



Public Health Funding and Policy Committee

2020 Annual Report

As Required by
Texas Health and Safety Code
Section 117.103

**Public Health Funding and Policy
Committee**

February 2021

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Executive Summary

The Public Health Funding and Policy Committee (PHFPC) 2020 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 117.¹

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 departments (LHDs) 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 LHDs to a cooperative-agreement relationship between DSHS and the LHDs
- Methods for fostering a continuous collaborative relationship between DSHS and the LHDs

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. The Texas public health system is fragmented, complex, and in some instances, non-existent. Texas delivers public health services through a system of state and LHDs. As detailed in the 2012 PHFPC Annual Report, the presence, scope, and quality of public health services vary greatly among Texas counties and cities.² 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

¹ 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.

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

<https://www.dshs.state.tx.us/phfpcommittee/docs/PHFPCAnnualReport0313/> Access February 4, 2021.

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 LHDs in provision of services when the local health entity does not have the resources available. Public health regions also assist with response to disease outbreaks and natural disasters.

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

The PHFPC's recommendations focus on COVID-19 and the various actions being taken to enhance prevention and data recording. Recommendations in 2020 include, electronic laboratory reporting, COVID-19 vaccine distribution, and COVID-19 funding allocation. During 2021, PHFPC will continue efforts toward completing the current recommendations with a strong focus 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 Texas Health and Safety Code, Chapter 117.

PHFPC developed recommendations based on conversations during meetings throughout fiscal year 2020 and included them in their annual Public Health Funding and Policy Committee 2020 Recommendations Report.

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

- Electronic Laboratory Reporting
- COVID-19 Vaccine Distribution
- COVID-19 Funding Allocation

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. The PHFPC emphasized the need for a stable source of state funding to ensure equitable distribution of local public health services across the state.

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 departments (LHDs). 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 LHDs 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 LHDs 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 LHDs to a cooperative-agreement relationship between DSHS and the LHDs, and
- ▶ Methods for fostering a continuous collaborative relationship between DSHS and the LHDs.

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

The Public Health Funding and Policy Committee (PHFPC) worked diligently to achieve as much as possible. During 2020, the COVID-19 pandemic halted much progress in some areas because of the focus and attention this pandemic demanded from local public health. The PHFPC was able to adapt and bring to light many issues and concerns regarding the pandemic. Additionally, from what has been learned, new ways of engaging previous issues are certain to be discovered and are already being seen in its accomplishment regarding data.

The PHFPC was able to achieve the establishment of a workgroup whose focus is on electronic laboratory reporting. Throughout the pandemic, a need for the development of minimum viable products, standards, and efficient processes has been noted. This Electronic Laboratory Reporting Workgroup will be key in focusing on these issues and will most likely have an affect beyond this pandemic.

As part of the transition away from the existing Delivery System Reform Incentive Payment under the current 1115 Medicaid Waiver, LHDs have been working with the Health and Human Services Commission (HHSC) on new programs. Currently, HHSC is proposing to expand the uncompensated care program for LHDs from dental care only to covering a wider array of public health services aimed at the uninsured. A Public Health and Related Services (PHARS) program would provide additional funding for Medicaid enrolled individuals served at LHDs. The programs are still under development and require the Centers for Medicare and Medicaid Services' approval, but they will allow a mechanism to maintain the critical services provided under the existing 1115 Medicaid Waiver.

Additionally, with the high level of engagement between the PHFPC, contractors, and other stakeholders, new recommendations have been made this year. The recommendations proposed are further discussed below.

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. One is the continued engagement with the Electronic Laboratory Reporting Workgroup. The goal of this workgroup is to address specific issues regarding laboratory reporting and data consistency. The PHFPC provided DSHS with recommendations regarding the establishment of standards, minimum viable products, interoperability, and compatibility. These recommendations have been added into the 2020 Annual Report.

The PHFPC continues to pursue the "Framework for Core Public Health System Services". This is due to the importance this project will provide in identifying the different types of public health services provided at the local level while allowing LHDs the flexibility to identify the services that are most important in their respective jurisdictions. This is currently in the draft phase and under review.

Continued discussion and follow-up are presently held at each PHFPC meeting on Medicaid Billing and the 1115 Waiver Transition plan. The PHFPC recognizes the importance of these topics especially during this time of pandemic.

5. Recommendations

The Public Health Funding and Policy Committee (PHFPC) focused on the COVID-19 pandemic as well as supporting the progression toward completing the 2017 recommendations. The activities focused on: electronic laboratory reporting, COVID-19 vaccine distribution, and COVID-19 funding allocation. The following details the recommendations and their status.

Electronic Laboratory Reporting

- A. PHFPC recommends that DSHS should ensure electronic lab reporting from laboratories hospital systems feed directly to local health departments (LHDs), Public Health Regions (PHRs) and the DSHS Central Office for all reportable conditions**

Discussion: Local health departments receive lab results through multiple pipelines.

Status: This process is ongoing.

- B. PHFPC recommends that DSHS should ensure complete data sets by implementing data quality-checking tool.**

Discussion: The PHFPC recommends that DSHS institute data checking tools for completeness. This is both to notify data sources (labs, providers, etc.) of discrepancies and ensure all data transfers, requests, and sharing are complete and include notifications for resubmittals. Completeness is defined as including all elements required by statute, DSHS emergency regulations, and any new guidance from U.S. HHS. Lab reporting should include a verification process to ensure results are sent to the correct LHD of jurisdiction. If not known, DSHS should expand on its 2017 report "Public Health Service Delivery in Texas: A System for Categorizing Health Entities" to verify jurisdictions and capacity of LHDs to offer epidemiology services. Data integrity is paramount. LHDs spend massive amounts of time de-duplicating lab records sent through multiple pipelines. A master lab index number or other unique identifier should be attached to each record to ensure a) data integrity is preserved at the State, and b) data coming into the LHDs from multiple sources can be de-duplicated, merged, managed, etc. expeditiously at the local level.

Status: This process is ongoing.

- C. PHFPC recommends that DSHS should develop and implement a standardized data format for laboratories reporting line lists.**

Discussion: DSHS has initiated a multi-year effort to provide a framework to support statewide public health system improvement through enhanced collaboration and partnership. DSHS is conducting assessments and regional meetings to establish an understanding of public health service delivery, capacity, capabilities, and to identify gaps across the state.

Status: This process is ongoing.

D. PHFPC recommends that DSHS should implement regular compliance reports related to mandated reporting requirements for laboratories and hospital systems. The report should include, at a minimum the quantity of electronic lab results, the frequency of incomplete data fields, compliance with a standardized data format of line lists, and average turnaround time from date of specimen collection to date results received by DSHS.

Discussion: Data compliance reports should be shared with LHDs to inform future contracting.

Status: This process is ongoing

E. PHFPC recommends that DSHS should augment electronic lab reporting for reportable conditions to offer interoperability and compatibility between local health departments and DSHS

Discussion: The PHFPC recommends that DSHS use its various advisory networks to solidify data reporting requirements and established HHS guidance with laboratories and other providers of data. A taskforce of providers and public health representatives is recommended in reviewing and improving the streamlining of data sharing. Processes and mechanisms for sharing lab results and data between LHDs remains unclear and sparse. DSHS, should ensure the ability for LHDs to share case data between jurisdictions to better inform case investigations and contact tracing for a mobile society.

Status: This process is ongoing

F. PHFPC recommends that DSHS should assist local health departments with resources to develop and enhance electronic lab reporting infrastructure, where needed.

Status: This process is ongoing

- G. PHFPC recommends that DSHS should ensure required annual training on mandatory reporting requirements for all laboratories prior to certification to provide laboratory services in Texas.**

Status: This process is ongoing

COVID-19 Vaccine Distribution

- A. PHFPC recommends that DSHS should include local health authority representation in the process of determining equitable vaccine allocation and distribution throughout the state.**

Discussion: The PHFPC recommends local health authorities be included in working groups making decisions on where COVID-19 vaccine is allocated and distributed in Texas

Status: This process is ongoing.

COVID-19 Funding Allocation

- A. PHFPC recommends that DSHS should provide the PHFPC with an outline of all COVID-19 related funding DSHS has received from the federal level, the amount of those funds have been allocated to local public health and plans for funding moving forward.**

Status: This process is complete.

6. Future Considerations

In the next year, the PHFPC intends to continue consideration and move forward with the Framework of Core Public Health System Services, Medicaid Billing, and the 1115 Waiver.

The development of the “Framework for Core Public Health System Services” will accomplish the first statutory charge of the PHFPC - to define the core public health services a local health entity should provide in a county or municipality. The goal of this project is to identify the different types of public health services provided at the local level while allowing local health departments (LHDs) the flexibility to identify the services that are most important in their respective jurisdictions. Once completed, the framework should be consistent with the current national framework. DSHS provided a draft framework to initiate the project and PHFPC formed a workgroup to facilitate completing the draft which is currently under review.

The PHFPC continues to express its desire for stronger language in the contracts between managed care organizations (MCOs) and LHDs. This will help LHDs with the credentialing and contracting processes. The PHFPC will continue 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 Waiver transition plan. LHDs are working closely with the Health and Human Services Commission (HHSC) and providing meaningful input to the transition plan. The PHFPC continues to pursue previously proposed recommendations to enable LHDs to maintain the infrastructure created because of the 1115 Waiver.

The PHFPC will review the most efficient way DSHS can provide personnel support on an as needed basis to LHDs and PHRs, as discussed in the Local and Regional Health Services Roles Recommendations section of the report. It is imperative that with the development of a statewide public health system, surge capacity is built in and available to every jurisdiction across the state.

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 departments, and major stakeholders such as Texas Association of City and County Officials (TACCHO). The PHFPC will continue its mission to complete the remaining recommendations in this report and to characterize and develop further the statewide public health system.

List of Acronyms

Acronym	Full Name
CDC	Centers for Disease Control and Prevention
DSHS	Department of State Health Services
ELR	Electronic Laboratory Report
HHSC	Health and Human Services Commission
LHD	Local Health Department
LHE	Local Health Entity
LRN	Laboratory Reporting Network
MCO	Managed Care Organization
MOU	Memorandum of Understanding
PHARS	Public Health and Related Services
PHEP	Public Health Emergency Preparedness
PHFPC	Public Health Funding and Policy Committee
PHR	Public Health Region
PPP	Payment Protection Program
TACCHO	Texas Association of City and County Officials