



HHS System Annual Federal Funds Report for State Fiscal Year 2020

**As Required by
Texas Government Code,
Chapter 531. Health and Human
Services Commission, Subchapter B.
Powers and Duties, Section 531.028 (c)**



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Summary

The Texas Health and Human Services Commission is submitting the annual *Federal Funds Report for State Fiscal Year 2020* in accordance with Government Code, Section 531.028(c). This report highlights the critical role of federal funding in the Texas Health and Human Services (HHS) system. For state fiscal year 2020, two state agencies comprised the HHS system in Texas:

- Department of State Health Services (DSHS)
- Health and Human Services Commission (HHSC)

For state fiscal year 2020, Texas HHS agencies expended approximately \$44.2 billion in All Funds. Federal Funds comprised 63 percent or approximately \$27.7 billion of agency funds. (See Figure 1)

Figure 1. Texas HHS System Federal Funds as a Percent of All Funds, State Fiscal Year 2020

Agency ¹	Federal Funds ²	All Funds	Percent Federal Funds of All Funds
DSHS	\$1,357,417,946	\$2,013,670,609	67%
HHSC	\$26,351,157,060	\$42,221,789,111	62%
TOTAL	\$27,708,575,006	\$44,235,459,720	63%

The Texas HHS system agencies utilized almost 200 different sources of federal funds. Of those sources, the top 30 major federal funding streams accounted for approximately 99.5 percent of all federal funds to the Texas HHS agencies. Medicaid is the largest federal funding source at \$21.2 billion, accounting for 76.6 percent of all federal funding. The next largest is Children's Health Insurance Program (CHIP) at approximately \$1.1 billion, accounting for 3.8 percent. A table of the top 30 federal funding sources used by the Texas HHS system is attached as Appendix A.

¹ DSHS and HHSC numbers are derived from state fiscal year 2020 Expenditures as reported in the 2022-23 Legislative Appropriations Request.

² Excludes employee benefits, certain payments made as a result of local funding sources (Intergovernmental Transfers), and the value of Supplemental Nutrition Assistance Program (SNAP) benefits.

This report outlines key federal issues which challenge Texas HHS agencies and identifies federal funds management practices undertaken to maximize receipt of federal funds to meet the mission of each HHS agency. These efforts resulted in the state meeting all federal requirements related to state matching and maintenance of effort for state fiscal year 2020. Also included are highlights of the current federal budget outlook, pending program authorizations, and agency specific issues associated with federal appropriations or actions. There is a separate section to address funding received to respond to the COVID-19 pandemic.

The effort to ensure Texas optimizes federal funding consistent with state policy goals to the extent allowable is a basic premise in the financial management of all HHS agencies. With the development of federal cost allocation plans, active analysis of federal legislation, and careful assessment of opportunities to enhance federal funds for the state, Texas HHS agencies are continually monitoring federal funding opportunities to ensure efficient and effective use of those dollars as well as any associated general revenue.

1. Introduction

The Annual Federal Funds Report identifies strategies to maximize the receipt and use of federal funds and to improve federal funds management. This report also outlines key federal issues which challenge the Texas HHS agencies; highlights the current federal budget outlook; discusses pending program authorizations; and notes agency specific issues associated with federal appropriations or actions.

2. Background

Pursuant to Texas Government Code, Section 531.028, HHSC is responsible for planning and managing the use of all federal funds for the Texas HHS system, including ensuring that the system meets the federal requirements relating to state matching money and maintenance of effort.

Government Code, Section 531.028, requires HHSC to prepare an annual report that identifies strategies to maximize the receipt and use of federal funds and to improve federal funds management. HHSC is required to file the report with the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives, not later than December 15 of each year.

Prior to 2020, during even-numbered years, this report was included within the Consolidated Budget Request for the Texas HHS system. During odd-numbered years, the report was submitted as a stand-alone report. Beginning with the report for state fiscal year 2020, the report will be submitted as a stand-alone report each year.

3. Federal Funds: Current Issues

Current issues affecting federal funding include fragmented continuing resolutions due to delays in passage of federal appropriation bills, the Budget Control Act of 2011 (sequester), changing interpretation and implementation of federal program policy, and rising caseloads for Medicaid and other entitlement programs. These issues can affect the state’s ability to receive federal funds to maintain existing services to recipients.

In addition, Texas HHS system agencies are implementing state legislative actions, particularly those related to agency consolidation, and assessing potential implications to federal funding streams to ensure continuity of services, seamless transitions for clients, accountability for reporting requirements, and compliance with state and federal rules and regulations. Agencies are examining the cost allocation methods associated with the federal share of administrative costs for federally funded health and human services programs to ensure the state is maximizing the use of federal funds.

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Federal Budget Outlook

1. Federal Appropriations Bills

On September 27, 2019, the House and Senate approved a continuing resolution for Federal Fiscal Year 2020 that kept the federal government operating through November 21, 2019. An additional continuing resolution was approved on November 21, 2019, funding the government through December 20, 2019. On December 16, 2019, the House and Senate approved two funding measures, H.R. 1158 and H.R. 1865, which included 12 appropriations bills. On December 20, 2019, the President signed the Further Consolidated Appropriations Act, 2020 (Public Law 116-94).

2. Future Sequestration Impact

The Budget Control Act of 2011 requires funding reductions to achieve savings and to limit the size of the federal budget. This is commonly referred to as sequestration. Reductions under the act were extended an additional two years by the Bipartisan Budget Act of 2013 requiring cuts over federal fiscal years 2013-2023. If Congress enacts appropriations that exceed the caps set in legislation, a sequestration is automatically triggered to reduce appropriations to within the required limits.

Both discretionary and mandatory federal programs are subject to sequestration; however, some programs are exempt, including Medicaid, CHIP, and Temporary Assistance for Needy Families (TANF). Factors, such as level of growth in mandatory programs, and rule exceptions for certain programs, such as a limit on reductions to Medicare, may impact the calculations for the reductions. Additionally, Congress could enact legislation at any time that repeals the law or modifies the exemptions or rules associated with sequestration.

The Bipartisan Budget Act of 2018 (BBA18), prevented discretionary sequester cuts for 2018 and 2019 and allowed for additional funding, returning sequestration in 2020.

By August 15 of each year, the Congressional Budget Office (CBO) is required to publish its estimates of the limits (often called caps) on discretionary budget authority that were established under the Budget Control Act of 2011 (Public Law 112-25) and that remain in effect through federal fiscal year 2021. CBO determined that sequestration was not required for 2020. The authority to make that determination, however and how to cut budget authority, rests with the Office of Management and Budget (OMB). In January 2020, OMB reported that appropriations for 2020 had not exceeded the caps.

Although additional appropriations totaling an estimated \$503 billion have been made since January, they were designated as emergency requirements, one of the categories of funding that cannot breach a cap. Under current law, the caps are adjusted upward when an appropriation is provided as an emergency requirement.

If future decreases in federal funding occur to discretionary and mandatory programs covered under sequestration, reductions in numbers of clients served and levels of services provided by the Texas HHS system could occur. Estimates of future year reductions are not possible as the exact reduction depends on the factors applied and the base determined as subject to sequestration after applying defined exemptions and special rules. Texas HHS system agencies continue to monitor and analyze available information and assess the potential impact of a future federal sequestration to clients and services. Federal agencies have not provided specific guidance about future sequestration reductions.

Pending Federal Reauthorizations

Many of the Texas HHS system federal grant programs are pending program reauthorizations, some for many years. Historically, federal grant programs are extended through the federal appropriations bills passed by Congress for each federal fiscal year.

The following summarizes the status of key programs as of December 15, 2020:

The Ryan White Human Immunodeficiency Virus (HIV)/Acquired Immune Deficiency Syndrome (AIDS) Treatment Extension Act of 2009 (P.L. 111-87) authorized the program, which is the largest federal program specifically dedicated to providing HIV care and treatment. The legislation was first enacted in 1990. The program has been extended through the federal appropriations process since expiring in 2013. Despite no reauthorization from Congress, appropriations can continue because the act is not a self-repealing appropriation. The public health mission of the DSHS HIV Care Services Program (Ryan White Part B) and the AIDS Drug Assistance Program (ADAP) is to improve access to quality treatment and medications for Texas

residents living with HIV who are low-income, uninsured, or underinsured. Program goals are to reduce unmet needs for HIV-related medical care, increase access to care for underserved populations, promote consistent participation in care, reduce the use of costlier inpatient care, improve quality of life for those affected by the epidemic, and reduce the risk of transmission of HIV to others. The program has been adjusted each year to accommodate new and emerging needs, such as increased emphasis on core medical services. DSHS continues to monitor appropriations and assess the changing healthcare environment to determine potential fiscal impact to the state.

On January 22, 2018, Congress passed a continuing resolution (CR) for federal fiscal year 2018 that provided a six-year extension of CHIP funding from federal fiscal year 2018 to 2023. Two key provisions of the CHIP funding extension include the continued 23 percentage point enhanced federal match rate for CHIP was established by the Affordable Care Act for state fiscal years 2018 and 2019. The enhanced federal match rate will decrease to 11.5 percentage points in state fiscal year 2020 and return to the regular CHIP match rate for state fiscal year 2021 through 2023. The second provision extends the requirement for states to maintain coverage for children from 2019 to 2023. After October 1, 2019, the requirement is limited to families with incomes at or below 300 percent federal poverty level (FPL).

On February 9, 2018, Congress passed the Bipartisan Budget Act of 2018, under which the Advancing Chronic Care, Extenders, and Social Services Act (ACCESS Act) extends CHIP funding for state fiscal year 2024 through 2027. The maintenance of effort provision is extended from state fiscal year 2024 through 2027 and is limited to families with incomes at or below 300 percent FPL.

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), is authorized by the Child Nutrition Act of 1966. The program was last reauthorized by the Healthy, Hunger-Free Kids Act of 2010. The Consolidated Appropriations Act, 2018 provided funding for WIC through September 30, 2018, and the program is currently operating under a continuing resolution.

The TANF program was created in 1996 (P.L. 104-193) and replaced the Aid to Families with Dependent Children (AFDC). TANF is administered by the U.S. Department of HHS and is an entitlement to the states. The basic TANF block grant has been set at \$16.5 billion each year since 1966; as a result, the real value of TANF has fallen by almost 40 percent due to inflation.

TANF has four program goals:

- To provide assistance to needy families so that children can be cared for in their own homes or in the homes of relatives;
- End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- Prevent and reduce the incidence of out of wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- Encourage the formation and maintenance of two-parent families.

Congress last reauthorized TANF in the Deficit Reduction Act of 2005 (P.L. 109-171) and has renewed the program through a series of short-term extensions since its expiration in 2010. Most recently, the Continuing Appropriations Act, 2021 and Other Extensions Act (P.L. 116-159) funds TANF through December 11, 2020.

Agency Specific Federal Issues

This section includes information on federal funding issues affecting specific Texas HHS agencies.

1. Disability Determination Services Program (HHSC)

The Disability Determination Services (DDS) program is 100 percent federally funded by the Social Security Administration (SSA) and is exempt from the sequestration legislation. The DDS program has operated under a federal hiring freeze the last few years. Staffing levels have been down since 2014; currently, DDS has 277 vacant positions. While the program continues to perform better than the national average, COVID-19 has had a significant impact on the national workload. Since this is a national program, the DDS program continues to work with the SSA to discuss alternatives for workload capacity and staffing strategies.

2. Early Childhood Intervention (HHSC)

Early Childhood Intervention (ECI) is a statewide program for families with children, birth up to three years old, with disabilities and developmental delays. Based on available appropriations, HHSC funds a portion of the total ECI program budget through a variety of state and federal funding sources including:

- General Revenue
- Foundation School Funds
- Individual with Disabilities Education Act (IDEA) Part C
- IDEA Part B
- Temporary Assistance for Needy Families (TANF)
- Medicaid

The federal agency administering IDEA Part C funding is the Office of Special Education Programs (OSEP), which is part of the Department of Education. The federal requirements for ECI are similar to regulations for public education and require states to provide all eligible children with early intervention services as defined by 34 C.F.R. §303.13, although states determine the eligibility requirements. Despite federal regulations requiring the ECI program to largely function as an entitlement program where any child who is screened eligible is served, IDEA Part C funding for the program is capped. 34 C.F.R §303.732 requires that for each federal fiscal year, the Department of Education will allot IDEA Part C funds to each state in an amount that bears the same ratio to the aggregate amount as the number of infants and toddlers in the state bears to the number of infants and toddlers in all states. Federal funding has remained fairly level for multiple years, despite increased population and caseload growth in Texas. In 2020, ECI applied for and received an additional three-year, \$750,000 grant from OSEP to fund early intervention personnel retention efforts, with the potential for two additional years of funding.

3. Public Health Preparedness (DSHS)

The 2013 reauthorization of the 2006 Pandemic All-Hazards Preparedness Act provided states and independently funded jurisdictions with funding for public health and medical preparedness programs, such as the Hospital Preparedness Program (HPP) and the Public Health Emergency Preparedness (PHEP) Cooperative Agreement grants. Additionally, the act provided increased flexibility in allowing states to temporarily deploy federally funded state personnel, funded in programs other than preparedness, to meet critical community needs in a disaster. Texas uses dollars from these federally-funded programs to fund public health and medical preparedness activities at the local, regional, and state level. Congress reauthorized this Act with the passage of the Pandemic and All-Hazards Preparedness and Advancing Innovation Act of 2019. In state fiscal year 2019 and 2020, Texas received mostly level funding to sustain public health and health care systems preparedness activities.

In state fiscal year 2015, Texas received one-time supplemental HPP Ebola preparedness funding. These funds supported hospital preparedness activities including establishing regional treatment centers, assessment hospitals, and health care coalitions to ensure overall health care system preparedness for Texas; development of a national network for Ebola patient care, including establishing University of Texas Medical Branch (UTMB) as one of approximately ten federally designated regional Ebola and other special pathogen treatment centers; and, the purchase of regional stockpiles of personal protective equipment. This supplemental HPP Ebola funding was expected to expire on June 14, 2020; however, due to the

coronavirus (COVID-19) response, funding will now expire on June 14, 2021. Please see additional details regarding COVID-19 funding below. HPP Ebola Part A funding ended in August 2020.

In state fiscal year 2018, the Centers for Disease Control and Prevention (CDC) established the Public Health Crisis Response (PHCR) funding program. This program established an Approved-But-Unfunded (ABU) list of grantees to enhance the states' ability to rapidly mobilize and respond to public health emergencies identified by the CDC. Texas submitted and was approved for inclusion on the ABU list of grantees. CDC utilized the ABU mechanism twice in state fiscal year 2019: once for Hurricane Harvey recovery funding and subsequently for Opioid Crisis response. CDC utilized the ABU mechanism once in state fiscal year 2020 for the COVID-19 pandemic response. Although the funding flows through the Division of State and Local Readiness at the CDC, the response projects are located across divisions within DSHS. Application for inclusion on the ABU is solicited annually.

In state fiscal year 2020, Texas received one-time COVID-19 funding via the ABU mechanism described above. Funding was intended for the highest priority COVID-19 response needs in the following domains: incident management for early crisis response; jurisdictional recovery; information management; countermeasures and mitigation; surge management; and bio-surveillance. The bulk of funding has been disseminated to local health departments for COVID-19 response activities in each domain as determined by local need, and DSHS Central Office has retained the remaining funding for state COVID-19 response activities. This PHCR COVID-19 funding expires on March 15, 2021⁵.

In state fiscal year 2020, Texas received two rounds of administrative supplemental HPP funding for COVID-19 response. These rounds of funding were disseminated to the existing HPP subcontractors, the eight (8) Trauma Service Area-Regional Advisory Councils, referred to as HPP providers. These organizations, which manage the 20 Healthcare Coalitions in Texas and coordinate the 8 Texas Emergency Medical Task Force (EMTF) units, are using the emergency funding to support the urgent preparedness and response needs of hospitals, health systems, and health care workers on the front lines of the COVID-19 pandemic response. This supplemental HPP funding expires on June 30, 2021.

In state fiscal year 2020, Texas also received three rounds of administrative supplemental HPP Ebola and other special pathogen preparedness funding, two specifically for COVID-19 response. These rounds of funding support UTMB, the Texas HHS Region VI designated special pathogens center. UTMB uses the Ebola

⁵ This funding may be extended for 12 months.

Part B administrative supplemental funding to maintain readiness of the special pathogen center and its staff, and to support the urgent preparedness and response needs of network hospitals and long-term care facilities through the provision of training, information sharing, and the purchase of personal protective equipment for the COVID-19 pandemic response. This HPP Ebola funding expires on June 14, 2021. DSHS continues to monitor activities at the federal level to assess potential future impacts to public health preparedness funding to Texas. If future federal allocations are reduced for Texas it may diminish state, regional, and local public health and healthcare partners' capacity in an all-hazards response. Such capacity may include, but is not limited to, epidemiologic surveillance; investigation and response to disease outbreaks and environmental health concerns; provision of medical surge of essential healthcare providers and services; and, planning, training, and exercising efforts for mitigating the health impact of natural and man-made disasters.

4. Title V Maternal and Child Health Services Block Grant (DSHS)

The federal Maternal and Child Health Block Grant is authorized under Title V of the Social Security Act and is the longest-standing public health legislation in American history. The original authorization occurred in 1935. The Title V block grant funds essential maternal and child health services while maintaining state flexibility in determining priority needs to improve the health and well-being of women and children. The federal Health Resources and Services Administration (HRSA) determines the allocation formula for the Title V Maternal and Child Health Services Block Grant using the American Community Survey poverty estimates. The formula is based on the number of children living in poverty (in an individual state) as compared to the total number of children living in poverty in the United States. As a Title V Block Grant recipient, the State of Texas is required to spend at least 30 percent of funds on children and adolescents, at least 30 percent of funds on children with special health care needs, and no more than 10 percent on administrative costs. Texas is also required to submit an annual application and report to HRSA, submit a statewide needs assessment every five years, and report ongoing needs assessment findings in each annual Block Grant application. The last 5-year needs assessment was submitted in September 2020.

In 2016, the block grant underwent a transformation to focus on reducing reporting burden, maintaining flexibility, and increasing accountability to improve the ability of States to tell a more coherent and compelling narrative about the impact of Title V funding in their State. As part of the Block Grant transformation, guidance was issued to states to streamline reporting and reduce the number of performance

measures. Data from the statewide and ongoing needs assessments informed the selection of state-identified priority needs, National Performance Measures, and State Performance Measures through which to track progress in improving maternal and child health in Texas. Through the implementation of data-driven, evidence-based/informed initiatives, Texas remains committed to the Title V vision of improving the health and well-being of the nation's mothers, infants, children, and youth, including children and youth with special care needs (CYSHCN) and their families.

DSHS is the sole grantee for Title V Block Grant funds in Texas. DSHS contracts with various organizations and state agencies, including HHSC, to carry out Title V funded initiatives. DSHS' total federal award in state fiscal year 2020 was \$35,146,148.

5. Epidemiology and Laboratory Capacity (ELC) DSHS

The Epidemiology and Laboratory Capacity Cooperative Agreement receives annual funding through a continuation cooperative agreement (competitive after a five-year project cycle). During the funding opportunity announcement phase, the guidance typically proposes to level fund current ELC recipients. With this information, DSHS proposes activities based upon local need, factoring in the cost of staff and sub-recipient contracts with a goal of preventing gaps in services. In recent budget cycles, CDC has repurposed the level funding available dollars for projects that are of CDC's special interest. DSHS has been able to undertake the additional activities with the level funding while in most cases continuing the previous year's activities that did not receive funding under the level funding continuation. Generally, these previous year's activities are funded by carrying forward unspent funds from the previous year, such as sub-recipient contractor funds remaining at year end, salary savings due to vacancies and any indirect cost category funds remaining at year end.

However, with level funding often resulting in "new" activities and the need to continue providing the previous activities, or less than level funding in future ELC budget periods, coupled with the escalating costs of materials, labor, and overhead DSHS may be forced to scale back on proposed activities, positions, and contracts. DSHS continues to anticipate and plan ahead for these issues to allow required activities to continue to take place.

6. Affordable Care Act Funding to the HHS System (HHSC)

In 2010, the Patient Protection and Affordable Care Act of 2010 and the Health Care and Education Affordability Reconciliation Act of 2010, collectively known as the Affordable Care Act (ACA), were signed into federal law.

ACA established the Prevention and Public Health Fund (PPHF) to provide expanded and sustained national investments in prevention and public health, to improve health outcomes, and to enhance health care quality. Beginning in 2010, the PPHF began funding public health efforts such as building public health infrastructure for immunizations, tobacco prevention, and public health workforce and training. Since 2010, funding for certain core public health activities has shifted from CDC appropriated funds to funds made available through the ACA PPHF. Texas has received funding for several core public health activities through the PPHF including breast and cervical cancer screenings, suicide prevention, the Preventive Health and Health Services Block Grant, abstinence education programs, and several chronic disease prevention activities. Although additional funding has been received, ACA has caused increases in caseloads that have resulted in additional significant cost to the state of Texas.

Beginning in calendar year 2014, ACA required covered entities under Section 9010 to pay the ACA health insurance provider (HIP) fee. The fee is an excise tax, and therefore is non-deductible for federal tax purposes. Covered entities were assessed the calendar year 2016 ACA HIP fee based on premiums paid to the affected Managed Care Organizations (MCOs) and Dental Maintenance Organizations (DMOs), or "insurers," in calendar year 2015. The 2016 payment by the insurers was made to the Internal Revenue Service (IRS) by September 30, 2016. HHSC reimbursed insurers for this payment in March 2017. The total state fiscal year 2017 ACA HIP fee payment to all MCOs/DMOs (including HHSC and DSHS programs) was approximately \$275 million, of which \$113.1 million was state general revenue.

Covered entities were assessed the calendar year 2018 ACA HIP fee based on premiums paid to the affected MCOs and DMOs in calendar year 2017. The 2018 payment by the insurers was made to the IRS by September 30, 2018. HHSC reimbursed insurers for this payment in July 2019.⁶ The total state fiscal year 2019 ACA HIP fee payment to all MCOs/DMOs was approximately \$290 million, of which \$112.9 million was state general revenue.

⁶ These amounts include a minor adjustment that is still in the process of being paid, approximately \$1.75 million, of which \$635,000 is state general revenue.

There was a moratorium on the fee for calendar year 2017 and there was a suspension on the fee for calendar year 2019. The fee was repealed for calendar years beginning after December 31, 2020. Covered entities will be assessed the final ACA HIP Fee in calendar year 2020, and HHSC expects to reimburse insurers following its determination of HHSC's share of the tax.

State of Texas, et al v. HHS and IRS (ACA HIP Fee). Texas and several other states are challenging payment of the Health Insurance Provider Fee (HIPF) charged to MCOs under the Affordable Care Act on several bases, including that it is an unconstitutional tax on the states, violates the spending clause, and was imposed without proper notice and comment rulemaking. (2014-2016 years at issue)

Beginning in June 2015 under ACA, certain public and mental health activities were covered by private health insurance plans. These activities included: infectious disease control, prevention, and treatment; health promotion and chronic disease prevention; laboratory services; primary care and nutrition services; behavioral health services; community capacity; and state-owned and privately-owned hospital services.

The Texas HHS system continued implementing certain ACA-related programs and initiatives during state fiscal year 2020, such as the Community First Choice program. The status of these programs or initiatives is addressed below.

Community First Choice - CFC (HHSC)

Community First Choice (CFC) is a set of services available to individuals who are eligible for Medicaid, meet an institutional level of care, and need help with activities of daily living and instrumental activities of daily living. This includes individuals receiving services through one of the four intellectual and developmental disability waivers administered by HHSC, including Home and Community-based Services (HCS), Texas Home Living (TxHmL), Deaf Blind with Multiple Disabilities (DBMD), and Community Living Assistance and Support Services (CLASS) through a fee for service model. CFC is also available to eligible individuals in traditional Medicaid or enrolled in the STAR program through fee-for-service and in STAR Health, STAR+PLUS, or STAR Kids Medicaid managed care. States that offer CFC receive a 6 percent increase in federal matching funds for these services, which are provided as a state plan benefit.

Texas provides the following CFC services:

- Personal Assistance Services
- Habilitation Services
- Emergency Response Services
- Support Management Services

Disproportionate Share Hospital (DSH) Program Reductions (HHSC)

States make Medicaid Disproportionate Share Hospital (DSH) payments to hospitals serving a disproportionate share of low-income patients and experiencing high levels of uncompensated care costs. While DSH payments predate the Affordable Care Act, the ACA included reductions to state DSH allotments.

Subsequent legislation has delayed implementation dates, with the Bipartisan Budget Act of 2018 shifting the reductions to federal fiscal years 2020 through 2025. Most recently, Public Law 116-159, also known as the continuing resolution, has delayed DSH reductions until December 11, 2020.

The Affordable Care Act provisions related to expanded coverage through private insurance and Medicaid were intended to reduce the amount of uncompensated care covered by hospitals and providers, however, certain Medicaid expansions mandated by the ACA were determined by subsequent court actions to be optional to states.

On February 11, 2019, in the Federal Register, the federal government released disproportionate share hospital preliminary allotments for federal fiscal year 2019. The allotment for Texas was \$1100.6 million federal funds, as compared to the federal fiscal year 2017 preliminary allotment of \$1,074.8 million federal funds. The non-federal share is determined by the annual FMAP percentage.

Provider Enrollment Fee (HHSC)

HHSC collects this fee for Long-term Services and Supports providers. The provider screening and enrollment fees are defined as payments from medical providers and suppliers required by the federal Centers for Medicare and Medicaid Services (CMS) as a condition for enrolling as a provider in the Medicaid and CHIP programs. The state collects and receives the funds as Appropriated Receipts – Match for Medicaid. Collected funds may be expended as authorized by federal law to support provider enrollment. In the event revenues collected are greater than expenditures, any unused fee balances shall be disbursed to the federal government as required by federal law.

7. Healthcare Transformation and Quality Improvement Program 1115 Waiver (HHSC)

Texas received approval for the Section 1115 Transformation Waiver in December 2011. The five-year demonstration waiver allowed Texas to expand its use of Medicaid managed care to achieve program savings while preserving locally funded supplemental payments to safety net hospitals. In May 2016, the federal government extended the waiver through December 2017. In December 2017, CMS approved a five-year extension of the waiver from October 2017-September 2022, or Demonstration Years 7-11. The waiver includes an Uncompensated Care (UC) pool and a Delivery System Reform Incentive Program (DSRIP) pool. The UC pool provides payments to hospitals and other providers for a portion of their uncompensated care. DSRIP payments are made to hospitals and other providers based on the implementation of initiatives which improve health care quality for Medicaid and low-income populations. The non-federal share for the waiver supplemental payments is primarily provided by local governmental entities. See Chapter 5 for additional information about the 1115 Waiver.

8. Healthy Texas Women (HTW) 1115 Demonstration Waiver (HHSC)

The HTW Demonstration is an 1115 Waiver that provides women's health and family planning services at no cost to eligible, low-income Texas women on a fee-for-service basis. In January 2020, CMS approved the HTW waiver through December 2024 (for five years). HHSC estimates it will receive approximately \$350 million in federal funding for the HTW Demonstration. The Demonstration provides funding to HHSC through Federal Financial Participation (FFP) at an enhanced 90 percent (90 percent federal funding/10 percent state general revenue match) for family planning services and at the Federal Medical Assistance Percentage (FMAP) for all other HTW demonstration covered services.

9. Social Services Block Grant (HHSC/DFPS/Texas Workforce Commission (TWC))

Title XX Social Services Block Grant (SSBG) funds are appropriated by the Texas Legislature to Texas state agencies to help meet specified social service needs for defined low income and at-risk populations.

Title XX was made a block grant by the Omnibus Budget Reconciliation Act of 1981, PL 97-35. Under this block grant, the state may provide social services directed at the goals of Title XX and may make expenditures for administration and training. The goals for the individuals served include:

- Achieving or maintaining self-sufficiency – economic, physical, and otherwise to include preventing, eliminating, or reducing dependency;
- Preventing or remedying neglect, abuse, and exploitation of children and adults, and preserving, rehabilitating, or reuniting families;
- Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care, or other forms of less intensive care; and
- Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

Achievement of these goals is sought through several programs administered by HHSC, the Department of Family and Protective Services (DFPS), and the Texas Workforce Commission (TWC).

As in previous years, the state fiscal year 2020 federal budget includes language that allows for 10 percent of TANF funding to be transferred to SSBG. For state fiscal year 2020, Texas received a slight increase from \$137.8 million in state fiscal year 2019 to \$138.2 million in state fiscal year 2020 due to demographic factors. SSBG funding is listed in Figure 2 below.

Figure 2. Social Service Block Grant Funds by State Agency, State Fiscal Year 2020

Agency	SSBG Funds
DFPS	28,983,072
HHSC	\$95,211,648
TWC	\$2,000,000
TOTAL	\$126,194,720⁷

10. Money Follows the Person (HHSC)

In 2007, HHSC and the Department of Aging and Disability Services (DADS) successfully competed for a Deficit Reduction Act of 2005 Money Follows the Person (MFP) Demonstration grant award to build upon and enhance its existing Promoting Independence/Money Follows the Person initiatives. The MFP Demonstration provides financial incentives to move individuals from institutions to community settings and includes an enhanced FMAP for client services costs. The MFP Demonstration helps people who are residing in a nursing facility or intermediate care facility for individuals with intellectual disabilities (ICF/IID). It provides

⁷ Excludes employee benefits.

individuals long-term services in the community setting of their choice without having to be placed on an interest list. The MFP Demonstration also supports direct services, such as behavioral health and relocation assistance, as well as projects designed to enhance the infrastructure of community-based services. Examples of projects include customized employment services and enhanced services and service coordination for individuals with intellectual and developmental disability with complex medical/behavioral health needs.

Congressional authorization for the MFP Demonstration ended September 30, 2016. CMS awarded a supplemental grant for states to implement sustainability strategies. Supplemental funds allocated by Congress were less than expected. As a result, the state planned to close-out activities one year earlier than expected. Transitions from institutional services to home and community-based services continue as before the state received the MFP Demonstration grant. The state stopped collecting enhanced match for individuals who transition after December 31, 2017. In 2019 Congress passed The Medicaid Extenders' Act and Sustaining Excellence in Medicaid Act of 2019 to provide a short-term extension and interim funding for the MFP demonstration through state fiscal year 2024. The funding is available to existing MFP states through federal fiscal year 2021. The MFP Demonstration funded projects under the current award will conclude no later than the end of state fiscal year 2020, with new funding beginning at that time.

11. Disaster Funding

On Friday, August 25, 2017, Hurricane Harvey made landfall as a Category 4 hurricane striking the southeast coast of Texas. Governor Abbott declared a state of disaster in 30 Texas counties. The President signed a major disaster declaration (FEMA 4432-DR-TX) on August 25. The President subsequently requested an appropriation of \$7.85 billion in federal resources for the response and initial recovery efforts related to Hurricane Harvey. HHSC and DSHS, in conjunction with the Texas Department of Public Safety and the Texas Division of Emergency Management, applied for federal funding from Federal Emergency Management Agency (FEMA). On August 21, 2020, HHSC received a performance extension for funding received to respond to Harvey. DSHS received a performance extension for funding for projects related to the response to Harvey. Five projects were closed, and 15 projects were extended until June 2021.

Beginning June 24, 2019 and ending June 25, 2019, severe storms and flooding adversely affected Cameron, Hidalgo, and Willacy counties in Texas. Hundreds of streets flooded, including 30 Texas-managed highways. 1,188 homes were considered "destroyed" or incurred "major" damage requiring significant repairs. An additional 182 homes sustained "minor" damage or were mildly affected. The

President signed a major disaster declaration (FEMA 4454-DR-TX) on July 17, 2019. HHSC applied for and received \$173,216 for Crisis Counseling Program – Immediate Services Program and \$612,465 for Crisis Counseling Program – Regular Services Program to assist residents of these counties.

On September 17, 2019, Tropical Storm Imelda made landfall near Freeport in Brazoria County. Within two days, Imelda was a catastrophic rain and flood event across Brazoria, Chamber, Galveston, Hardin, Harris, Jefferson, Liberty, Matagorda, and Montgomery Counties. Flooding continued along rivers and bayous throughout Southeast Texas, adding Jasper, Newton, Orange, and San Jacinto to the counties impacted by Imelda. On October 1, 2019, Governor Greg Abbott requested a major disaster declaration. The President signed a major disaster declaration (FEMA 4466-DR-TX) on October 4, 2019. On October 29, 2019, FEMA approved funding for HHSC’s Texans Recovering Together (TRT) Crisis Counseling Program - Immediate Services Program (ISP) grant application in the amount of \$799,085. The initial ISP Period of Performance was from October 4, 2019, to December 3, 2019. Due to COVID-19, HHSC in an agreement with FEMA, rescinded its application for Crisis Counseling Program – Regular Services Program funding. Due to seven no-cost extensions, the ISP grant ended on July 2, 2020.

Figure 3 below lists federal funding amounts received or requested to respond to disasters as of this report.

Figure 3. Disaster Funding Received by HHSC, State Fiscal Year 2020

Agency	Disaster	FEMA Declaration Number	Federal Funding	Amount
HHSC	Harvey	4332	FEMA Disaster Case Management (DCM)	\$11,124,519.24
HHSC	Rio Grande Valley Flooding	4454	FEMA Disaster Case Management (DCM)	\$902,729.05
HHSC	Rio Grande Valley Flooding	4454	SAMHSA Crisis Counseling - Immediate Services Program	\$173,216
HHSC	Rio Grande Valley Flooding	4454	SAMHSA Crisis Counseling - Regular Services Program	\$612,465
HHSC	Imelda	4466	FEMA Disaster Case Management (DCM)	\$9,169,977
HHSC	Imelda	4466	FEMA Other Needs Assistance (ONA)	10,237,500.00
Total HHS				\$32,220,406.29

12. COVID-19⁸

In December 2019, a new coronavirus known as SARS-CoV-2 (“the virus”) was first detected in Wuhan, Hubei Province, People’s Republic of China, causing outbreaks of the Coronavirus Disease 2019 (COVID-19) that spread globally. The U.S. Secretary of HHS declared a public health emergency on January 31, 2020, for the entire United States, under section 319 of the Public Health Service Act (42 U.S.C. 247d), in response to COVID-19. This initial declaration was retroactive to January 27, 2020.

As a result of the continued consequences of the COVID-19 pandemic, the U.S. Secretary of HHS renewed the declaration of a public health emergency on April 21, 2020, July 23, 2020, and October 2, 2020. Each public health emergency declaration lasts for the duration of the emergency or 90 days but may be extended by the Secretary.

In response to the national public health and economic threats caused by COVID-19, four relief laws making appropriations of about \$2.6 trillion have been enacted. Both HHSC and DSHS received funding in order to respond to COVID-19. COVID-19 funding is listed below by Agency and then by appropriating legislation.

HHSC

Families First Coronavirus Response Act of 2020

The Families First Coronavirus Response (FFCRA) Act of 2020, H.R. 6201, was passed and became Public Law (P.L.) 116-127 on March 18, 2020. HHSC has received or expects to receive a total of \$2,112.7 million in federal funds related to an increase in the Federal Medical Assistance Percentage, WIC services, and Title III funding. In addition, the Families First Act provides additional funding for SNAP client benefits.

Purpose	Federal Funds
Federal Medical Assistance Percentages (FMAP) Increase	\$2,057,531,222
Women, Infants and Children (WIC)	\$40,957,575
Title III-C Nutrition Services	\$16,205,796
<i>Subtotal</i>	\$2,112,740,102
Supplemental Nutrition Assistance (SNAP)⁹	\$2,075,788,985
Federal Funds Impact	\$4,190,483,578

⁸ COVID-19 funding amounts reported as of November 2020.

⁹ SNAP Emergency Allotments and P-EBT are included for reference and consistency with other reports and are not typically included in agency federal funds totals.

Federal Medical Assistance Percentages (FMAP) Increase

Effective January 1, 2020 through the end of the Public Health Emergency (PHE) declaration, the Families First Act increases the Texas base FMAP by 6.2 percentage points to 67 percent. HHSC estimates an increase in federal funding of \$2,057.5 million for increased FMAP assuming the PHE period continues through December 2020.

Women, Infants, and Children (WIC)

Due to available prior year balances the United States Department of Agriculture Food and Nutrition Service (FNS) has allocated the maximum amount of funding via the WIC funding formula. As a result, WIC services in Texas have received an additional \$45,718,716 to its funding allocation to support these efforts. Families First Coronavirus Response Act (FFCRA) (P.L. 116-127) allotted \$39,003,084. FNS awarded HHSC \$40,957,575 in funding in December 2020. The same WIC allowable cost rules that apply to regular food and Nutrition Services and Administration (NSA) funds also apply to the FFCRA food and NSA funds. Funds have been and will continue to be used to cover all WIC services and projects, nutrition education, breastfeeding promotion and support, client services, and program management.

Title III-C Nutrition Services: Congregate and Home Delivered Meals

On March 20, 2020, HHSC received a total of \$16.2 million in federal funds from the Administration for Community Living (ACL) for Title III-C Nutrition Services including \$5.4 million for meal services in congregate settings and \$10.8 million for home delivered meal services. Service Match (Congregate and Home Delivered Meals) is not required for the FFCRA supplemental grants. However, if taken, State Plan and Area Plan administration match is required at the normal 25 percent match rate. HHSC chose not to take administrative match. This funding was distributed to the Area Agencies on Aging (AAAs) using the Intrastate Funding Formula to provide congregate and home-delivered meals. To date, AAAs have distributed over 2.4 million meals.

Supplemental Nutrition Assistance Program (SNAP)

The Families First Act allows states to request Pandemic Electronic Benefits Transfer benefits (P-EBT) for new applicants and for existing SNAP households, and COVID-19 Pandemic Related SNAP Emergency Allotments (EA) (Supplements) "for households participating in the Supplemental Nutrition Assistance Program.... to address temporary food needs." SNAP households that already receive the maximum monthly allotment for their household size are not eligible for EA. As of September 30, 2020, SNAP households have received \$2,075.8 million in additional SNAP funding, including \$1,259.1 million in Emergency Allotments (Supplements)

and approximately \$816.7 million in P-EBT benefits. P-EBT benefits provide eligible families with a one-time payment of \$285 per eligible child who previously received free or reduced-price meals in the school setting. Emergency Allotments (Supplements) provide the maximum monthly amount allowable for current SNAP recipients for the months of April through July.

Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, H.R. 748, was passed and became Public Law (P.L.) 116-136 on March 27,2020. P.L. 116-136 appropriated additional funding to several grant programs and provided additional federal funding flexibilities.

Purpose	Federal Funds
Title III-C Congregate and Home-Delivered Meals	\$32,411,593
Aging and Disability Resource Centers (ADRCs) Award	\$3,005,454
Title III-E - Family Caregiver Support	\$6,432,408
Title III-B Supportive Services	\$13,504,830
Title VII Ombudsman	\$1,350,408
Family Violence Prevention and Services	\$3,014,784
Provider Relief Funds	\$19,515,383
Survey and Certification Infection Control in Nursing Homes – 10/1/2019 through 9/30/2020	\$305,997
Federal Funds Impact	\$79,540,857

Title III-B Supportive Services

Supportive Services provides for services including care coordination; Information, Referral & Assistance (IR&A); legal assistance and awareness; Evidence Based Intervention programs; residential repairs and transportation services. In addition to these services, the additional funds allow AAA staff and volunteers to distribute gift cards for groceries, other basic needs items, and critical supplies.

Title III-C Home-Delivered Meals

The CARES Act allocated an additional \$32.4 million in Title III-C funding for home-delivered meals to Texas. Service Match (Home Delivered Meals) is not required for the CARES Act supplemental grant. However, if taken, State Plan and Area Plan

administration match is required at the normal 25 percent match rate. HHSC chose not to take administrative match. With increased need to provide nutrition services through the home-delivered meals program, and to support storage and delivery of frozen and shelf-stable meals, some AAA units have used funds for capital expenditures for refrigerated and additional food delivery trucks. Due to AAA office closures and need to telework, funds are also used to purchase laptops, printers, scanners, and cellular phones for AAA staff.

Title III-E Family Caregiver Support Program

The Family Caregiver Support Program provides services such as caregiver support coordination, caregiver respite services, caregiver information services, and health maintenance. The CARES Act allocated an additional \$6.4 million in Title III-E funding for Family Caregiver Support to Texas. To date, funds have been used to provide 13,455 hours of respite care services and to provide 660 home-delivered meals to eligible family caregivers. Funds are also used to provide family caregivers with gift cards to purchase groceries and basic needs items.

Title VII Ombudsman Services

The CARES Act allocated an additional \$1.3 million in Title VII funding for Ombudsman Services.

Additional Title III and Title VII funds do not require state matching funds. Title III funds have been distributed to all Area Agencies on Aging in Texas using the Intrastate Funding Formula, while Title VII funds were distributed based on guidance from the Long-Term Care Ombudsman.

Aging and Disability Resource Centers (ADRCs)/No Wrong Door: Critical Relief Funds for COVID-19

Texas was awarded \$3.0 million in grant funds for Aging and Disability Resource Centers (ADRCs). The funding was distributed to all 28 ADRCs serving all counties in Texas. The amount of funding per ADRC was based on their total population of people with disabilities and people who are 60 and over (with each category weighted at 50 percent). Each ADRC was required to submit feedback on how the funding would be used to mitigate COVID-19 pandemic challenges. No Wrong Door critical relief funding for COVID-19 allows ADRCs to acquire technology to promote telework, as well provide emergency financial assistance such as food and rental assistance.

Family Violence Prevention (FVP) and Services

HHSC received \$3.0 million in CARES Act funding for family violence prevention and services. This funding was used to issue subawards to 77 existing FVP shelter and

nonresidential centers to support emergency shelter and supportive services for survivors of family violence during the COVID-19 pandemic. FVP centers can use the funds to prevent, prepare for, and respond to the COVID-19 pandemic.

To date, FVP centers have utilized CARES Act funding to purchase items such as personal protective equipment, sanitation supplies, and online technology platforms to continue providing services to survivors remotely. Additionally, some centers utilize their award to offer hazard pay for frontline employees; house survivors in hotels/motels to accommodate social distancing requirements; and provide critical client assistance, such as rent, food, clothing, and transportation to help people stay safe and avoid homelessness.

Provider Relief Funds

The CARES Act appropriated funding to be made available to providers for health-care related expenses or lost revenue attributable to COVID-19. As of July 31, 2020, HHSC's State Hospitals and State Supported Living Centers have received \$19.5 million in Provider Relief Funds. This funding will be utilized by state facilities to purchase personal protective equipment (PPE) and to meet other COVID-19 related expenses. The ability to use these relief funds instead of operating funds allows HHSC to maintain services without disruption.

Crisis Counseling Program – Immediate Services Program and Regular Services Program

HHSC received a total of \$26.5 million in federal funds from FEMA and the Substance Abuse and Mental Health Services Administration (SAMHSA), including \$5.9 million for immediate crisis counseling services, and \$20.7 million for regular crisis counseling services. In coordination with the Harris Center, HHSC established the statewide COVID-19 Mental Health Support Line. The support line is staffed 24/7 and since March 31, 2020, has served approximately 8,642 callers with crisis counseling and referral services. At the local level, crisis counseling services are administered by local mental and behavioral health authorities across Texas. To date, through the combined efforts of the Immediate Services and the Regular Services Program, crisis counseling, education, and referral services have been provided to approximately 2,082,770 individuals and families.

A consolidated table of funding sources and amounts is shown below.

Purpose	Funding Source	Funding Amount
Title III-C Congregate and Home-Delivered Meals	P.L. 116-127	\$16,205,796
FMAP Increase by 6.2 percentage points	P.L. 116-127	\$2,057,531,222
Women, Infants, and Children (WIC)	P.L. 116-127	\$39,003,084
Title III-C Congregate and Home-Delivered Meals	P.L. 116-136	\$32,411,593
Aging and Disability Resource Centers (ADRCs) Award	P.L. 116-136	\$3,005,454
Title III-E - Family Caregiver Support	P.L. 116-136	\$6,432,408
Title III-B Supportive Services	P.L. 116-136	\$13,504,830
Title VII Ombudsman	P.L. 116-136	\$1,350,408
Family Violence Prevention and Services	P.L. 116-136	\$3,014,748
Provider Relief Funds	P.L. 116-136	\$19,515,383
Survey and Certification Infection Control in Nursing Homes 10/1/2019 through 9/30/2020	P.L. 116-136	\$305,997
SAMHSA Crisis Counseling: Immediate Services Program (ISP) and Regular Services Program (RSP)	SAMHSA	\$26,548,750
TOTAL		\$2,218,829,739

DSHS

Coronavirus Preparedness and Response Supplemental Appropriations Act of 2020

On March 4, 2020, the Coronavirus Preparedness and Response Supplemental Appropriations Act 2020 was introduced in the House. The bill was passed by the House on March 4 and by the Senate on March 5. The President signed the bill, P.L. 116-123, into law on March 6, 2020. DSHS has received or expects to receive a total of \$59,063,712 in federal funds.

Purpose	Federal Funds
The Cooperative Agreement for Emergency Response: Public Health Crisis Response	\$55,066,699
The Epidemiology and Laboratory Capacity Firstline IPC Training	\$3,698,466
Rape Prevention & Education: Using the Best Available Evidence for Sexual Violence Prevention	\$298,547
TOTAL	\$59,063,712

Families First Coronavirus Response Act of 2020

The Families First Coronavirus Response Act (FFCRA) of 2020, H.R. 6201, was passed and became Public Law (P.L.) 116-127 on March 18, 2020. DSHS has received or expects to receive a total of \$102,000 in federal funds.

Purpose	Federal Funds
COVID-19 Multisystem Inflammatory Syndrome in Children (MIS-C)	\$100,000
Epidemiology & Laboratory Capacity Border Survey COVID-19	\$2,000
TOTAL	\$102,000

Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020

The Coronavirus Aid, Relief, and Economic Security (CARES) Act, H.R. 748, was passed and became Public Law (P.L.) 116-136 on March 27, 2020. P.L. 116-136 appropriated additional funding to several grant programs and provided additional federal funding flexibilities. DSHS has received or expects to receive a total of \$1,065,871,367 in federal funds.

Purpose	Federal Funds
Epidemiology & Laboratory Capacity - Reopen America	\$39,141,025
Medical Surge Staffing	\$1,000,000,000
Housing Opportunities for Persons with AIDS (HOPWA)	\$724,936
Ryan White HIV/AIDS	\$1,500,000
COVID-19 Supplemental Funding Rounds 1 and 2 - Immunization	\$24,505,406
TOTAL	\$1,065,871,367

Paycheck Protection Program and Health Care Enhancement Act of 2020

On April 23, 2020, Congress passed its fourth measure including supplemental appropriations to respond to the COVID-19 pandemic. The Paycheck Protection Program and Health Care Enhancement Act. The President signed the bill, P.L. 116-139, into law on April 24, 2020. DSHS has received or expects to receive a total of \$482,933,879 in federal funds.

Purpose	Federal Funds
Epidemiology & Laboratory Capacity for Enhanced Detection (ELC Enhanced Detection COVID-19)	\$473,597,520
Hospital Preparedness Program (HPP) Supplemental Rounds 1 and 2 COVID-19	\$8,686,359
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities Part B COVID-19 Administrative Supplement Rounds 1 and 2	\$650,000
TOTAL	\$482,933,879

Additional COVID-19 Funding

Purpose	Federal Funds
Federal Emergency Management Agency - Public Assistance	\$20,703,610
Agency for Toxic Substance Disease Registry's Partnership to Promote Local Efforts to Reduce Environmental Exposure – COVID-19	\$102,705

A consolidated table of funding sources and amounts is below.

Purpose	Funding Source	Funding Amount
The Cooperative Agreement for Emergency Response: Public Health Crisis Response	P.L. 116-123	\$55,066,699
The Epidemiology and Laboratory Capacity Firstline IPC Training	P.L. 116-123	\$3,698,466
Rape Prevention & Education: Using the Best Available Evidence for Sexual Violence Prevention	P.L. 116-123	\$298,547
COVID-19 Multisystem Inflammatory Syndrome in Children (MIS-C)	P.L. 116-127	\$100,000
Epidemiology & Laboratory Capacity Border Survey COVID-19	P.L. 116-127	\$2,000
Epidemiology & Laboratory Capacity - Reopen America	P.L. 116-136	\$39,141,025
Medical Surge Staffing	P.L. 116-136	\$1,000,000,000
Housing Opportunities for Persons with AIDS (HOPWA)	P.L. 116-136	\$724,936
Ryan White HIV/AIDS	P.L. 116-136	\$1,500,000
COVID-19 Supplemental Funding - Rounds 1 & 2 - Immunization	P.L. 116-136	\$24,505,406
Epidemiology & Laboratory Capacity for Enhanced Detection (ELC Enhanced Detection COVID-19)	116-139	\$473,597,520
Hospital Preparedness Program (HPP) Supplemental Rounds 1 & 2 COVID-19	116-139	\$8,686,359
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities Part B COVID-19 Administrative Supplement Rounds 1 & 2	116-139	\$650,000
Federal Emergency Management Agency - Public Assistance		\$20,703,610
Agency for Toxic Substance Disease Registry's Partnership to Promote Local Efforts to Reduce Environmental Exposure - COVID-19		\$102,705
TOTAL		\$1,628,777,273

Federal Funds Enhancement Initiatives

Texas HHS agencies were successful in efforts to enhance revenue and maximize the use of federal funds to provide services during the last state fiscal year. By working with various federal agencies, the state identified expenditures where additional federal funds could be accessed and qualified for new opportunities to bring additional dollars to Texas. Agencies continue to seek available funding and identify innovative ways for increasing access to federal funds to support the state's mission and interests related to health and human services.

1. TANF Contingency Fund (HHSC)

TANF Contingency fund provides states with additional federal funds to assist in meeting the needs of low-income families during periods of economic downturn. States may access TANF Contingency funds by meeting certain criteria. Contingency funds may be used only in the state fiscal year for which they are awarded and may not be carried over for use in a succeeding state fiscal year. These funds can be used for any purpose for which regular TANF funds are used.

Unlike the regular TANF block grant that provides a fixed funding amount to states, the TANF Contingency Fund provides additional TANF funds to states when certain criteria are met. Previously, Texas has met the requirements, based on SNAP caseload. Since 2012, Texas has received over \$397 million in funding through the TANF Contingency Fund. If the state remains eligible and if Congress continues appropriations, HHSC will continue to apply for TANF Contingency Funds.

In 2020 Texas applied for and received approximately \$57.7 million in additional funds requested through the TANF Contingency Funds grant. A 2021 application was submitted on October 22, 2020.

List of Acronyms

Acronym	Description
AAA	Area Agencies on Aging
ABU	Approved-But-Unfunded
ACA	Affordable Care Act
ACCESS	Advancing Chronic Care, Extenders, and Social Services
ACL	Administration for Community Living
ADAP	AIDS Drug Assistance Program
ADRC	Aging and Disability Resource Center
AFDC	Aid to Families with Dependent Children
AIDS	Acquired Immune Deficiency Syndrome
ATSDR	Agency for Toxic Substances and Disease Registry
BBA	Bipartisan Budget Act
C.F.R.	Code of Federal Regulations
CARES	Coronavirus Aid, Relief, and Economic Security
CBO	Congressional Budget Office
CDC	Centers for Disease Control and Prevention
CFC	Community First Choice
CHIP	Children's Health Insurance Program
CLASS	Community Living Assistance and Support Services
CMS	Centers for Medicare and Medicaid Services
COVID-19	Coronavirus Disease 2019
CR	Continuing Resolution
CYSHCN	Children and Youth with Special Health Care Needs
DADS	Department of Aging and Disability Services
DBMD	Deaf Blind with Multiple Disabilities

Acronym	Description
DCM	Disaster Case Management
DDS	Disability Determination Services
DFPS	Department of Family and Protective Services
DMO	Dental Maintenance Organization
DSH	Disproportionate Share Hospital
DSHS	Department of State Health Services
DSRIP	Delivery System Reform Incentive Program
EA	Emergency Allotments
ECI	Early Childhood Intervention
ELC	Epidemiology and Laboratory Capacity
EMTF	Emergency Medical Task Force
FEMA	Federal Emergency Management Agency
FFCRA	Families First Coronavirus Response
FFP	Federal Financial Participation
FFY	Federal Fiscal Year
FMAP	Federal Medical Assistance Percentage
FNS	Food and Nutrition Services
FPL	Federal Poverty Line
FVP	Family Violence Prevention
SFY	State Fiscal Year
H.R.	House Resolution
HCS	Home and Community-based Services
HHS	Texas Health and Human Services system (Texas HHS)
HHS	U.S. Health and Human Services Administration (federal HHS)
HHSC	Health and Human Services Commission
HIP	Health Insurance Provider

Acronym	Description
HIPF	Health Insurance Provider Fee
HIV	Human Immunodeficiency Virus
HOPWA	Housing Opportunities for Persons With AIDS
HPP	Hospital Preparedness Program
HRSA	Health Resources and Services Administration
HTW	Healthy Texas Women
ICF/IID	Intermediate Care Facility for Individuals with Intellectual Disabilities
IDEA	Individual with Disabilities Education Act
IPC	Infection Prevention and Control
IR&A	Information, Referral & Assistance
ISP	Immediate Services Program
MCO	Managed Care Organization
MFP	Money Follows the Person
NSA	Nutrition Services and Administration
OMB	Office of Management and Budget
ONA	Other Needs Assistance
OSEP	Office of Special Education Programs
P.L.	Public Law
P-EBT	Pandemic Electronic Benefits Transfer
PHCR	Public Health Crisis Response
PHE	Public Health Emergency
PHEP	Public Health Emergency Preparedness
PPE	Personal Protective Equipment
PPHF	Prevention and Public Health Fund
RSP	Regular Services Program

Acronym	Description
SAMHSA	Substance Abuse and Mental Health Services Administration
SARS	Severe Acute Respiratory Syndrome
SNAP	Supplemental Nutrition Assistance Program
SSA	Social Security Administration
SSBG	Social Services Block Grant
TANF	Temporary Assistance for Needy Families
TRT	Texans Recovering Together
TWC	Texas Workforce Commission
TxHmL	Texas Home Living
U.S.C.	United States Code
UC	Uncompensated Care
UTMB	University of Texas Medical Branch
WIC	Women, Infants, and Children

Appendix A. Top 30 Federal Funding Sources for HHSC and DSHS, State Fiscal Year 2020

HHSC			DSHS		
CFDA	Method of Finance	SFY 2020	CFDA	Method of Finance	SFY 2020
93.778.000	Medical Assistance Program	\$21,230,234,485	97.036.119	COVID-19 Public Assistance Cat B (EPM) via Texas Department of Emergency Mgmt.	\$695,822,503
93.767.000	State Children's Insurance Program (CHIP)	\$1,051,400,631	21.019.119	COVID-19 Coronavirus Relief Fund via Governor's Office	\$199,788,932
93.778.009	School Health and Related Services (SHARS)	\$734,654,886	93.917.000	HIV Care Formula Grants - Ryan White Part B	\$115,704,163
93.767.778	CHIP for Medicaid (EFMAP)	\$625,232,286	93.323.119	COVID-19 Epidemiology and Laboratory Capacity (ELC)	\$86,419,824
10.557.001	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	\$555,762,342	93.074.002	Public Health Emergency Preparedness - CORE	\$43,491,182
93.778.004	XIX Medical Assistance Program Administration at 75 percent	\$389,131,231	93.354.119	COVID-19 Public Health Emergency Response	\$29,941,636

HHSC			DSHS		
CFDA	Method of Finance	SFY 2020	CFDA	Method of Finance	SFY 2020
93.778.003	XIX Medical Assistance Program Administration at 50 percent	\$288,257,707	93.994.000	Maternal and Child Health Services Block Grants to the States	\$26,629,598
10.561.000	State Administrative Matching for Supplemental Nutrition Assistance Program	\$190,698,124	93.268.000	Immunization Grants - CORE	\$24,121,211
93.959.000	Block Grants for Prevention and Treatment of Substance Abuse	\$146,196,452	93.940.006	HIV Prevention Program - Category A: HIV Prevention CORE	\$17,636,316
93.778.007	XIX Medical Assistance Program Administration at 100 percent	\$131,059,265	93.889.000	National Bioterrorism Hospital Preparedness Program - CORE	\$16,027,563
96.001.000	Social Security Disability Insurance	\$110,698,576	93.354.000	Public Health Crisis Response - Hurricane Harvey	\$10,758,092
93.778.005	XIX FMAP at 90 percent	\$107,000,783	93.778.003	Medical Assistance Program - 50% via HHSC	\$10,022,659
93.667.000	Social Services Block Grant	\$95,211,648	93.116.000	Project and Cooperative Agreements for Tuberculosis Control	\$8,965,558

HHSC			DSHS		
CFDA	Method of Finance	SFY 2020	CFDA	Method of Finance	SFY 2020
93.788.000	Opioid State Targeted Response	\$71,993,626	93.889.119	COVID-19 National Bioterrorism Hospital Preparedness Program	\$8,472,796
93.958.000	Block Grants for Community Mental Health	\$68,704,636	93.991.000	Preventive Health and Health Services Block Grant	\$8,179,216
93.778.014	Medicaid Stimulus	\$51,549,685	93.977.000	Preventive Health Services - Sexually Transmitted Diseases (STD) Prevention and Control Grants	\$6,853,223
93.045.000	Special Programs for the Aging Title III Part C	\$44,539,719	93.323.000	Epidemiology and Laboratory Capacity (ELC) - CORE	\$4,247,534
93.558.667	Temporary Assistance for Needy Families to Title XX	\$31,668,706	10.475.000	Cooperative Agreements with States for Intrastate Meat and Poultry Inspection (CMI)	\$4,064,543
93.558.000	Temporary Assistance for Needy Families	\$30,275,077	93.268.119	COVID-19 Immunization Grants	\$3,455,928
93.044.000	Special Programs for the Aging Title III Part B	\$28,758,498	93.136.003	Rape Prevention and Education: Using the Best Available Evidence for Sexual Violence Prevention	\$2,572,756

HHSC			DSHS		
CFDA	Method of Finance	SFY 2020	CFDA	Method of Finance	SFY 2020
93.791.000	Money Follows the Person Rebalancing Demonstration	\$26,127,219	93.944.000	HIV/AIDS Surveillance - Category A: HIV Surveillance Core	\$2,513,131
93.575.000	Child Care and Development Block Grant	\$24,912,056	14.241.000	Housing Opportunities for Persons with AIDS	\$2,371,443
93.777.000	State Survey and Certification of Health Care Providers and Suppliers	\$24,837,646	93.898.000	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations via HHSC	\$2,120,752
93.796.000	State Survey and Certification of Health Care Providers and Suppliers Title XIX Medicaid at 75 percent	\$23,600,985	10.561.000	State Admin Match SNAP via HHSC	\$1,910,106
93.778.018	XIX Medicaid Specialized Skills Training (SST)	\$23,336,599	93.940.000	HIV Prevention Activities-Health Department Based	\$1,619,564
93.045.119	COV19 Special Programs Aging Title III	\$22,201,940	93.435.000	Innovative health strategy to prevent heart disease and diabetes	\$1,435,454

HHSC			DSHS		
CFDA	Method of Finance	SFY 2020	CFDA	Method of Finance	SFY 2020
97.088.000	Disaster Assistance Projects (Case Management Pilot)	\$21,919,148	93.439.000	Texas Physical Activity Nutrition	\$1,271,956
93.994.000	Maternal and Child Health Services Block Grant Program	\$13,152,458	93.305.001	National State Based Tobacco Control Programs	\$1,074,165
93.053.000	Nutrition Services Incentive Program	\$11,565,487	93.735.000	State Public Health Approaches to Ensuring Quitline Capacity (HCR)	\$868,509