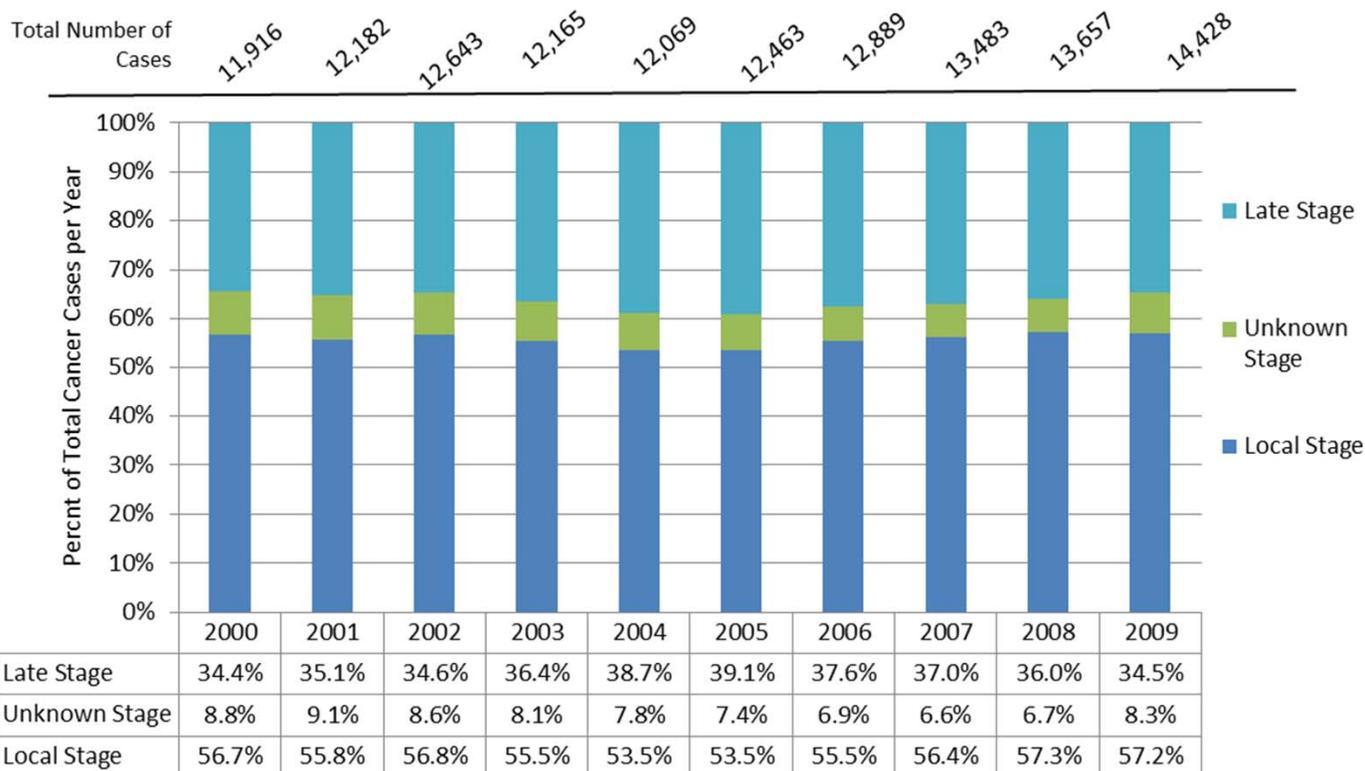
In SFY 11, over 80,000 clients were provided primary health services, about 31,000 women were screened for breast and/or cervical cancer, and approximately 472 breast and/or cervical cancers were detected. This exceptional item if funded would serve 119,000 women per year.

Health care savings will come from early detection of breast and cervical cancers, lower preterm births, and reduced preventable hospitalizations.

**\$35M Investment Results in ~\$64M Savings in Medicaid per year**

# Breast Cancer

**Female Breast Cancer Incidence - Percentages by Year of Diagnosis and Stage at Diagnosis, Texas, 2000-2009**



Note: Late Stage - cancer spread to lymph nodes and beyond. Local Stage - cancer still isolated in tumor.

# Cervical Cancer

**Female Cervical Cancer Incidence - Percentages by Year of Diagnosis and Stage at Diagnosis, Texas, 2000-2009**



Note: Late Stage - cancer spread to lymph nodes and beyond. Local Stage - cancer still isolated in tumor.



# Primary Health Care Cost Savings

Annual Outcomes							
Cost Savings							
Type of Service	Number of Clients	Outcomes	All Clients	Medicaid Clients	Average Cost	Total Cost Savings	Medicaid Cost Savings
Blood Pressure Screening	119,006	Preventable Admissions	43	3	\$24,159 (Charges)	\$1,038,837	\$36,239
Diabetes Screening	37,011	Preventable Admissions	91	10	\$40,264 (Charges)	\$3,664,024	\$201,320
Contraceptive Clients	70,860	Births Averted	5,102	5,102	\$12,000	\$61,224,000	\$61,224,000
Prenatal Clients	23,801	Early Preterm Births Prevented	73	73	\$22,430	\$1,637,390	\$1,637,390
		Late Preterm Births Prevented	181	181	\$4,919	\$890,339	\$890,339
Total Savings Per Year						\$68,454,590	\$63,989,288
Savings per Client (119,006)						\$575.21	\$537.69
Cost Per Client							\$275
Increased Survival Rate Due to Early Detection of Cancer							
Type of Service	Number of Clients	Outcomes	All Clients	5 year survival rate			
Screening Mammograms	10,690	New Breast Cancer Cases	167	Stage 0 - 1 = 88% - 93%			
Diagnostic Mammograms	5,466			Stage 2 = 74% - 81%			
				Stage 3 = 41% - 67%			
				Stage 4 = 15%			
Pap Tests	83,322	New Cervical Cancer Cases	66	Stage 0 - 1 = 80% - 93%			
				Stage 2 = 58% - 63%			
				Stage 3 = 32% - 35%			
				Stage 4 = 15% - 16%			



# Primary Health Care Expansion Summary

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- Expand the availability of preventive primary health care services to low-income women and navigate them to appropriate care
  - An additional 119,000 women would be served
- Target women age 18 and above who are Texas residents and who are at or below 200 percent of the federal poverty level (FPL)
- Services include: preventive health screenings (e.g., breast and cervical cancer screenings, STD-HIV screenings, hypertension, diabetes, cholesterol, etc.); perinatal services; and dental services
- Incentivize the use of Community Health Workers (CHWs) and lactation consultants



# Implementation

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- Start Date ~ 1/1/14
- Will require a competitive procurement
  - ~ 100 contracts
- Funds distributed using a hybrid cost reimbursement/fee-for-service model
- A new billing/data collection system will be required





# Move Health Forward

## EI #7: Increase Behavioral Health Treatment Outcomes

Exceptional Item	FY2014	FY2015	Biennium
a) Oxford House – Substance Abuse	\$620,000	\$520,000	\$1,140,000
b) Supportive Housing—Mental Health	\$9,507,122	\$15,338,818	\$24,840,940
c) Substance Abuse capacity increase	\$2,470,914	\$2,470,914	\$4,941,828
<b>Total Request</b>	<b>\$12,598,036</b>	<b>\$18,324,732</b>	<b>\$30,922,768</b>

Method of Finance:			
General Revenue	\$10,965,843	\$15,133,391	\$26,099,234
Federal Funds	\$1,632,193	\$3,191,341	\$4,823,534
All Funds	\$12,598,036	\$18,324,732	\$30,922,768

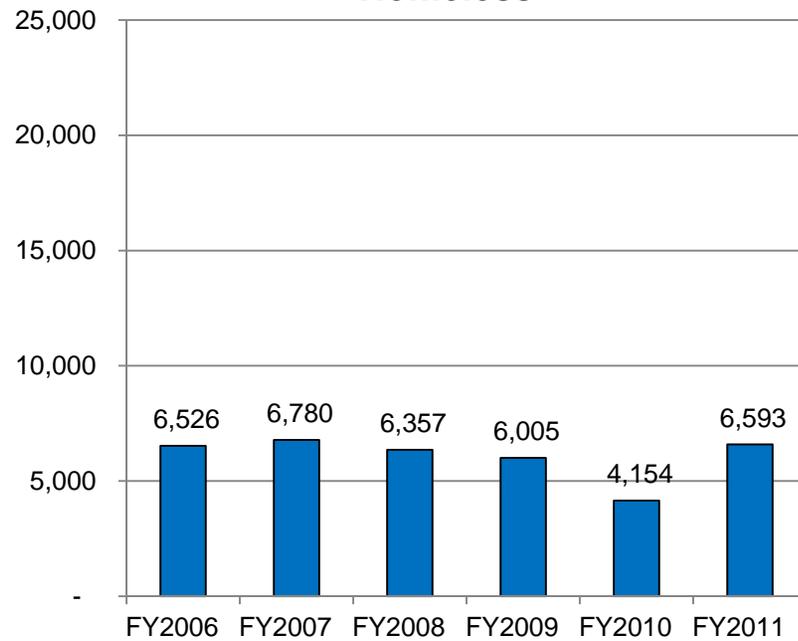
- a) Establish & maintain supportive housing for people in substance abuse recovery
- b) Expand housing support options for people with mental illness who are homeless or at risk of being homeless; Provide the state GR match for a Medicaid home and community based services state plan option for high need persons with extended stays in the state mental health hospitals
- c) Fund the needs of the substance abuse capacity increase (948 clients)

ROI for MH Health Supportive Housing: \$19.6M per year  
 ROI for Oxford House: \$2.5M per year

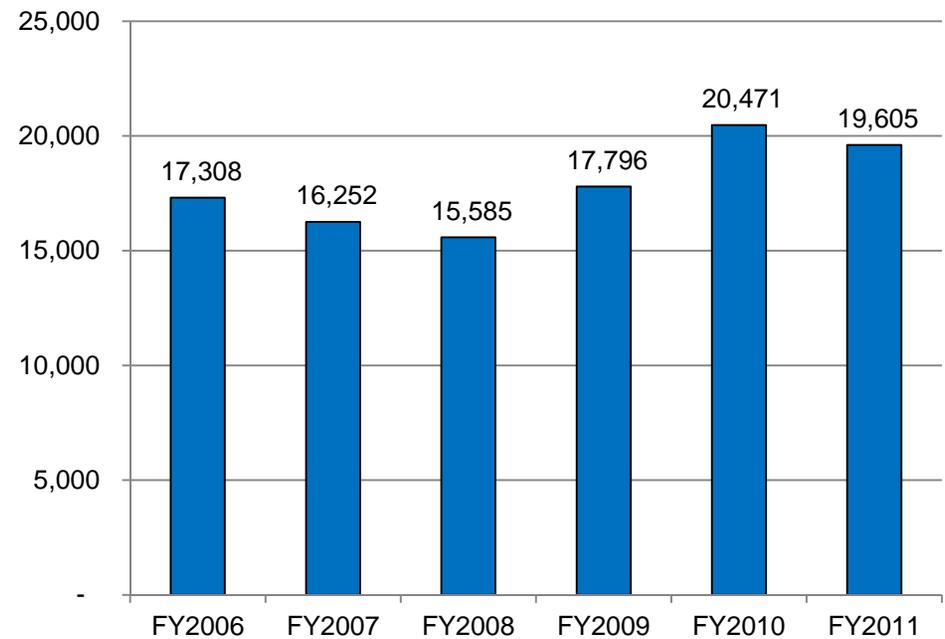


## Homelessness among Substance Abuse and LMHA Clients, 2006-2011

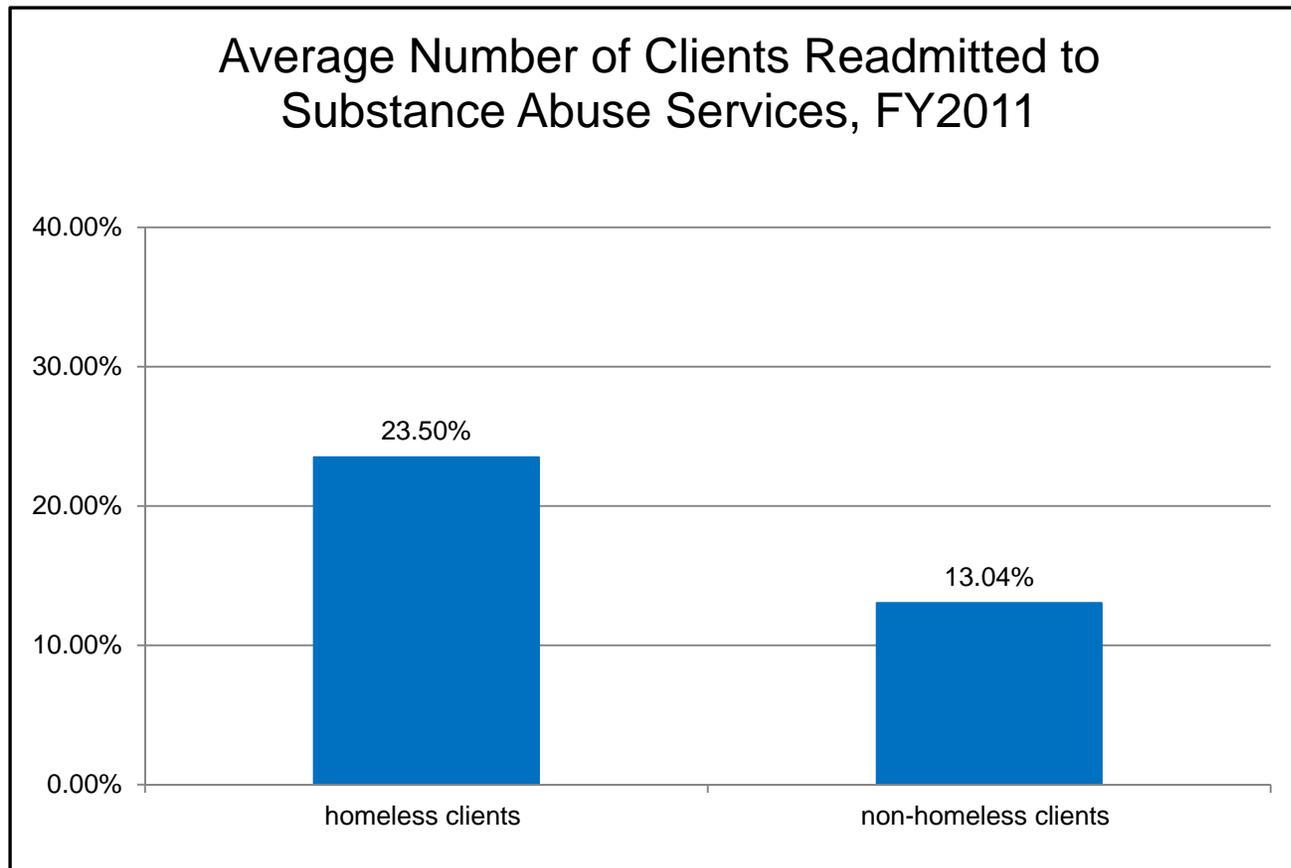
### Substance Abuse Clients who were Homeless



### LMHA Clients who were Homeless

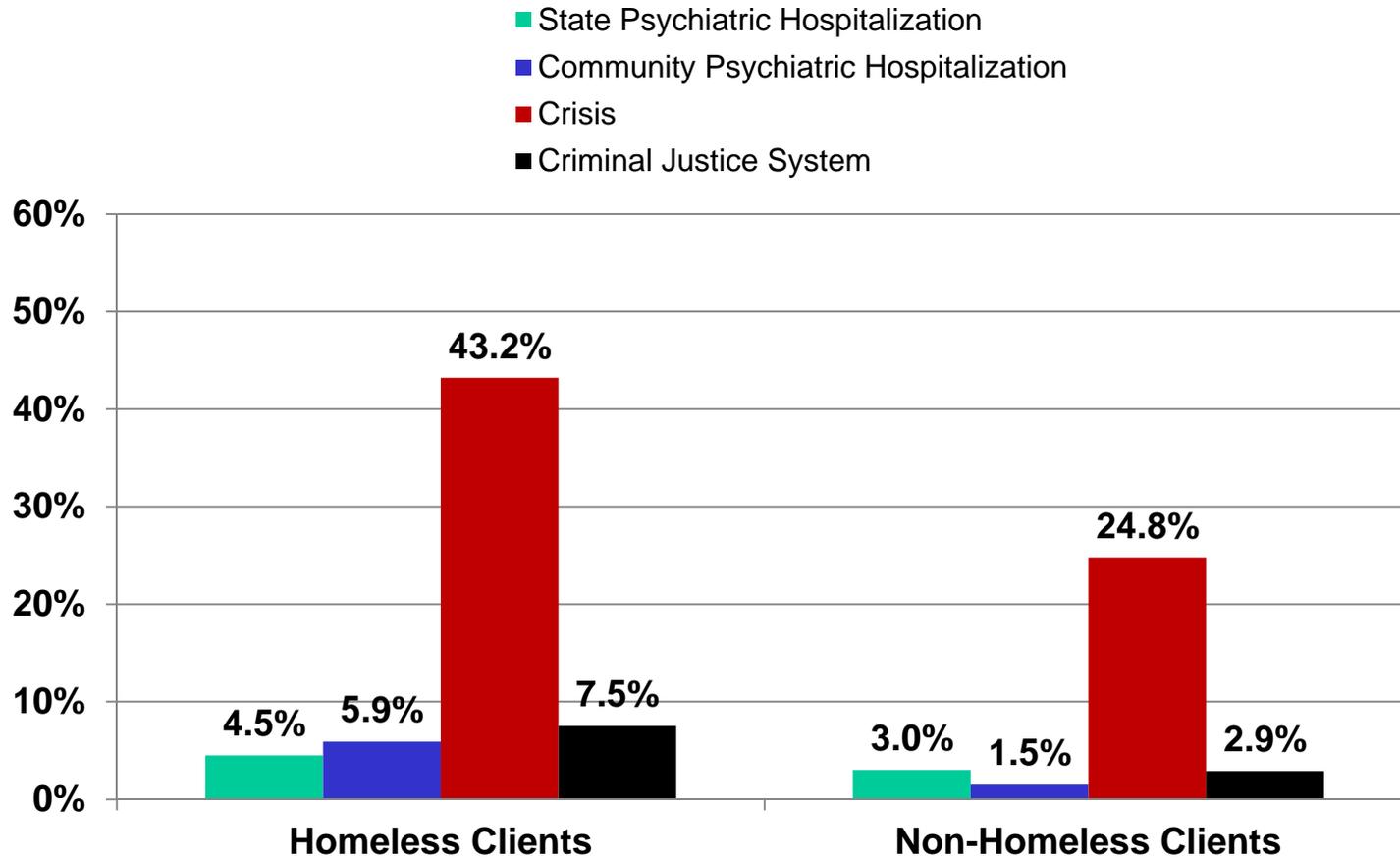


# Homelessness among Substance Abuse Service Clients





# Percent of Homeless MH Adults Using Other State Services



Source: System Cost Savings Analysis of Homeless LMHA Clients, Office of Decision Support, MHSA, DSHS.



# Move Health Forward

## EI #8: Tobacco Cessation & Chronic Disease Prevention

Exceptional Item	FY2014	FY2015	Biennium
a) Increase Tobacco Funding	\$2,049,735	\$2,524,967	\$4,574,702
b) Chronic Disease Prevention	\$2,000,000	\$2,000,000	\$4,000,000
<b>Total Request</b>	<b>\$4,049,735</b>	<b>\$4,524,967</b>	<b>\$8,574,702</b>

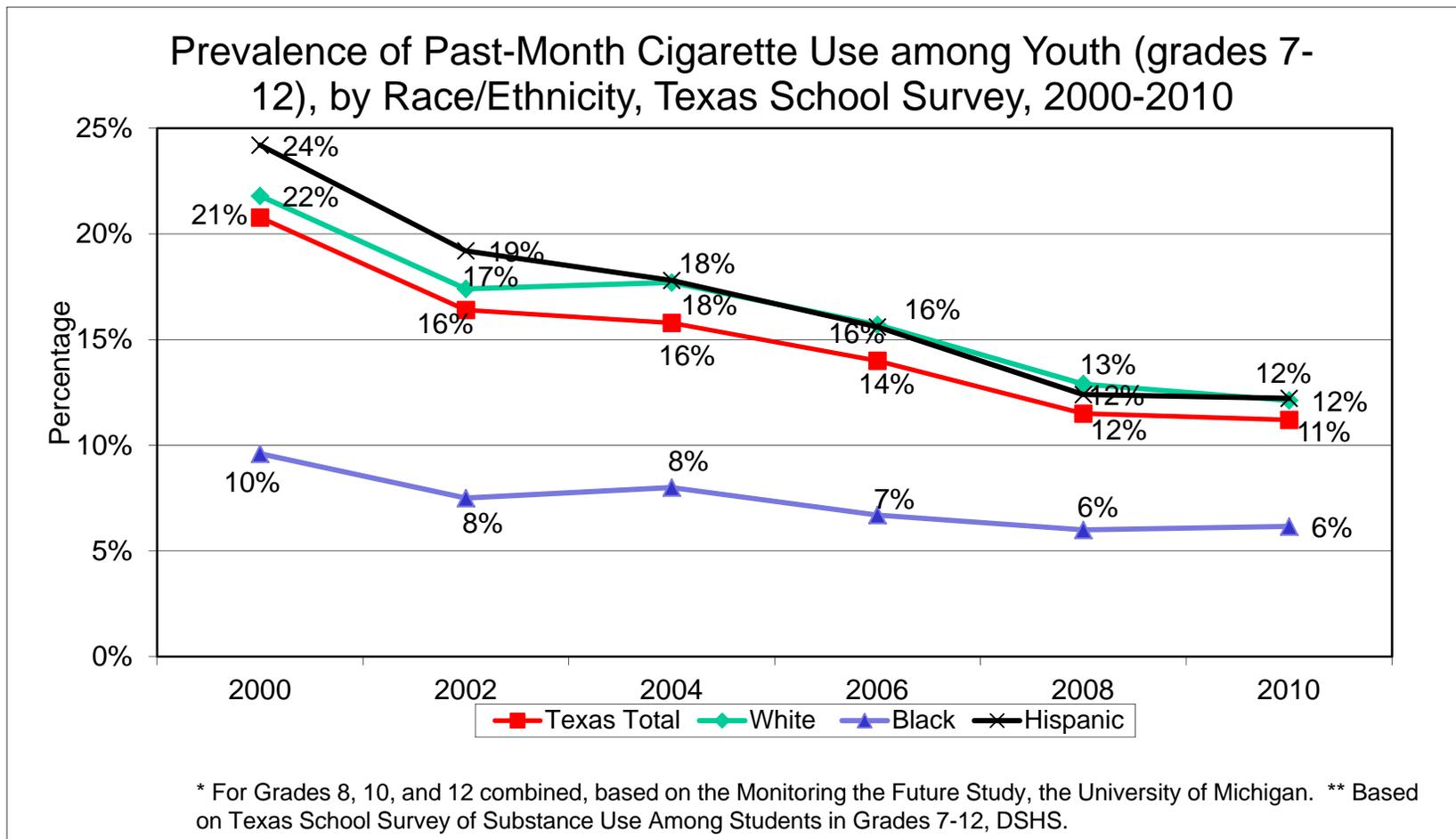
### Method of Finance:

General Revenue	\$4,049,735	\$4,524,967	\$8,574,702
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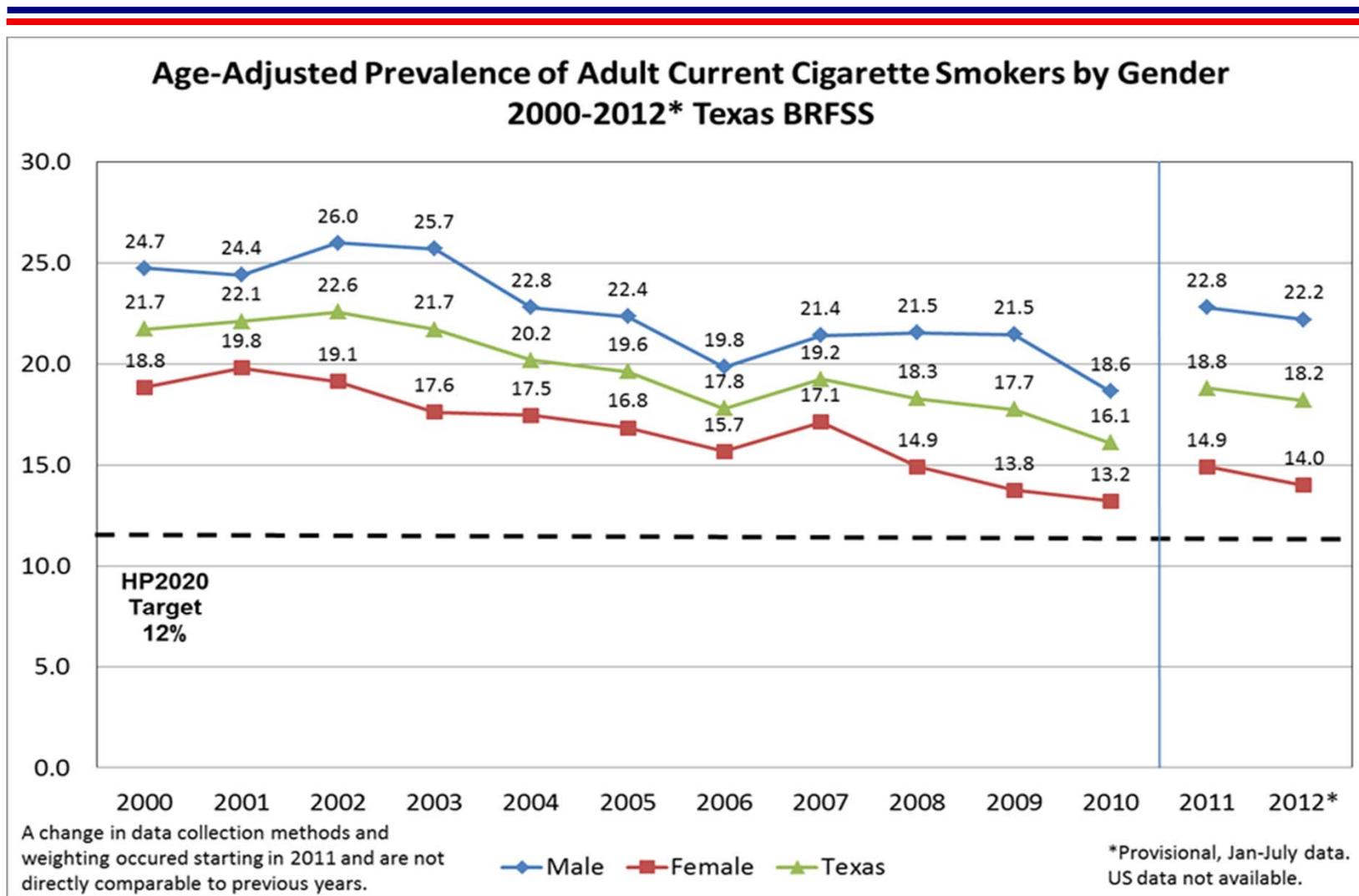
a) Increase tobacco prevention and cessation funding for the Quitline counseling services, nicotine replacement therapy (NRT) to callers from targeted communities, smokeless tobacco prevention to youth in rural counties, and tobacco cessation and smokeless tobacco media outreach in target market areas. In SFY 2011, 26,183 calls were answered on the Quitline, 12,113 individuals were provided smoking cessation counseling, and 6,305 individuals received NRT. **In SFY 11, assuming 27% of ~ 12,000 individuals receiving counseling services quite smoking, an investment of \$2.3 million generating a potential savings of ~\$26.6M.**

b) Expand DSHS' efforts to implement high impact chronic disease reduction and prevention efforts in eight mid to large urban centers. The metrics for the urban areas covered by the EI funds are the same as those of the rural areas covered by Community Transformation Grant funds. These include prevention activities (such as increasing access to quality food), process measures (such as community coalition meetings), and overall outcome measures (such as reductions in CVD deaths).

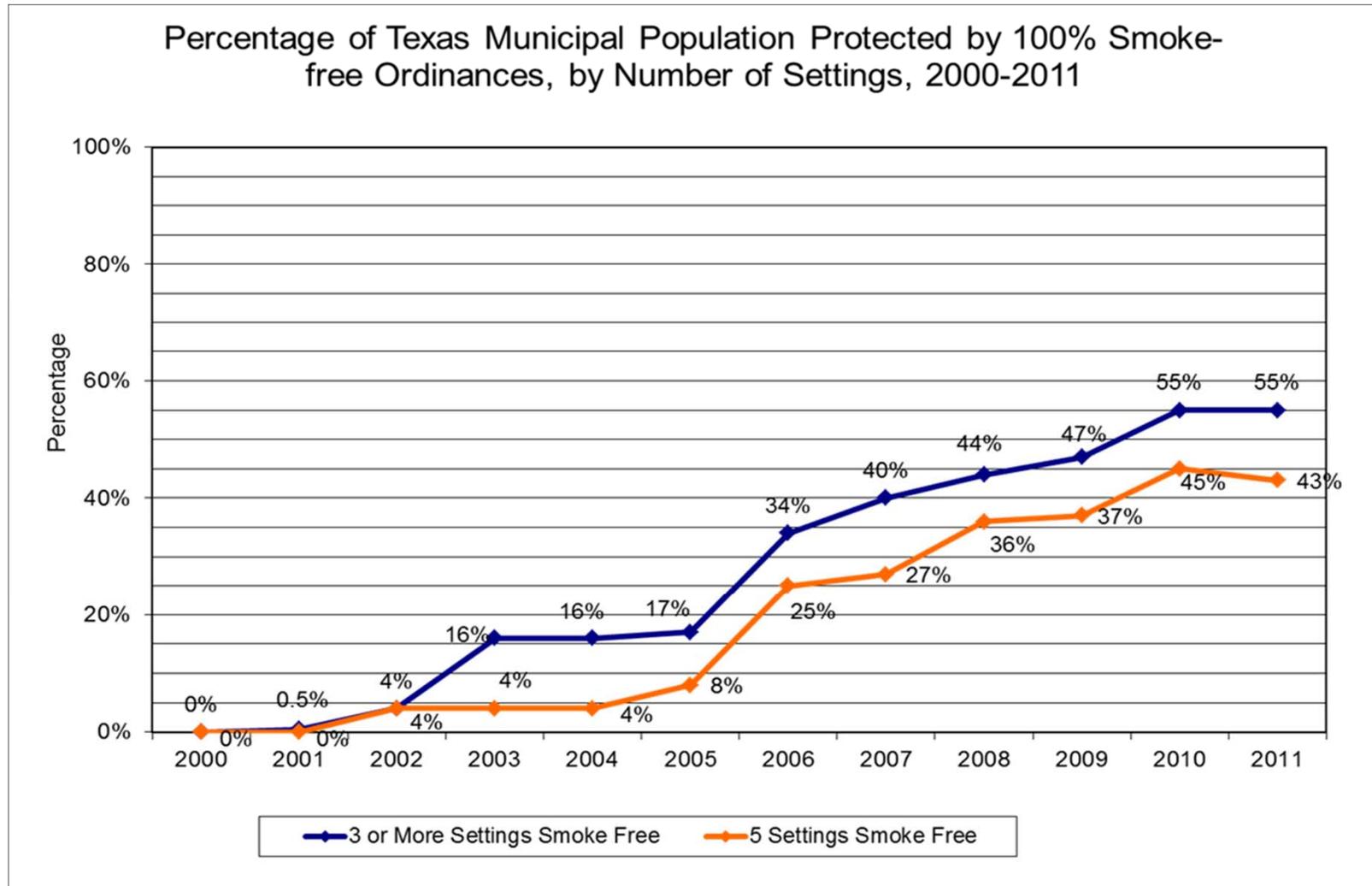
# Cigarette Use among Youth



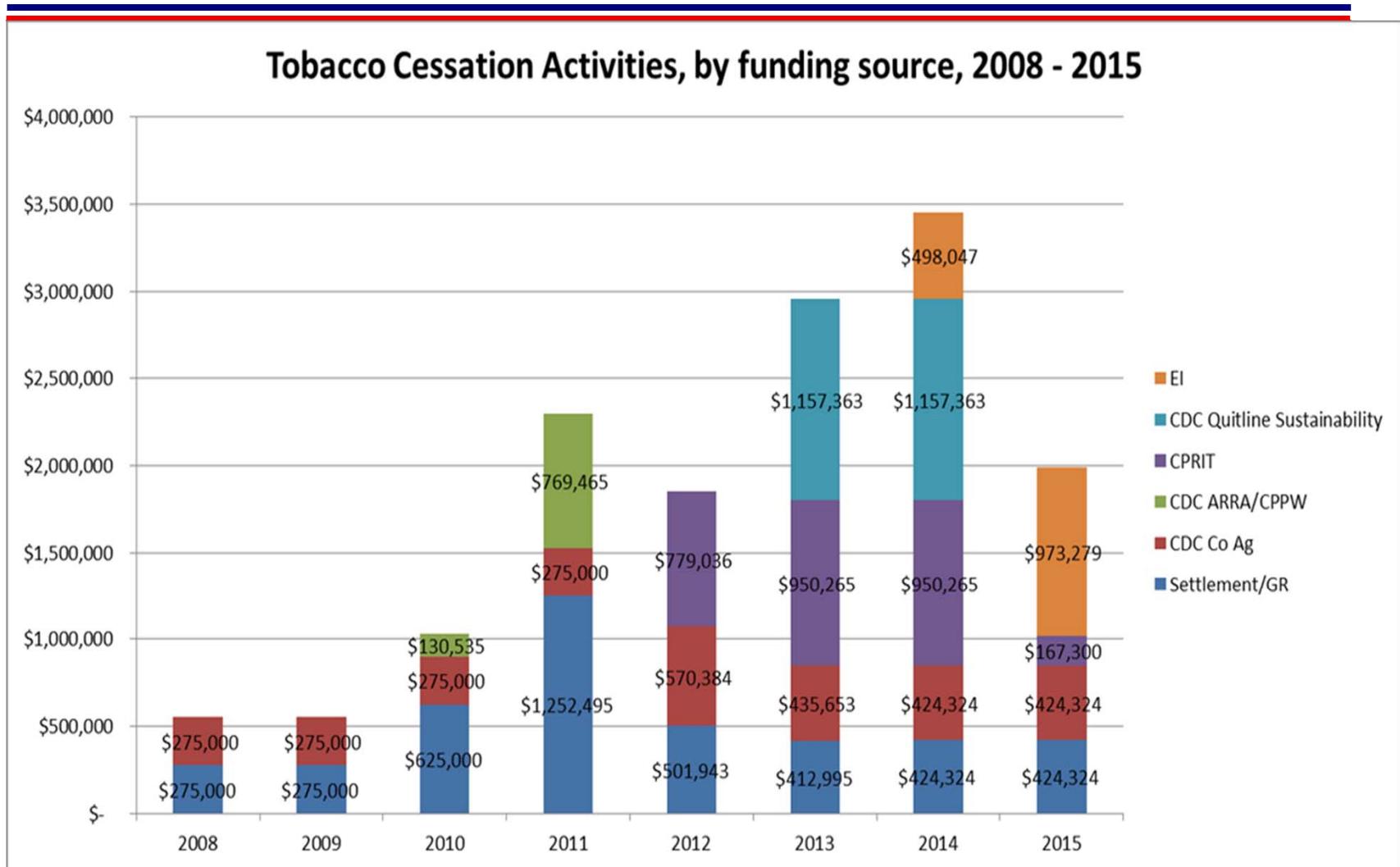
# Cigarette Use among Adults



# Texas Municipalities with Smoking Ordinances

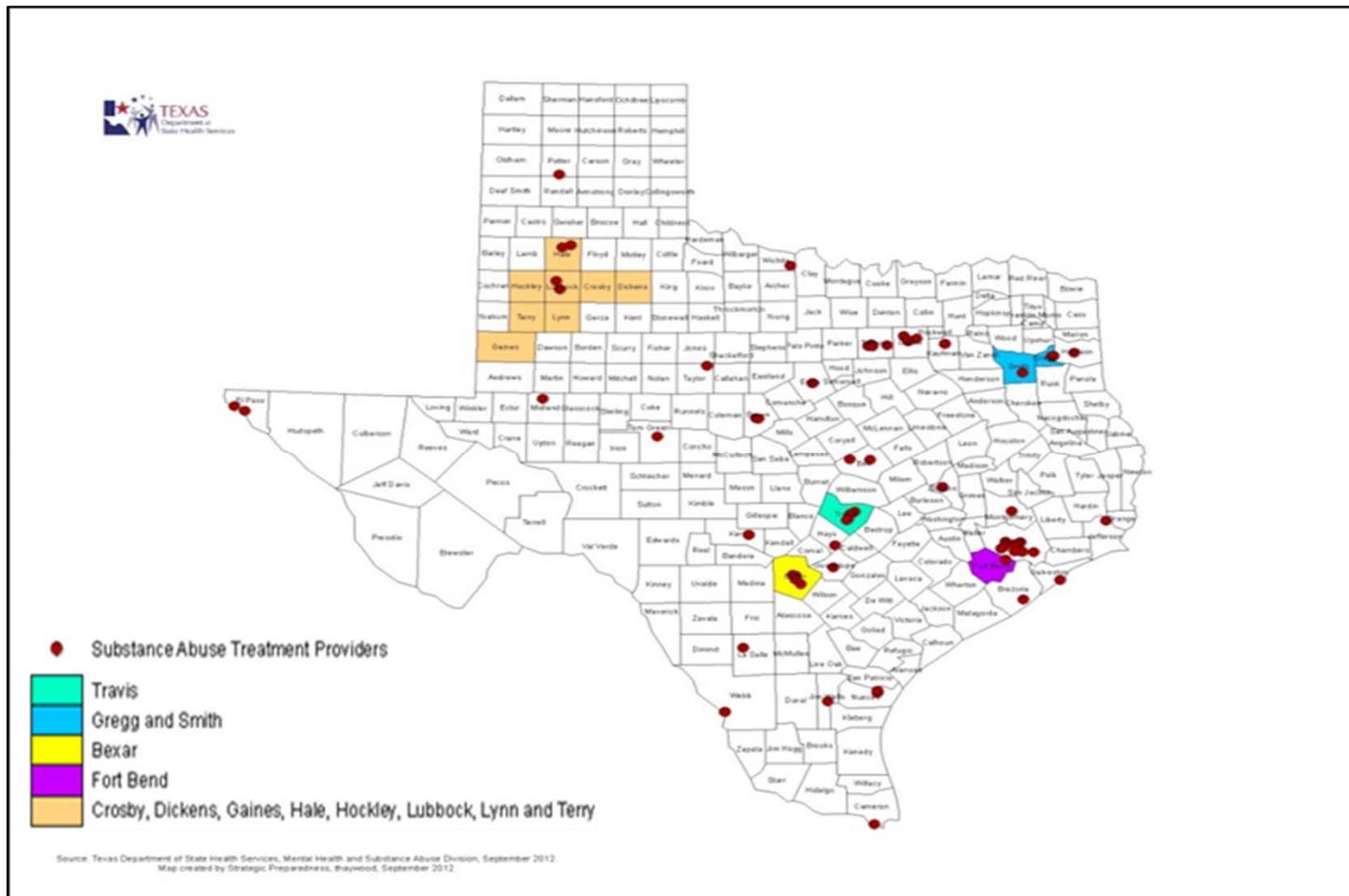


# Tobacco Cessation Activity Funding Sources



# Tobacco Quitline Services: Populations Served in Communities in Texas

## Counties with Comprehensive Tobacco Control Coalitions and DSHS-funded Substance Abuse Treatment Providers





# Tobacco Quitline Services: Populations Served in Communities in Texas

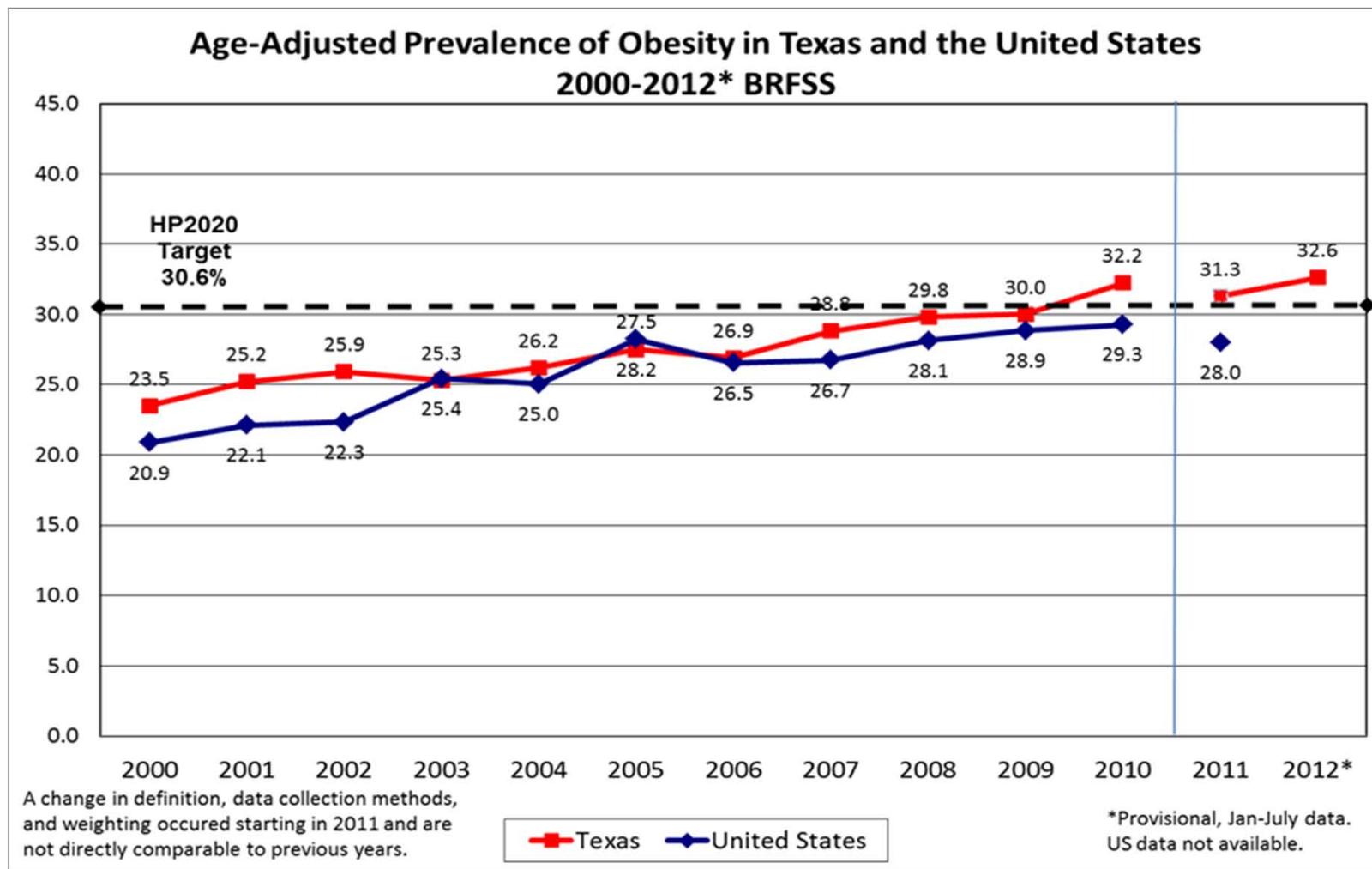
FY12/13	Individuals eligible to access tobacco cessation services				
	All Other Tobacco Users	Counties in Comprehensive Coalitions	Substance Abuse Service Clients	Uninsured	Medicaid Clients
On the call, eligibility is determined	34,904 total calls				
Initiate counselling	(requires clinical referral)	22,461 clients served			
Nicotine Replacement Therapy	(requires clinical referral)	(requires clinical referral)	6,832 clients served		Covered by Medicaid
FY14/15	Individuals eligible to access tobacco cessation services				
	All Other Tobacco Users	Counties in Comprehensive Coalitions	Substance Abuse Service Clients	Uninsured	Medicaid Clients
On the call, eligibility is determined	47,927 total calls				
Initiate counselling		32,042 clients			
Nicotine Replacement Therapy	(requires clinical referral)		9,626 clients		Covered by Medicaid

# Tobacco ROI

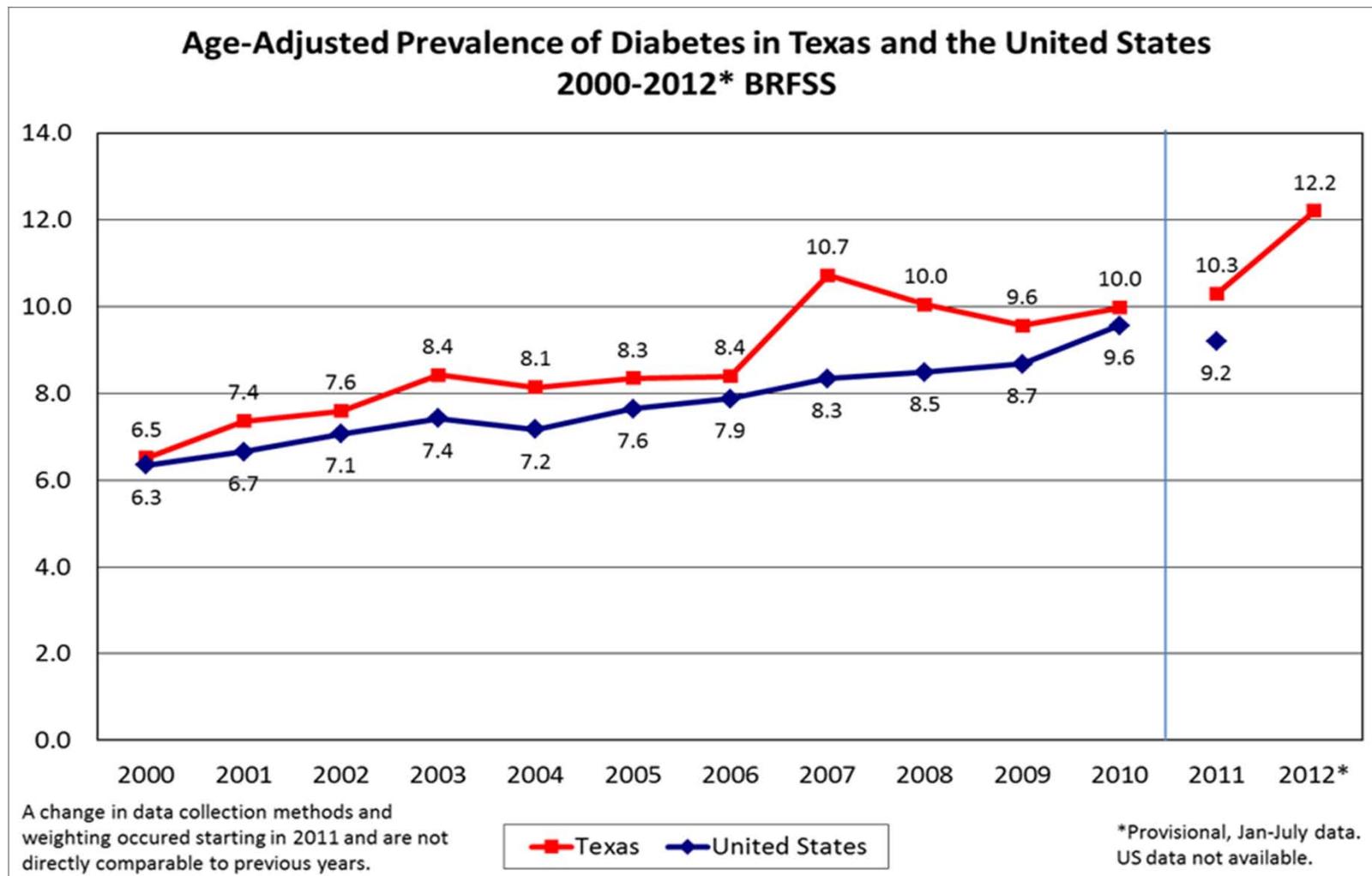
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- According to a 2006 study in Texas conducted by the Center for Health Research at Kaiser Permanente; for every Texan who quits smoking, there is a savings of \$8,127 in medical costs and lost productivity just in the first five years.
- In 2012, random sample telephone surveys conducted by Alere Wellbeing indicate that 27 percent of the callers to the state's quitline successfully quit and remained tobacco free seven months after enrolling in the state-funded quitline services.
- If the 27% quit rate determined by Alere Wellbeing is combined with the ROI calculated by the Kaiser study, 27% of the 12,113 individuals enrolled in counseling in FY 11 successfully quit tobacco; generating a potential savings of \$26,579,435 on an investment of \$2,296,960.

# Obesity Rate in Texas

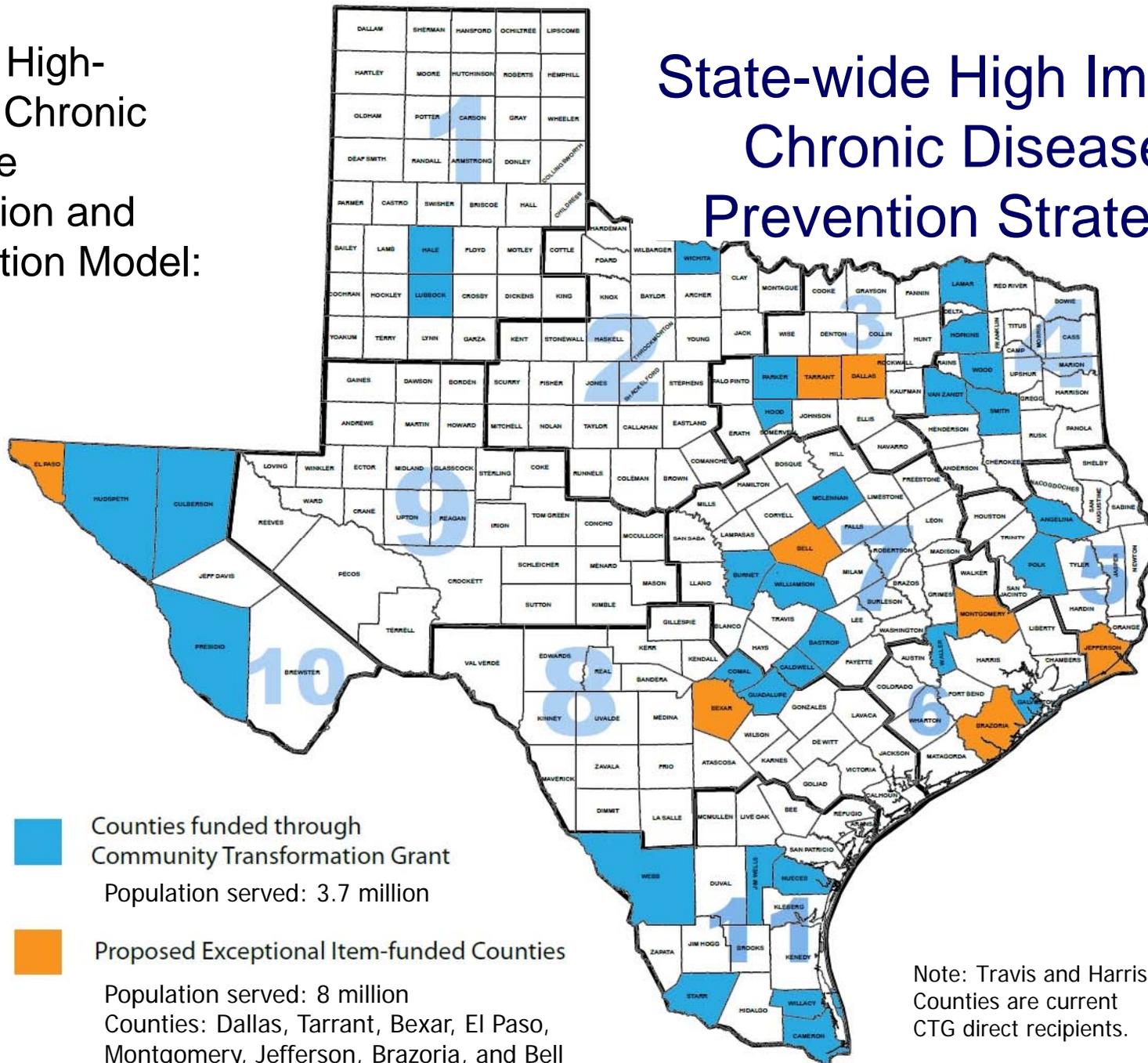


# Diabetes Prevalence Rates



Map of High-Impact Chronic Disease Reduction and Prevention Model:

# State-wide High Impact Chronic Disease Prevention Strategy





# Community Transformation Goals

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The Community Transformation high-impact chronic disease prevention strategy emphasizes reductions in obesity, reductions in cardiovascular disease, and tobacco cessation.

**The Community Transformation grant has a 5 year target to improve in these 3 areas in the targeted communities:**

- reduce death and disability due to tobacco use by 5%;
- reduce the rate of obesity by 5% through nutrition and physical activity interventions; and
- reduce death and disability by 5% due to heart disease and stroke.



# Move Health Forward

## EI #9: Preventing Healthcare Associated Infections

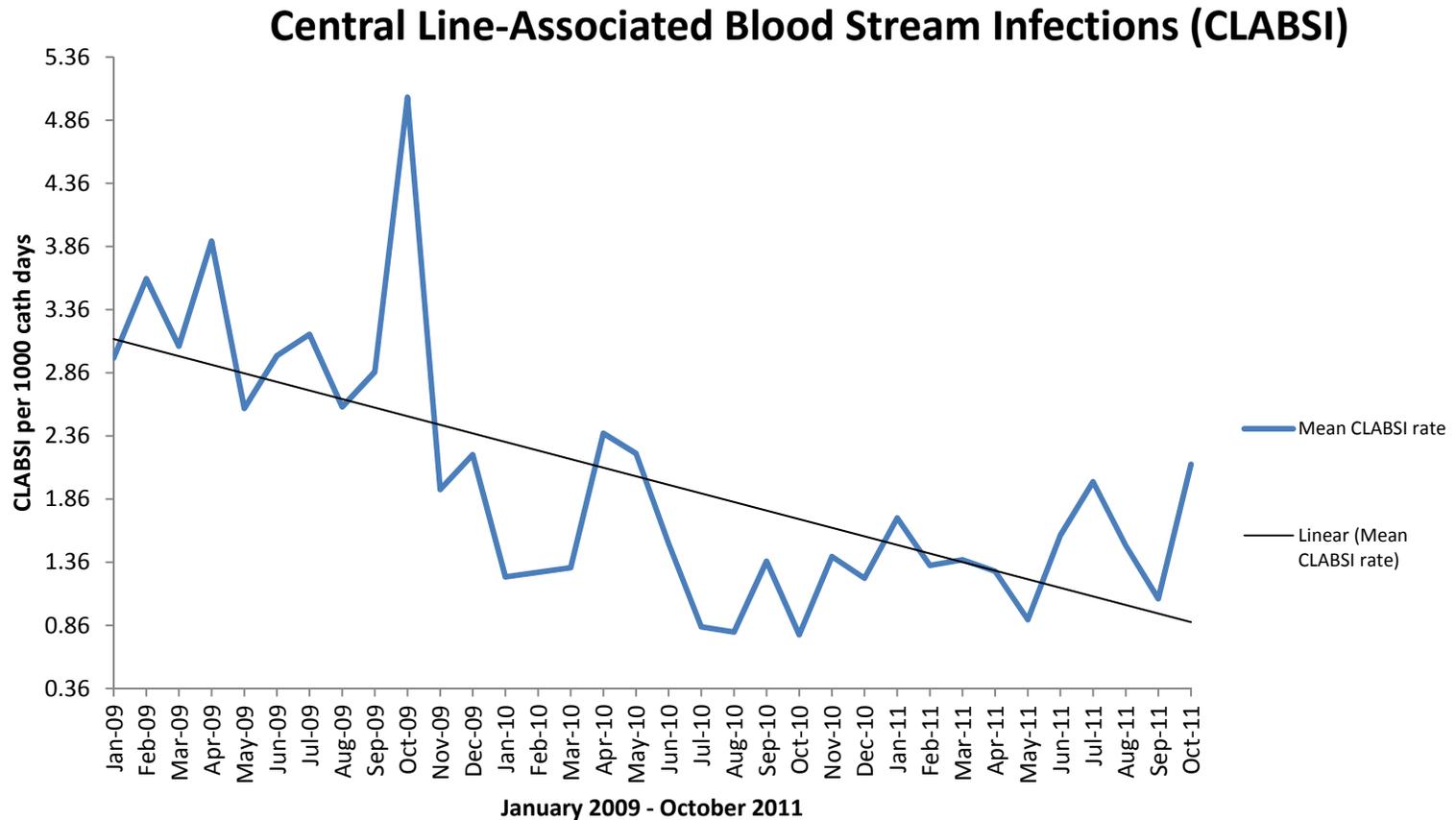
Exceptional Item	FY2014	FY2015	Biennium
Preventing Health Care Associated Infections	\$1,000,000	\$1,000,000	\$2,000,000
<b>Total Request</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$2,000,000</b>

Method of Finance:			
General Revenue	\$1,000,000	\$1,000,000	\$2,000,000

To pay for a contractor to implement hospital prevention projects in multiple healthcare facilities across Texas. This contractor will be designated to teach healthcare providers the necessary *Clostridium difficile* (CDI) prevention and control measures. Savings in the Medicaid program will offset these costs.

10% Reduction CDI Hospitals Stays in Medicaid Results in ~\$1.76M Savings for Texas Medicaid per year

# Healthcare Setting Infection Control Interventions Lead to Decline in CLABSI





## Estimated Costs of *Clostridium difficile* Infections (CDI) Principal/Secondary Diagnosis by Payer, Texas, 2009

Payer	CDI as Principal Diagnosis		CDI as Secondary Diagnosis		Total
	Number	\$000s	Number	\$000s	\$000s
Medicare	3,133	30,189	7,688	90,404	120,593
Commercial Insurance	835	7,466	1,694	26,041	33,507
HMO&HMO Medicare	668	5,028	1,094	12,353	17,381
Medicaid	347	2,770	946	16,876	19,646
Self-Pay/Charity	228	1,630	519	8,031	9,661
Other Federal	100	725	230	3,829	4,554
Other	67	389	140	2,865	3,254
Missing/Imputed	15	134	1,040	13,550	13,684
<b>Total</b>	<b>5,393</b>	<b>48,330</b>	<b>13,351</b>	<b>173,949</b>	<b>222,280</b>

# Return on Investment

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- Patients with CDI have hospital stays that are 8-9 days longer and have hospital costs \$11,000 to \$13,000 higher when compared with patients without CDI.
- In Texas in 2009, the total estimated cost care for 18,734 hospital patients with CDI was \$222,000,000.
  - Medicaid is the payer for 9% of these costs, ~\$19,646,000.
- Each 1% reduction (187 hospital patients) in CDI results in ~\$2M savings for all payers and ~\$170,000 in Texas Medicaid.
  - 10% reduction would result in ~\$1.76M in Texas Medicaid alone each year
  - The CDC found that the pooled CDI rate declined 20% over approximately 21 months among 71 hospitals participating in the CDI prevention programs.



# Move Health Forward

## EI #10: DSHS Waiting Lists

Exceptional Item	FY2014	FY2015	Biennium
MH-Adult	\$27,050,000	\$27,050,000	\$54,100,000
MH-Children	\$1,550,000	\$1,550,000	\$3,100,000
CSHCN	\$11,800,000	\$11,800,000	\$23,600,000
<b>Total Request</b>	<b>\$40,400,000</b>	<b>\$40,400,000</b>	<b>\$80,800,000</b>

<u>Method of Finance:</u>			
General Revenue	\$40,400,000	\$40,400,000	\$80,800,000

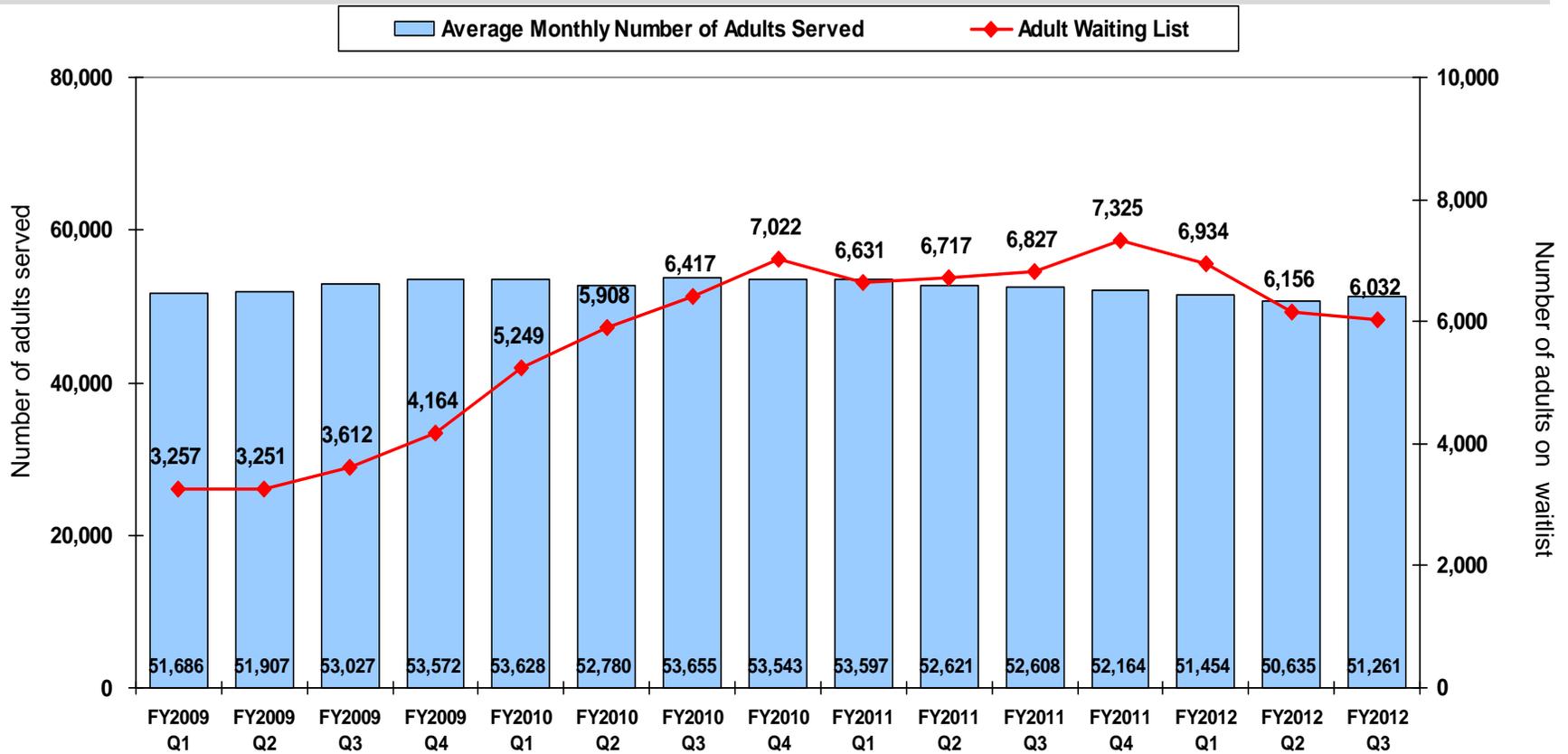
Fully fund the number of clients in Mental Health (MH) adults, MH children and Children with Special Health Care Needs (CSHCN) program who are on the waiting list as of May 2012.			
Waiting list-MH Adult=	6,242		
Waiting list-MH Children=	286		
Waiting list-CSHCN=	802		



# COMMUNITY MENTAL HEALTH SERVICES

## Average Monthly Number of Adults Served vs. Adult Waiting List

Adult waiting list for community mental health services increased from FY2009 Q1 to FY2012 Q3 by **85%**, as average monthly number of adults served remains constant over time as LMHAs reach capacity.



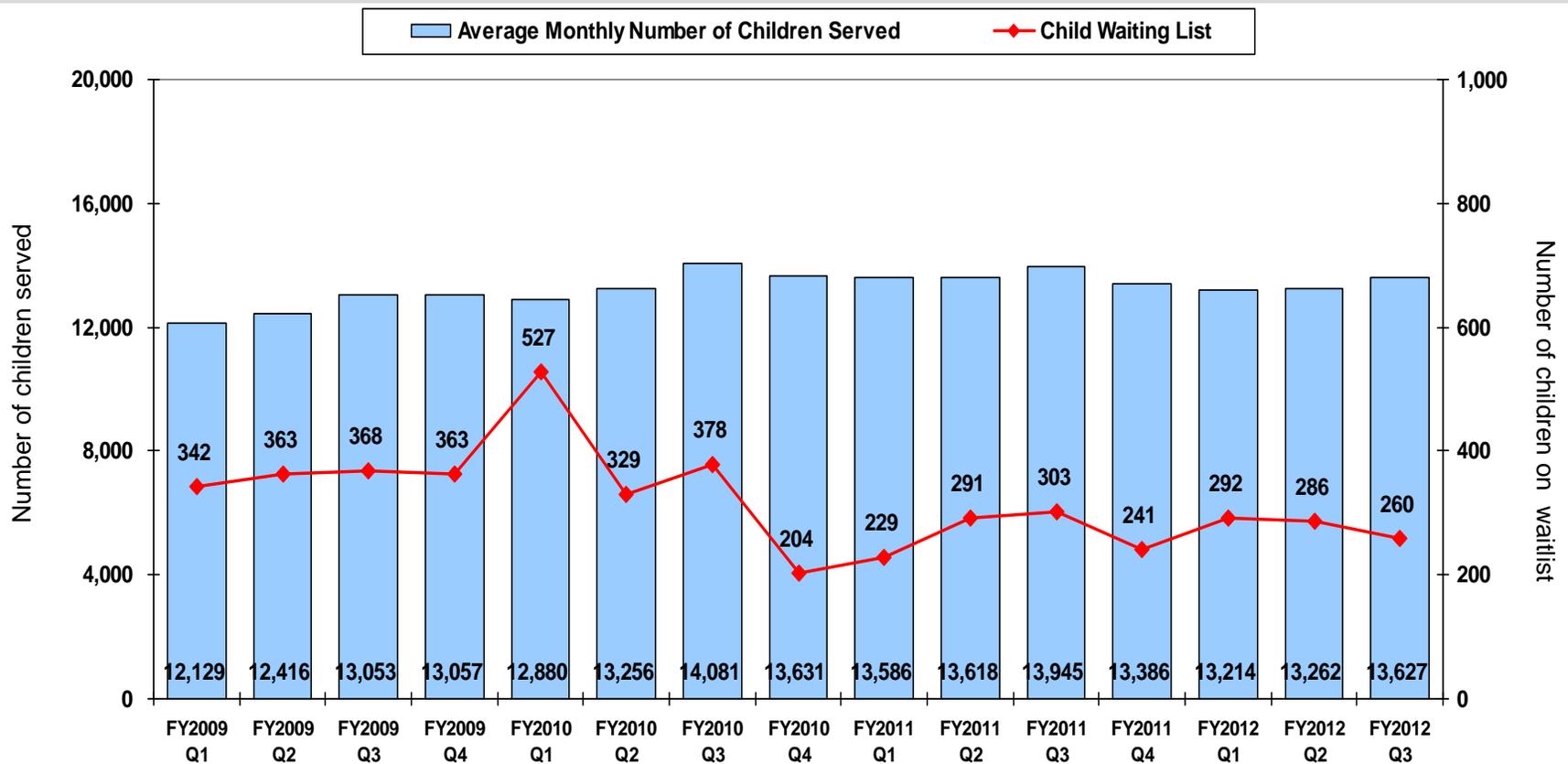
Source: DSHS Client Assignment Registration (CARE) system.  
 Notes: Average Monthly Number of Adults Served per LBB performance measures.  
 Adult Waiting List is number of adults waiting for all services.



# COMMUNITY MENTAL HEALTH SERVICES

## Average Monthly Number of Children Served vs. Child Waiting List

Child waiting list for community mental health services decreased from FY2009 Q1 to FY2012 Q3 by **24%** due to special appropriation but still remains a significant barrier to mental health services, as average monthly number of children served has remained constant over time as LMHAs reach capacity.

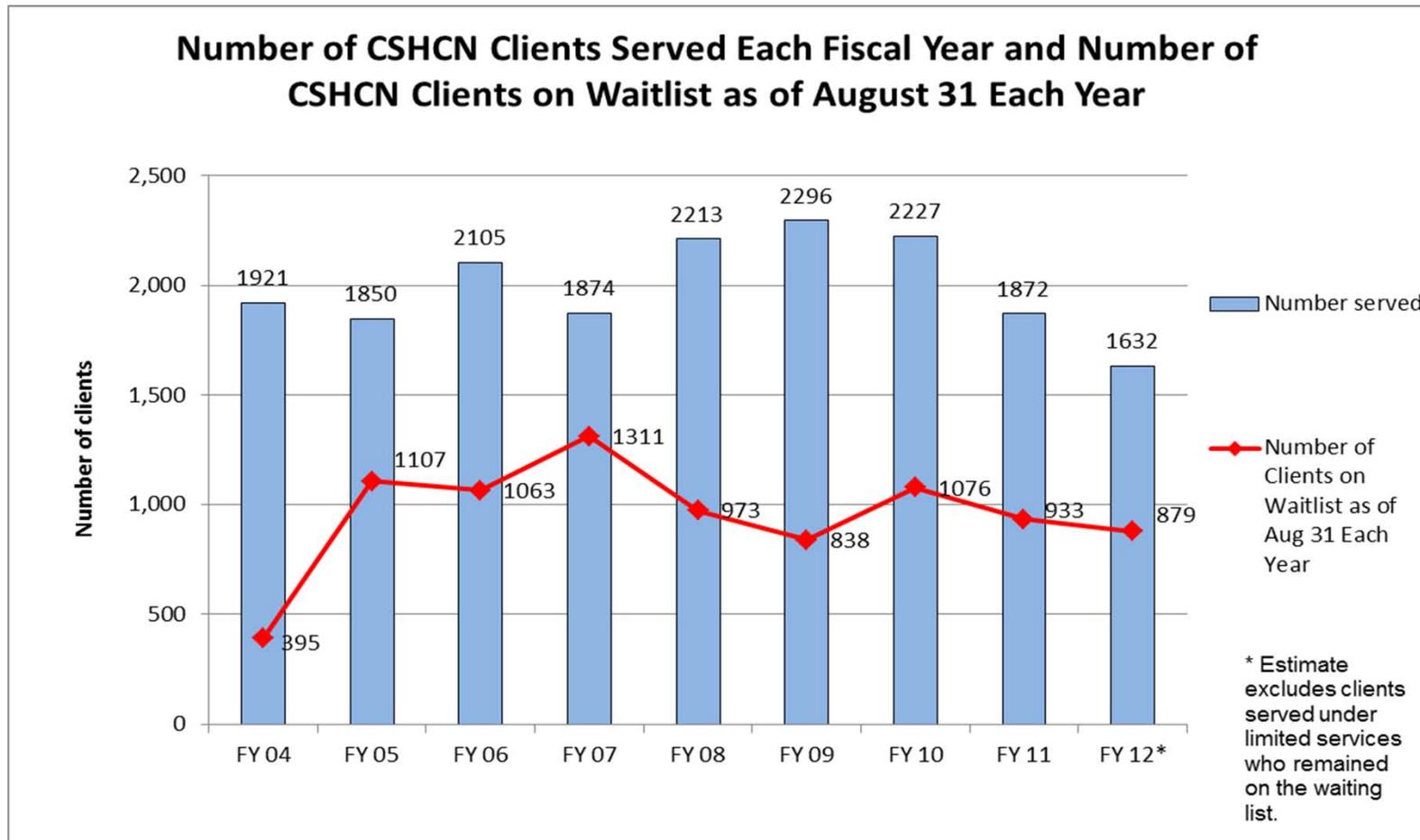


Source: DSHS Client Assignment Registration (CARE) system.

Notes: Average Monthly Number of Children Served per LBB performance measures.

Child Waiting List is number of children waiting for all services.

# CSHCN Waitlist and Clients Served





# Move Health Forward

## EI #11: Texas Electronic Registry (TER)

Exceptional Item	FY2014	FY2015	Biennium
Replacement of TER System	\$3,000,000	\$3,000,000	\$6,000,000
<b>Total Request</b>	<b>\$3,000,000</b>	<b>\$3,000,000</b>	<b>\$6,000,000</b>

<u>Method of Finance:</u>			
General Revenue	\$3,000,000	\$3,000,000	\$6,000,000

Replace existing Texas Electronic Registrar (TER) with a system that conforms to national standards for Vital Records. The TER system was implemented in 2004 (over 8 years old).

It processes 3 kinds of data: birth records (approx. 400,000 per year); death records (approx. 165,000 per year); and marriage records (approx. 185,000 per year).



# Move Health Forward

## EI #12: CARE Retirement

Exceptional Item	FY2014	FY2015	Biennium
CARE System Retirement	\$6,870,242	\$6,870,229	\$13,740,471
<b>Total Request</b>	<b>\$6,870,242</b>	<b>\$6,870,229</b>	<b>\$13,740,471</b>

Method of Finance:

General Revenue	\$6,870,242	\$6,870,229	\$13,740,471
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This Exceptional Item (EI) request will fund the retirement of mainframe Information Technology (IT) system [Client Assignment & Registration System (CARE)] used for case management primarily by the legacy Department of Mental Health and Mental Retardation (MHMR) and currently partially used by Texas Department of Aging and Disability Services (DADS), NorthSTAR and MH providers. The system is over 25 years old.

The retirement of this IT system would gain agency-wide efficiencies, enabling the agency to redirect resources currently needed to meet IT demands. This system retirement affects DADS, HHSC as well as DSHS. This exceptional item only reflects the DSHS costs. The HHSC and DADS costs are in their LARs.



# Move Health Forward

## EI #13: Increase Mobile Technology

Exceptional Item	FY2014	FY2015	Biennium
Increase Mobile Technology	\$1,051,818	\$1,051,818	\$2,103,636
<b>Total Request</b>	<b>\$1,051,818</b>	<b>\$1,051,818</b>	<b>\$2,103,636</b>

<u>Method of Finance:</u>			
General Revenue	\$1,051,818	\$1,051,818	\$2,103,636

Support technological solutions for increasing numbers of teleworkers and to improve productivity of the agency's mobile workforce. This EI would increase teleworkers by 675 across the agency.



# DSHS Items Carried by HHSC FY14-15 LAR

	FY14-15 GRR	FY14-15 All Funds
<b>GRAND TOTALS-All Items</b>	\$28,364,227	\$30,181,927

	FY14-15 GRR	FY14-15 All Funds
<b>DCS Billings</b>		
Remediation	\$5,700,000	\$5,700,000
Service Costs Higher	\$7,270,801	\$9,088,501
<b>Total DCS Costs</b>	<u>\$12,970,801</u>	<u>\$14,788,501</u>

<b>Consolidated Laundry</b>		
Equipment, Vehicles	\$603,090	\$603,090

<b>Recruitment/Retention</b>		
Salary Increases	\$14,790,336	\$14,790,336
<i>Note: This represents a 10% increase (\$1/ hour) for over 3,000            Psychiatric Nursing Assistants who make roughly \$10/hour            This group has a turnover rate of 32% over past 12 months</i>		



# 10% GR Reduction Approach

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- Assessed all programs for public health risk
- Excluded GR tied to MOE (maintenance of effort)
- Reviewed Historical Lapses
- Reviewed MOF (method of finance) swap options
- Examined Admin costs to look for efficiencies
- Reviewed Programs with low public health risk
- Reviewed Safety Net programs
- Examined Public Health programs



# 10% GR Reduction Schedule

Reduction Item	Biennial Total	FTEs
Swaps and Historical Lapses	(30,200,857)	(13.1)
Administration	(3,063,918)	(18.0)
Elimination of Programs with lowest public health risk	(42,750,365)	(289.6)
Safety Net Programs	(146,762,468)	(597.2)
Public Health Programs	(5,862,925)	(35.7)
<b>Grand Totals - All Reductions</b>	<b>(228,640,533)</b>	<b>(953.6)</b>



# GR Reduction Schedule Swaps and Lapses

Reduction Item	Biennial Total	FTEs
Kidney Drug Rebates - Kidney Health Care	(10,956,286)	
TxHealth Steps - Medicaid - HHSC IAC	(2,466,675)	(12.8)
Primary Health Care (Title XX swap)	(7,025,934)	(0.3)
MH Services for Adults (Title XX swap)	(9,751,962)	
<b>Grand Totals - All Reductions</b>	<b>(30,200,857)</b>	<b>(13.1)</b>



# GR Reduction Schedule Administration

Reduction Item	Biennial Total	FTEs
Central Administration	(1,319,468)	(9.1)
IT Program Support	(900,000)	
Other Support Services	(707,850)	(8.9)
Regional Administration	(136,600)	
<b>Grand Totals - All Reductions</b>	<b>(3,063,918)</b>	<b>(18.0)</b>



## GR Reduction Schedule

### Elimination of Programs with lowest public health risk

Reduction Item	Biennial Total	FTEs
Indigent Health Care Reimbursement (UTMB)	(11,500,000)	
Waco Center for Youth	(12,400,000)	(223.0)
South Texas Health Care System	(6,321,329)	(63.0)
County Indigent Health Care Services	(972,741)	(0.9)
Kidney Transportation - Kidney Health Care	(9,653,122)	(2.6)
Epilepsy - Epilepsy Hemophilia Services	(1,903,173)	(0.1)
<b>Grand Totals - All Reductions</b>	<b>(42,750,365)</b>	<b>(289.6)</b>



# GR Reduction Schedule Safety Net Programs

Reduction Item	Biennial Total	FTEs
HIV/STD Prevention	(4,718,048)	(5.0)
Children with Special Health Care Needs	(5,487,502)	(4.8)
Laboratory Services	(3,301,700)	(24.7)
Mental Health Services for Adults	(18,970,488)	(5.5)
Mental Health Services for Children	(8,145,589)	
Community Mental Health Crisis Services	(16,495,385)	
NorthStar Behavioral Health Waiver	(6,485,039)	
EMS & Trauma Care System	(15,003,815)	(0.1)
Texas Center for Infectious Diseases	(160,487)	(1.1)
State Hospitals (not Waco)	(57,597,471)	(556.0)
Mental Health Community Hospitals	(10,396,944)	
<b>Grand Totals - All Reductions</b>	<b>(146,762,468)</b>	<b>(597.2)</b>



# GR Reduction Schedule Public Health Programs

Reduction Item	Biennial Total	FTEs
Public Health Preparedness & Coordinated Services	(289,206)	(4.6)
Health Registries, Information, and Vital Records	(1,501,657)	(9.5)
Infectious Disease Prev, Epidemiology, Surveillance	(1,968,086)	(6.6)
Health Promotion & Chronic Disease Prevention	(949,582)	
Food (Meat) and Drug Safety	(425,350)	(5.9)
Environmental Health	(211,197)	(2.7)
Radiation Control	(312,578)	(3.3)
Health Care Professionals	(198,735)	(3.0)
Health Care Facilities	(6,534)	(0.1)
<b>Grand Totals - All Reductions</b>	<b>(5,862,925)</b>	<b>(35.7)</b>



# Questions

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