Presentation to the House Committee on Human Services

Cecile E. Young
Executive Commissioner

Michelle Alletto, MPA
Chief Program & Services Officer

Victoria Ford, MPA
Chief Policy & Regulatory Officer

March 2, 2021

TEXAS
Health and Human Services

Mission & Vision

Our Mission:

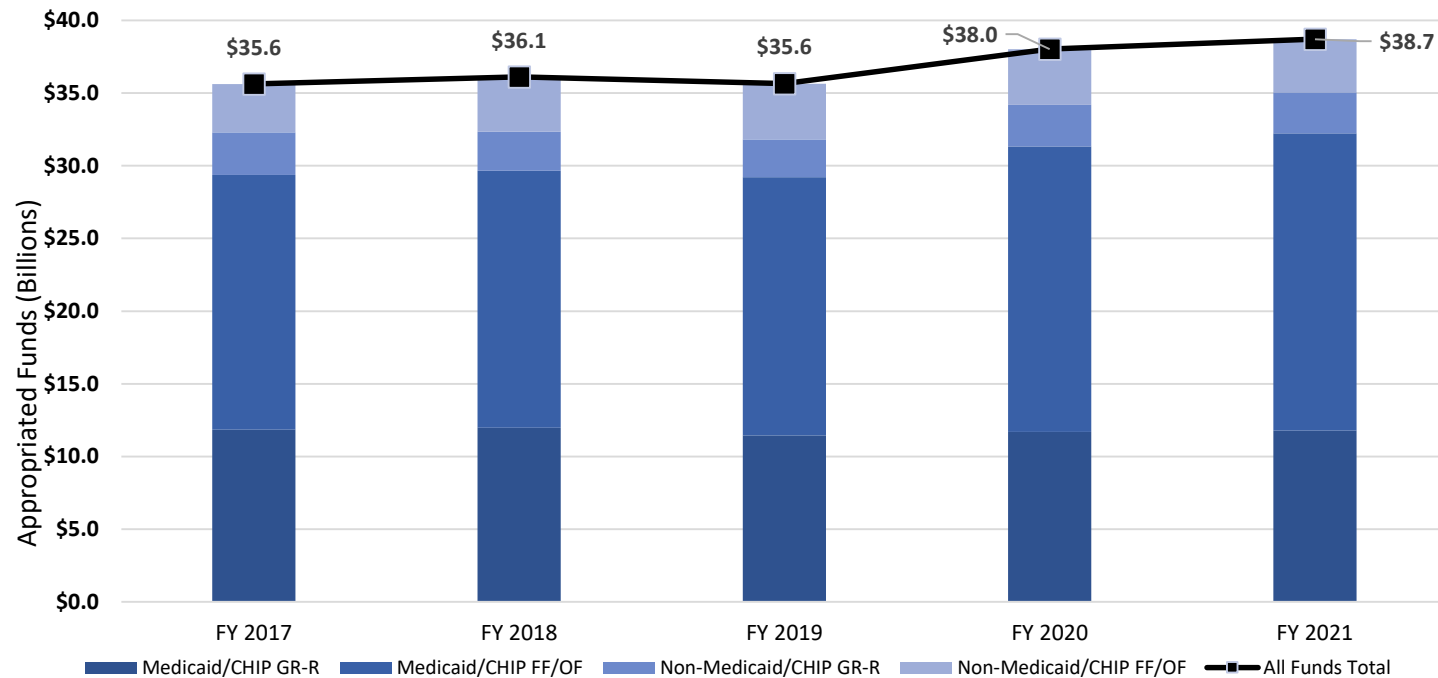- Improving the health, safety, and well-being of Texans with good stewardship of public resources

Our Vision:

- Making a positive difference in the lives of the people we serve

Agency Appropriations Fiscal Years 2017-21

Appropriated Funds (Billions)

Chart values (All Funds Total):
- FY 2017: $35.6
- FY 2018: $36.1
- FY 2019: $35.6
- FY 2020: $38.0
- FY 2021: $38.7

Legend: ■ Medicaid/CHIP GR-R ■ Medicaid/CHIP FF/OF ■ Non-Medicaid/CHIP GR-R ■ Non-Medicaid/CHIP FF/OF ■—■—All Funds Total

		FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Medicaid and CHIP	GR-R	11,846,075,178	11,987,449,261	11,452,803,757	11,690,917,723	11,788,980,942
	AF	29,361,007,100	29,660,490,441	29,218,962,797	31,334,575,651	32,222,883,870
Non-Medicaid and CHIP	GR-R	2,942,645,593	2,689,405,046	2,583,469,957	2,859,269,483	2,828,358,382
	AF	6,266,956,087	6,448,346,421	6,428,667,168	6,689,957,202	6,486,097,837
Total	GR-R	14,788,720,771	14,676,854,307	14,036,273,714	14,550,187,206	14,617,339,324
	AF	35,627,963,187	36,108,836,862	35,647,629,965	38,024,532,853	38,708,981,707

Notes: 1) Figures above do not include supplemental appropriations. Supplemental appropriations include $0.8 billion in General Revenue in FY 2017 and $2.0 billion in General Revenue in FY 2019 to cover shortfalls in the Medicaid program. 2) Medicaid and CHIP refers to strategies in Goals A and C in the agency Bill pattern in the 2020-21 General Appropriations Act.
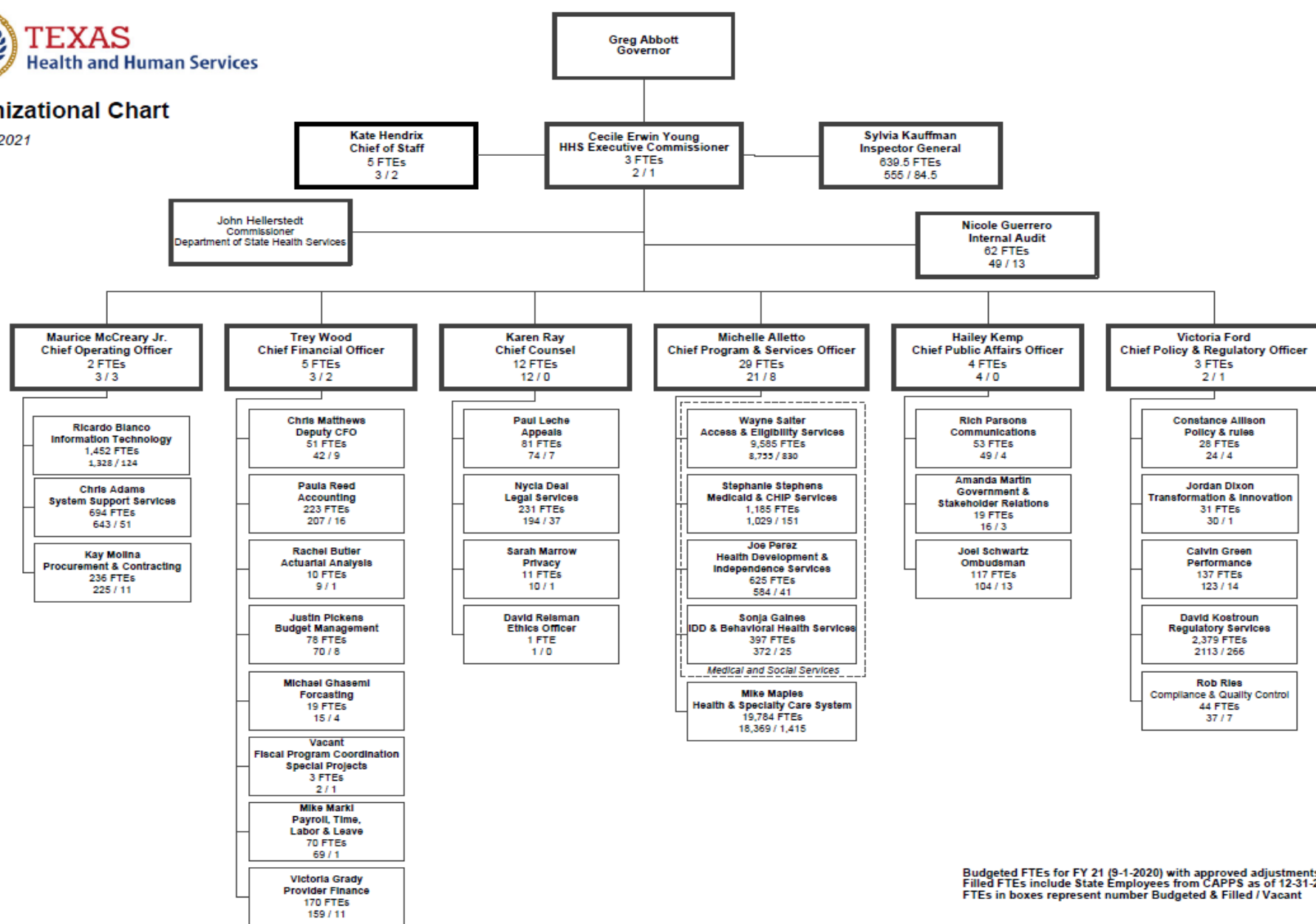
Agency Overview
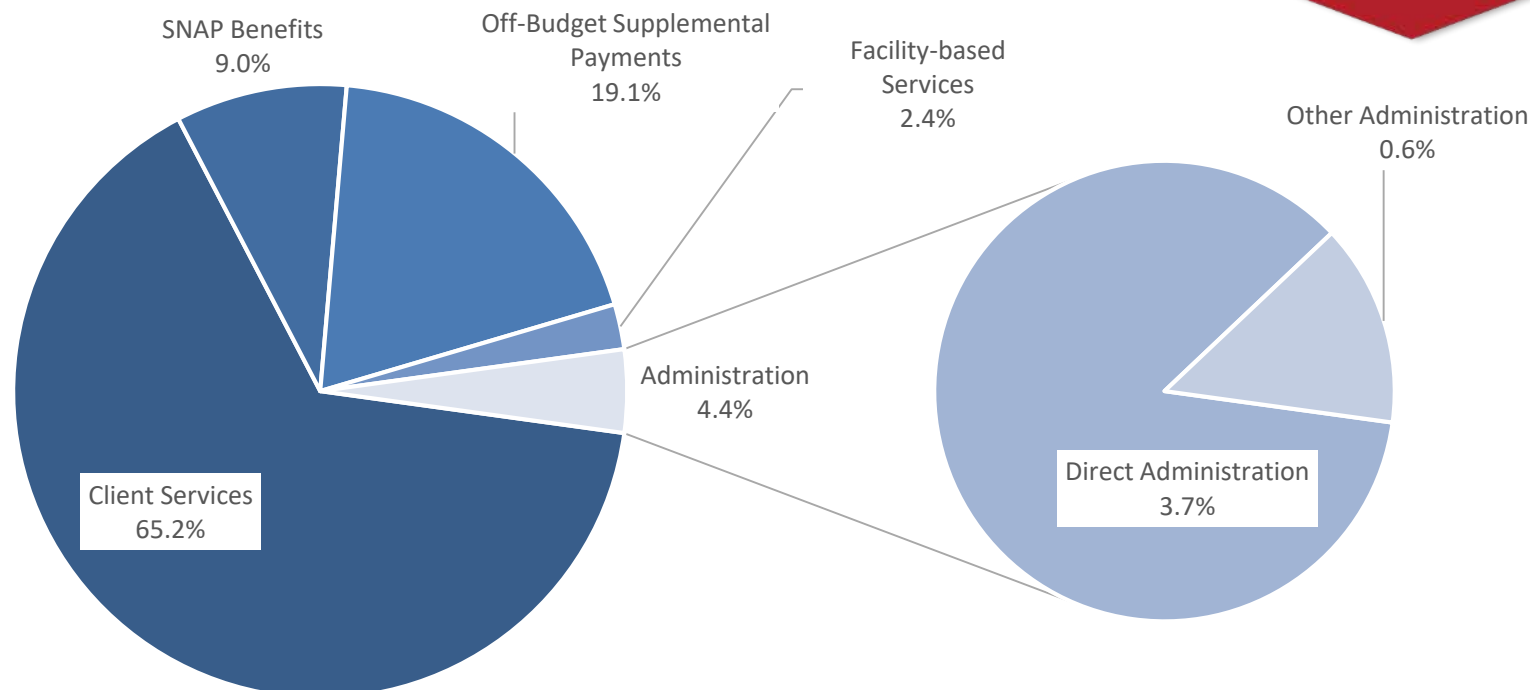
Health and Human Services Commission – Percentages of Estimated Total Available Funds (2020-21 Biennium)

Does not include Interagency Contract Funds in Goal K, Office of Inspector General ($11.3 million), and Goal L, System Oversight and Program Support ($328.7 million). The Direct Administration category includes Access and Eligibility Services and Regulatory Oversight. SNAP benefits and Off-Budget Supplemental Payments are shown using fiscal year 2019 estimates.

Organizational Chart

January 2021

Greg Abbott
Governor

Kate Hendrix
Chief of Staff
5 FTEs
3 / 2

Cecile Erwin Young
HHS Executive Commissioner
3 FTEs
2 / 1

Sylvia Kauffman
Inspector General
639.5 FTEs
555 / 84.5

John Hellerstedt
Commissioner
Department of State Health Services

Nicole Guerrero
Internal Audit
62 FTEs
49 / 13

Maurice McCreary Jr.
Chief Operating Officer
2 FTEs
3 / 3

Trey Wood
Chief Financial Officer
5 FTEs
3 / 2

Karen Ray
Chief Counsel
12 FTEs
12 / 0

Michelle Alletto
Chief Program & Services Officer
29 FTEs
21 / 8

Hailey Kemp
Chief Public Affairs Officer
4 FTEs
4 / 0

Victoria Ford
Chief Policy & Regulatory Officer
3 FTEs
2 / 1

Ricardo Blanco
Information Technology
1,452 FTEs
1,328 / 124

Chris Adams
System Support Services
694 FTEs
643 / 51

Kay Molina
Procurement & Contracting
236 FTEs
225 / 11

Chris Matthews
Deputy CFO
51 FTEs
42 / 9

Paula Reed
Accounting
223 FTEs
207 / 16

Rachel Butler
Actuarial Analysis
10 FTEs
9 / 1

Justin Pickens
Budget Management
78 FTEs
70 / 8

Michael Ghasemi
Forcasting
19 FTEs
15 / 4

Vacant
Fiscal Program Coordination
Special Projects
3 FTEs
2 / 1

Mike Markl
Payroll, Time,
Labor & Leave
70 FTEs
69 / 1

Victoria Grady
Provider Finance
170 FTEs
159 / 11

Paul Leche
Appeals
81 FTEs
74 / 7

Nycia Deal
Legal Services
231 FTEs
194 / 37

Sarah Marrow
Privacy
11 FTEs
10 / 1

David Reisman
Ethics Officer
1 FTE
1 / 0

Wayne Salter
Access & Eligibility Services
9,585 FTEs
8,755 / 830

Stephanie Stephens
Medicaid & CHIP Services
1,185 FTEs
1,029 / 151

Joe Perez
Health Development &
Independence Services
625 FTEs
584 / 41

Sonja Gaines
IDD & Behavioral Health Services
397 FTEs
372 / 25

Medical and Social Services

Mike Maples
Health & Specialty Care System
19,784 FTEs
18,369 / 1,415

Rich Parsons
Communications
53 FTEs
49 / 4

Amanda Martin
Government &
Stakeholder Relations
19 FTEs
16 / 3

Joel Schwartz
Ombudsman
117 FTEs
104 / 13

Constance Allison
Policy & rules
28 FTEs
24 / 4

Jordan Dixon
Transformation & Innovation
31 FTEs
30 / 1

Calvin Green
Performance
137 FTEs
123 / 14

David Kostroun
Regulatory Services
2,379 FTEs
2113 / 266

Rob Ries
Compliance & Quality Control
44 FTEs
37 / 7

Budgeted FTEs for FY 21 (9-1-2020) with approved adjustments.
Filled FTEs include State Employees from CAPPS as of 12-31-20
FTEs in boxes represent number Budgeted & Filled / Vacant

Key Functions

- Provides oversight and administrative support for the HHS agencies

- Administers the state's Medicaid and other client services programs

- Provides a comprehensive array of long-term services and supports for people with disabilities and people age 60 and older

- Operates the state's mental health hospitals and state supported living centers

- Regulates healthcare providers, professions, and facilities to protect individuals' health and safety

- Sets policies, defines covered benefits, and determines client eligibility for client services programs

Divisions and Programs

Access & Eligibility Services (AES)

- **Community Access:** Provides information, application assistance, and referral services for programs and services critical to individuals and families in need through a network of 500 community partners, the statewide 2-1-1 hotline, and in coordination with Area Agencies on Aging and Aging and Disability Resource Centers

- **Eligibility Operations:** Provides statewide coordination of regional operations for eligibility determination, quality management, and oversight, and vendor-supported eligibility functions

- **Disability Determination Services:** Makes medical determinations on behalf of the Social Security Administration for those applying for Social Security Disability Insurance or Supplemental Security Income

Access & Eligibility Services

Examples of Programs and Services:

- Disability Determination Services (DDS)
- 2-1-1 Texas Information and Referral Network
- Medicaid Buy-In Program
- Medicaid Buy-In Program for Children
- Medicaid Eligibility for the Elderly and People with Disabilities
- Medicare Savings Program
- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Transitional Assistance Services

- Aging and Disability Resource Centers (ADRCs)
- Area Agencies on Aging (AAAs)
- Caregiver Support Services
- Personal Needs Allowance
- Texas Lifespan Respite Care Program
- Home Delivered Meals-Title XX
- Foster Grandparent Program

Access & Eligibility Services COVID-19 Response

- Activated 2-1-1 Option 6 to connect Texans to COVID-19 information and resources, handled over 515,000 calls between March 14 and December 15, 2020

- Provided over $80 million in additional funding for Area Agencies on Aging to support the continuation of Home Delivered meals and alternatives to congregant feeding programs

- Issued over $2.5 billion in Emergency SNAP benefits to over 13 million individuals

- Issued over $816 million in Pandemic-EBT benefits to households to supplement the nutritional needs of over 2.8 million children due to school closures

- Increased the utilization of virtual platforms to assist with application intake and assistance

Medicaid and CHIP

What it is

Medicaid: A healthcare and long-term services program for certain groups of low-income persons

CHIP: A similar program for children whose families earn too much to qualify for Medicaid but cannot afford health insurance

Who it serves

Medicaid: Children and their caretakers, pregnant women, and individuals over age 65 or those with disabilities

CHIP: Children and the unborn children of pregnant women (CHIP Perinatal)

How it's funded

Medicaid: State funds, matched with uncapped federal dollars at a set percent rate

CHIP: State funds, matched with capped federal dollars at a set percent rate

How it's administered

Medicaid: Most services are delivered through managed care, with a small percentage through fee-for-service (FFS)

CHIP: All services are delivered through managed care

Medicaid Caseload Trends

Medicaid Total Caseload: Historical and Estimated Caseloads Compared With 87th Legislature Appropriated Caseloads for Fiscal Years 2010 - 2023

Medicaid Caseload: Actual through April 2020; Completed data through November 2020; Forecast data starting December 2020

November 2020: LAR Update 2022-2023 (in italics)

3,298,099
3,543,057
3,655,930
3,658,629
3,746,124
4,056,702
4,060,564
4,067,380
4,021,686
3,915,011
3,984,672
4,651,533
4,270,698
4,061,594
4,170,406
4,051,136

House Bill 1 Caseloads
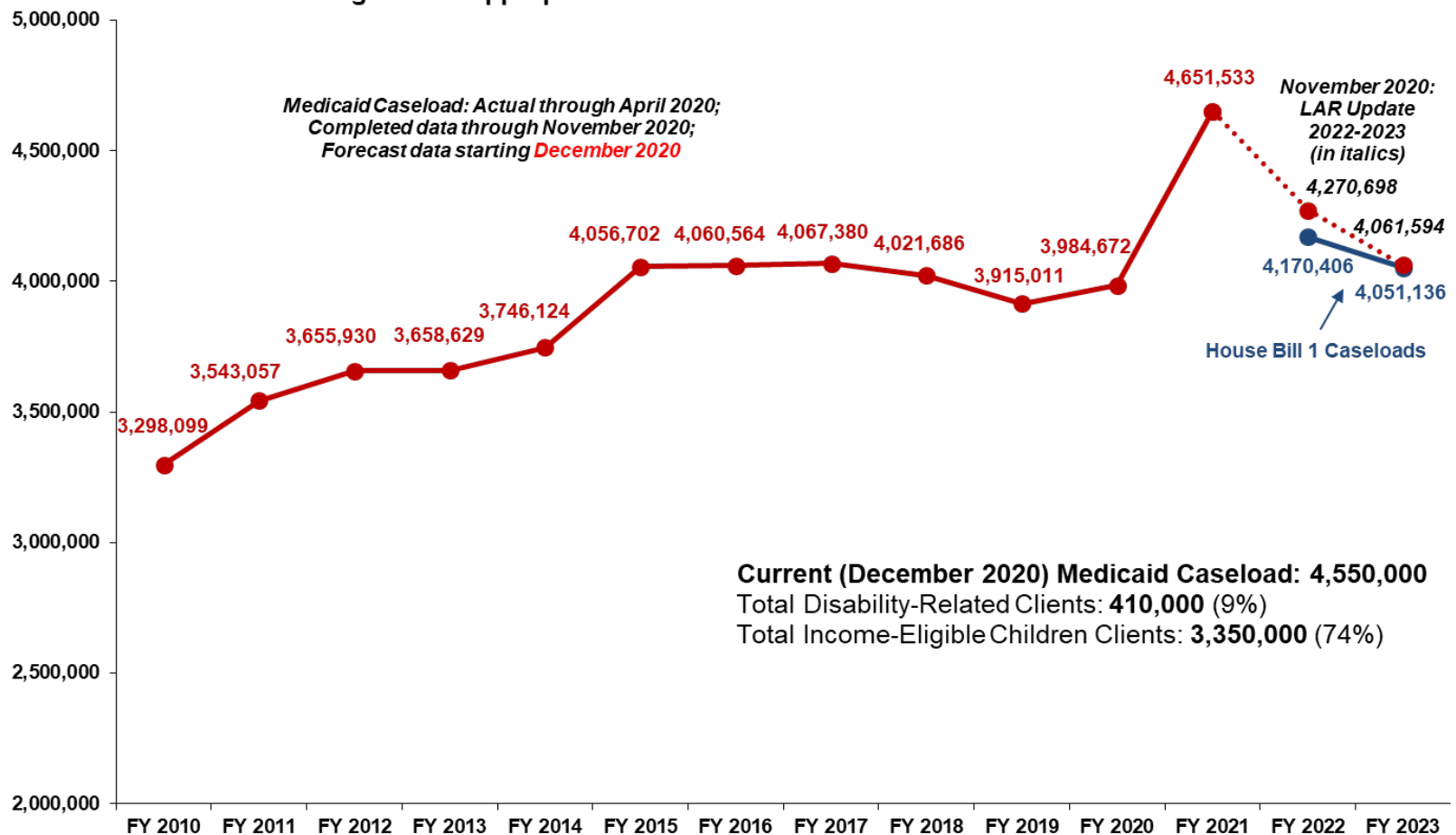
Current (December 2020) Medicaid Caseload: 4,550,000
Total Disability-Related Clients: **410,000** (9%)
Total Income-Eligible Children Clients: **3,350,000** (74%)

FY 2010 FY 2011 FY 2012 FY 2013 FY 2014 FY 2015 FY 2016 FY 2017 FY 2018 FY 2019 FY 2020 FY 2021 FY 2022 FY 2023

CHIP Caseload Trends

CHIP Caseload by Program, FY 2000 - 2023
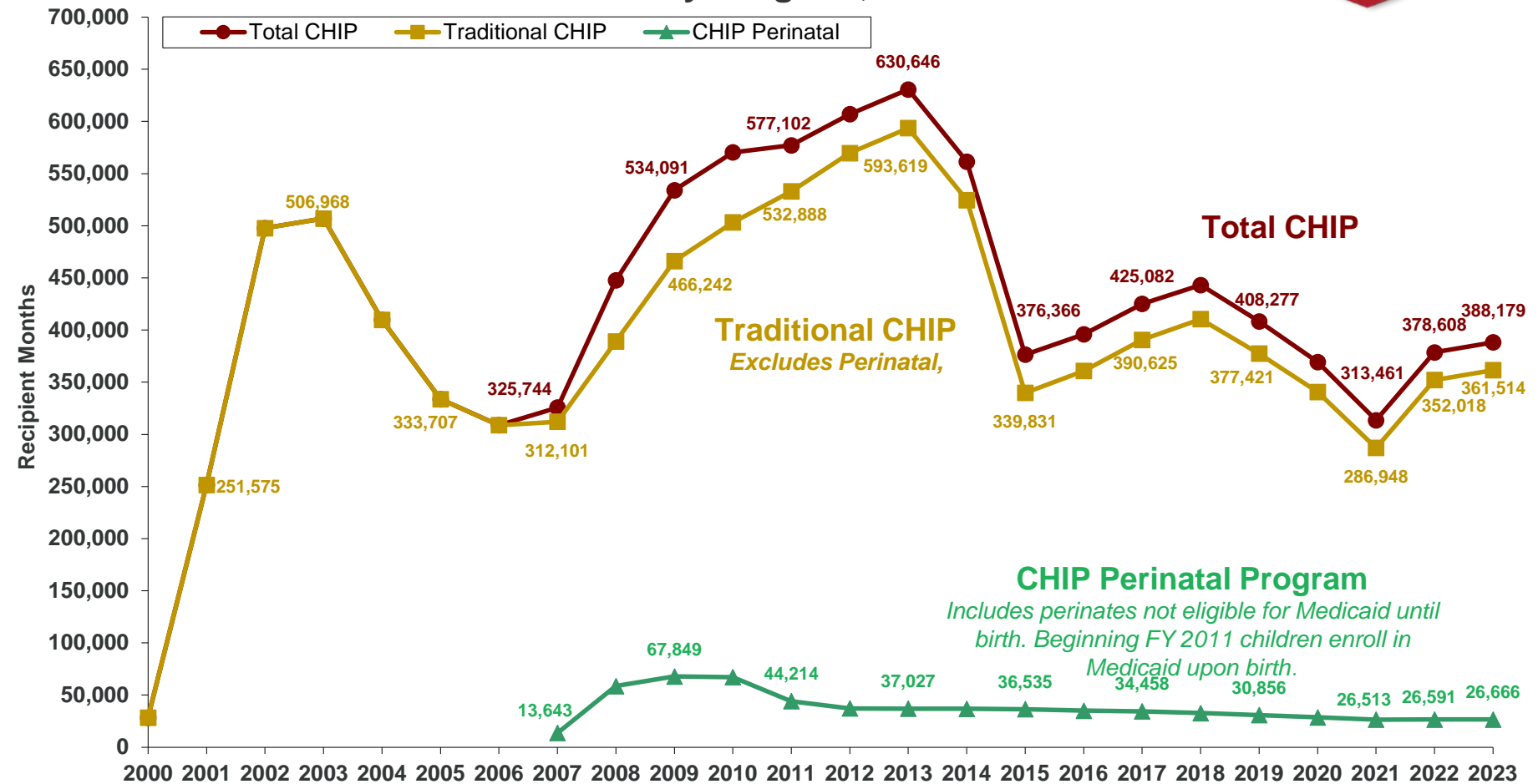
Data for FY 2020 is estimated; FY 2021-23 is projected based on November 2020 forecasts. Source: HHSC Forecasting.

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Medicaid and CHIP

Examples of Programs and Services:

- Hospice Care Program
- Medicaid Estate Recovery Program (MERP)
- Program of All-inclusive Care for the Elderly (PACE)
- Community First Choice
- Community Living Assistance and Support Services (CLASS) (Medicaid Waiver)
- Deaf-Blind with Multiple Disabilities (DBMD) (Medicaid Waiver)
- Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions (ICF-IID)

- Medically Dependent Children Program (MDCP) (Medicaid Waiver)
- Electronic Visit Verification (EVV)
- Texas Health Steps
- CHIP Perinatal Program
- Delivery System Reform Incentive Payment Program (1115 Transformation Waiver)
- Health Information Technology
- Vendor Drug Operations
- Medical Transportation Program
- Money Follows the Person

Two Models for Service Delivery

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Health and Human Services

Fee-for-Service (FFS)
- Clients go to any Medicaid provider
- Providers submit claims directly to HHSC's admin services contractor for payment
- Providers are paid per unit of service
- Most FFS clients do not have access to service coordination

6%
of clients

94%
of clients

Managed Care
- A managed care organization (MCO) is paid a capitated rate for each member enrolled
- MCOs provide a medical home through a primary care physician (PCP) and referrals for specialty providers, when needed*
- MCOs negotiate rates with providers
- MCOs may offer value-added services
  - *Examples: youth community or sports membership, pest control, respite care*

*Exception: Clients who receive both Medicare and Medicaid (dual eligible) get acute care services and a PCP through Medicare

Medicaid Managed Care Programs

Product Name	Population Served
CHIP	Children in families that earn too much money to qualify for Medicaid, but cannot afford to buy private health insurance
STAR	Children, newborns, pregnant women, and some TANF-level families
STAR+PLUS	People with a disability or people who are age 65 or older; and women with breast or cervical cancer
MMP	People who are eligible for both Medicare and Medicaid, also known as 'dual eligibles'
STAR Kids	Children and adults 20 or younger with a disability
STAR Health	Serves children in the conservatorship of the Department of Family and Protective Services
Dental	For most children and young adults enrolled in Medicaid

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Managed Care Service Areas

STAR Health (statewide) - Superior
Dental (statewide) - DentaQuest, MCNA, UnitedHealthcare Dental

LUBBOCK
STAR - Amerigroup, FirstCare, Superior
STAR+PLUS - Amerigroup, Superior
STAR Kids - Amerigroup, Superior
CHIP - FirstCare, Superior

MRSA WEST
STAR - Amerigroup, FirstCare, Superior
STAR+PLUS - Amerigroup, Superior
STAR Kids - Amerigroup, Superior
CHIP - Molina, Superior

EL PASO
STAR - El Paso First, Molina, Superior
STAR+PLUS - Amerigroup, Molina
STAR Kids - Amerigroup, Superior
CHIP - El Paso First, Superior

TRAVIS
STAR - Blue Cross and Blue Shield of Texas, Dell Children's, Superior
STAR+PLUS - Amerigroup, United
STAR Kids - Blue Cross and Blue Shield of Texas, Superior
CHIP - Blue Cross and Blue Shield of Texas, Dell Children's, Superior

MMP (6 counties below):
Bexar - Amerigroup, Molina, Superior
Dallas - Molina, Superior
El Paso - Amerigroup, Molina
Harris - Amerigroup, Molina, United
Hidalgo - Cigna-HealthSpring, Molina, Superior
Tarrant - Amerigroup

MSRA: Medicaid Rural Service Area
MMP: Medicare - Medicaid Plan

TARRANT
STAR - Aetna, Amerigroup, Cook Children's
STAR+PLUS - Amerigroup, Cigna-HealthSpring
STAR Kids - Aetna, Cook Children's
CHIP - Aetna, Amerigroup, Cook Children's

DALLAS
STAR - Amerigroup, Molina, Parkland
STAR+PLUS - Molina, Superior
STAR Kids - Aetna, Amerigroup
CHIP - Amerigroup, Molina, Parkland

MRSA NORTHEAST
STAR - Amerigroup, Superior
STAR+PLUS - Cigna-HealthSpring, United
STAR Kids - Texas Children's, United
CHIP - Molina, Superior

MRSA CENTRAL
STAR - Amerigroup, RightCare-Scott and White, Superior
STAR+PLUS - Superior, United
STAR Kids - Blue Cross and Blue Shield of Texas, United
CHIP - Molina, Superior

JEFFERSON
STAR - Amerigroup, Community Health Choice, Molina, Texas Children's, United
STAR+PLUS - Amerigroup, Molina, United
STAR Kids - Texas Children's, United
CHIP - Amerigroup, Community Health Choice, Molina, Texas Children's, United

HARRIS
STAR - Amerigroup, Community Health Choice, Molina, Texas Children's, United
STAR+PLUS - Amerigroup, Molina, United
STAR Kids - Amerigroup, Texas Children's, United
CHIP - Amerigroup, Community Health Choice, Molina, Texas Children's, United

BEXAR
STAR - Aetna, Amerigroup, Community First, Superior
STAR+PLUS - Amerigroup, Molina, Superior
STAR Kids - Community First, Superior
CHIP - Aetna, Amerigroup, Community First, Superior

NUECES
STAR - Driscoll, Superior, United
STAR + PLUS - Superior, United
STAR Kids - Driscoll, Superior
CHIP - Driscoll, Superior, United

HIDALGO
STAR - Driscoll, Molina, Superior, United
STAR+PLUS - Cigna-HealthSpring, Molina, Superior
STAR Kids - Driscoll, Superior, United
CHIP - Molina, Superior

TEXAS Health and Human Services

Effective September 1, 2020
Map Prepared by: Texas Health and Human Services Commission.
Center for Analytics and Decision Support. MRL.
August 13, 2020

TEXAS Health and Human Services

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Medicaid Waivers

- Waivers provide states with options to operate their Medicaid programs

- States apply for waivers with the Centers for Medicare & Medicaid Services (CMS) for permission to deviate from certain Medicaid requirements

- Waivers are typically sought to:
  - ➢ Provide different kinds of services
  - ➢ Provide Medicaid to new groups
  - ➢ Target certain services to certain groups
  - ➢ Test new service delivery and management models

Three Primary Waiver Types

1

Research and Demonstration 1115 Waivers
Provide flexibility to test new ideas for operating Medicaid programs.

Texas: Also called the 1115 Transformation Waiver. Allows the state to expand managed care, including pharmacy and dental services, while preserving federal hospital funding (historically received as UPL payments). Participating providers implement programs, strategies, and investments to improve care.

2

Freedom of Choice Waivers 1915(b)
Provide states with the flexibility to modify their service delivery systems.

Texas: The authority under which the state implements the managed care model.

3

Home and Community-Based Services 1915(c) Waivers
Allow states to provide community-based services as an alternative for people who meet eligibility criteria for care in an institution.

Texas: Medically Dependent Children Program (MDCP), Home and Community-Based Services (HCBS), Texas Home Living (TxHml), Community Living Assistance and Support Services (CLASS), Deaf Blind with Multiple Disabilities (DBMD), Youth Empowerment Services (YES)

For additional information about waivers, see pgs. 111-112 and Appendix C of 12th Edition of the Texas Medicaid and CHIP Reference Guide.

Medicaid & CHIP COVID-19 Response

- Testing, vaccination, and treatment for COVID-19

- Maintaining program eligibility per federal requirements

- Ensuring continued access to services, including trough telemedicine, telehealth, and audio only

- Streamlining administrative processes

COVID-19 Fiscal Impact Summary

	SERVICE	EXPENDITURE	REVENUE	IMPACT
HHSC COVID-19 Impact	45,434,126	$8,832,622,077	$10,314,663,212	$1,482,041,135
MEDICAID & CHIP	1,012,698	$4,651,701,945	$6,252,712,930	$1,601,010,985
Reduce Healthcare Barriers	1,012,698	$4,192,832,755	$5,942,305,592	$1,749,472,837
Suspension of Disenrollments	*911,915*	*$3,146,727,975*	*$2,098,665,536*	*($1,048,062,439)*
Suspension of CHIP Cost Share	*0*	*$13,125,000*	*$10,755,631*	*($2,369,369)*
COVID-19 Testing	*0*	*$665,559,525*	*$447,312,452*	*($218,247,073)*
Increased FFP 6.2 Percent	*0*	*$0*	*$3,133,611,233*	*$3,133,611,233*
Unemployment Impact	*81,511*	*$311,712,958*	*$210,147,979*	*($101,564,979)*
In-Home Day Habilitation	*0*	*$50,597,227*	*$38,384,415*	*($12,212,812)*
Extended Leave	*19,272*	*$5,110,070*	*$3,428,346*	*($1,681,724)*
Increase Healthcare Capacity	0	$0	$0	$0
Support Healthcare System	-	$458,869,190	$310,407,338	($148,461,852)
Increase Rates	*-*	*$458,869,190*	*$310,407,338*	*($148,461,852)*
NON-MEDICAID	44,420,228	$4,086,560,067	$4,074,755,731	($11,804,336)
Nutrition Services	35,404,141	$3,982,086,045	$3,970,281,709	($11,804,336)
SNAP	*31,050,310*	*$3,970,895,334*	*$3,959,090,998*	*($11,804,336)*
WIC	*4,353,831*	*$11,190,711*	*$11,190,711*	*$0*
Aging Services	9,016,087	$72,910,489	$72,910,489	$0
Supportive Slcs	*0*	*$13,504,830*	*$13,504,830*	*$0*
Home-delivered Meals	*8,123,206*	*$38,502,267*	*$38,502,267*	*$0*
Congregate Meals	*892,881*	*$10,115,121*	*$10,115,121*	*$0*
Family Caregiver	*?*	*$6,432,408*	*$6,432,408*	*$0*
Ombudsman	*0*	*$1,350,408*	*$1,350,408*	*$0*
ADRCs	*0*	*$3,005,454*	*$3,005,454*	*$0*
Mental Health Services	0	$28,548,750	$28,548,750	$0
Family Violence	0	$3,014,784	$3,014,784	$0
STATE-OWNED FACILITIES	**0**	**$53,676,497**	**$19,515,383**	**($34,161,114)**
State Supported Living Centers	0	$35,822,113	$8,141,816	($27,680,297)
Equipment & Supplies	*0*	*$35,822,113*	*$0*	*($35,822,113)*
Provider Relief Funds	*0*	*$0*	*$8,141,816*	*$8,141,816*
State Hospitals	0	$17,854,384	$11,373,567	($6,480,817)
Equipment & Supplies	*0*	*$17,854,384*	*$0*	*($17,854,384)*
Provider Relief Funds	*0*	*$0*	*$11,373,567*	*$11,373,567*
REGULATORY	*1,200*	**$11,837,911**	**$3,600,000**	**($8,237,911)**
Expand Healthcare Workforce	0	$0	$0	$0
Support Healthcare System	1,200	$11,837,911	$3,600,000	($8,237,911)
Health Care Facilities	*0*	*$0*	*$0*	*$0*
Long-Term Care Facilities	*1,200*	*$11,837,911*	*$3,600,000*	*($8,237,911)*
Increase Healthcare Capacity	0	$0	$0	$0
ADMINISTRATION	**0**	**$28,845,657**	**$14,079,168**	**($14,766,489)**
ESS Contract Call Center	*0*	*$10,000,000*	*$6,432,300*	*($3,567,700)*
2-1-1 TIRN	*0*	*$1,370,157*	*$589,778*	*($780,379)*
Office Cleaning Services & PPE	*0*	*$10,573,077*	*$4,229,837*	*($6,343,240)*
Occupational Health Nurse		*$90,000*	*$0*	*($90,000)*
IT – Telecomm. & Infrastructure	*0*	*$6,812,423*	*$2,827,253*	*($3,985,170)*
TRANSFERS	*0*	*$0*	*$(50,000,000)*	**($50,000,000)**
Dept. State Health Svcs	0	$0	$(50,000,000)	($50,000,000)
HHSC-2020-N-628	*0*	*$0*	*$(50,000,000)*	*($50,000,000)*

*This amount represents the impact to HHSC, negative as shortage of General Revenue and positive as surplus of General Revenue.

TEXAS
Health and Human Services

Health, Developmental & Independence Services

- **Rehabilitative & Independence Services:** Specializes in human services and supports to promote individual independence

- **Family & Social Services:** Specializes in services which promote physical wellness, healthy families, and supports for victims of human trafficking

- **Health & Developmental Services:** Specializes in services to improve health outcomes and increase access to critical services

- **Operations & Specialty Services:** Specializes in ensuring effective operations for HDIS and providing specialty services to Texans

Health, Developmental & Independence Services

Examples of Programs and Services:

- Guardianship
- Blind Children's Vocational Discovery and Development Program
- Early Childhood Intervention
- Autism
- Blindness, Education, Screening and Treatment
- Healthy Texas Women
- Alternatives to Abortion
- Independent Living Services
- Interpreter Training
- Specialized Telecommunications Assistance Program

- Comprehensive Rehabilitation Services
- Epilepsy Services
- Children with Special Health Care Needs
- Kidney Health
- Breast and Cervical Cancer Services
- Acquired Brain Injury
- Family Violence
- Child Advocacy Centers
- Court Appointed Special Advocates (CASA)
- Family Planning
- Women, Infants and Children (WIC)
- Hemophilia Assistance Program

Health, Developmental & Independence Services COVID-19 Response

- Sought waivers to ensure critical services are not interrupted for clients that participate in programs such as:
  - ➢ Healthy Texas Women
  - ➢ Early Childhood Intervention
  - ➢ Family Violence Program

IDD and Behavioral Health Services

- **Intellectual and Developmental Disability:** The PASRR program tracks federal compliance; Local Procedure Development and Support Unit performs authorization and tracking of program vacancies for the TxHmL and HCS waivers, maintains the interest list, and conducts Community First Choice eligibility; Contract Accountability Oversight tracks compliance with performance contracts; LIDDA Training coordinates training for the 39 LIDDAs; and Fiscal Monitoring oversees the financial aspect of the contracts

- **Behavioral Health Services:** Behavioral Health Medical Director provides clinical expertise and programs include: Adult Mental Health, Crisis Services, Community Based Services- Adult Mental, Youth Empowerment Medicaid Waiver, Substance Use Disorder Services, Texas Targeted Opioid Response, Children's Mental Health, Forensics Services, and Disaster Services

- **Office of Mental Health Coordination:** The Operations and Systems Management unit coordinates the Statewide Behavioral Health Coordinating Council, Behavioral Health Advisory Committee, and Mental Health First Aid; Policy, Systems Coordination Programming oversees the System of Care Grant, policy, and CRCG activities; and the Veterans Mental Health Program oversees state grants for veterans mental health services

IDD and Behavioral Health Services

Examples of Programs and Services:

- Local Intellectual Developmental and Disability Authority Community Services
- Preadmission Screening and Resident Review
- Adult Mental Health Services
- Critical Incident Stress Management
- Mental Health Peer Support Re-entry
- Psychiatric Services to Residents Civilly Committed
- Children's Mental Health Services
- Mental Health First Aid (MHFA)
- Residential Treatment Center
- Texas Children Recovering from Trauma
- Youth Suicide Project
- Jail-Based Competency Restoration
- Mental Health Private Psychiatric Beds & Community Hospital Beds
- Outpatient Competency Restoration

- NorthSTAR
- Home & Community Based Services - Adult Mental Health (HCBS-AMH)
- HIV Early Intervention and Outreach Services
- Substance Abuse – Texas Group Homes
- Substance Abuse Disorder Youth Recovery Community Services
- Substance Abuse Treatment Adult Services
- Projects for Assistance in Transition from Homelessness (PATH)
- Preadmission, Screening, Resident Review (PASRR)
- Veteran's Mental Health Services
- Substance Abuse Services
- Money Follows the Person (MFP) Behavioral Health Pilot
- Home and Community-based Services (HCS) (Medicaid Waiver)
- Texas Home Living (TxHmL) (Medicaid Waiver)

IDD and Behavioral Health COVID-19 Response

TEXAS Health and Human Services

| Telework for State Program Staff | → | Frequent Live Webinars with Providers | → | COVID-19 Provider SharePoint established | → | Relaxed Requirements for Face-to-Face, Match Funding, Contract Performance Measures | → | Rule Adjust-ments | → | Use of Telehealth and Audio to maintain service Levels |
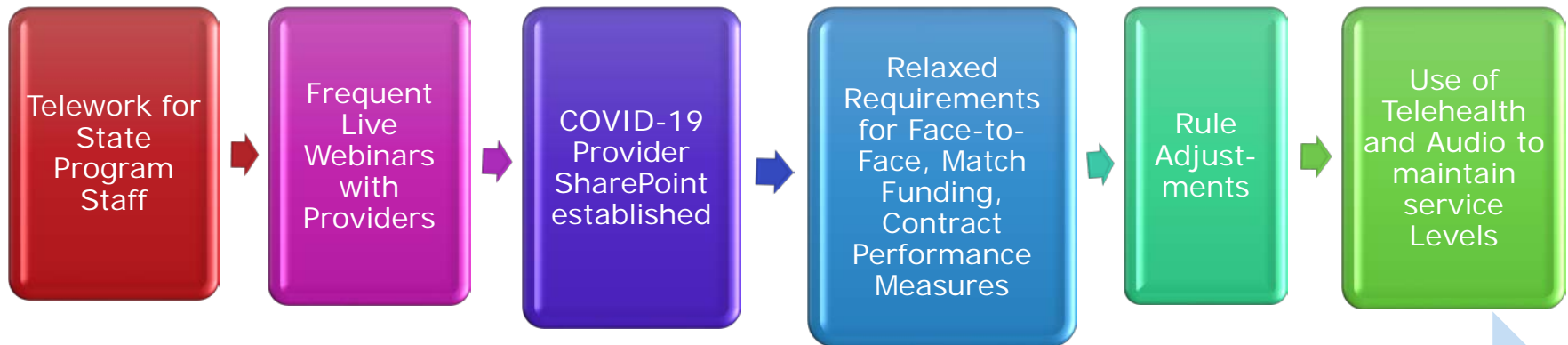
Mental Health Providers maintained service levels by adjusting to remote technology:

Video

98%

Phone

391%

72%

Face-to-Face

Health & Specialty Care System (HSCS)
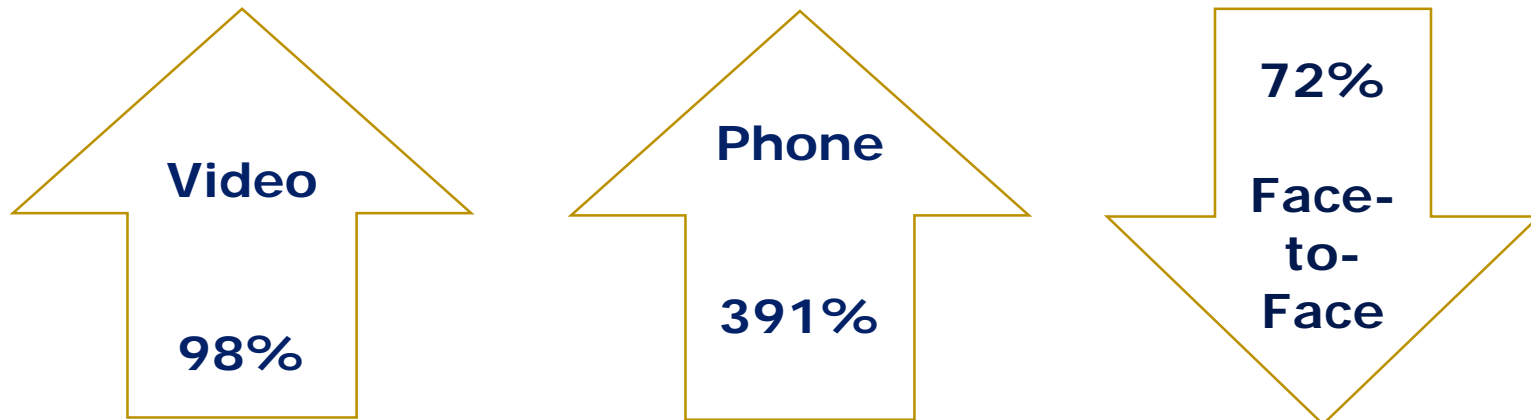
TEXAS
Health and Human Services

A Direct Services Provider
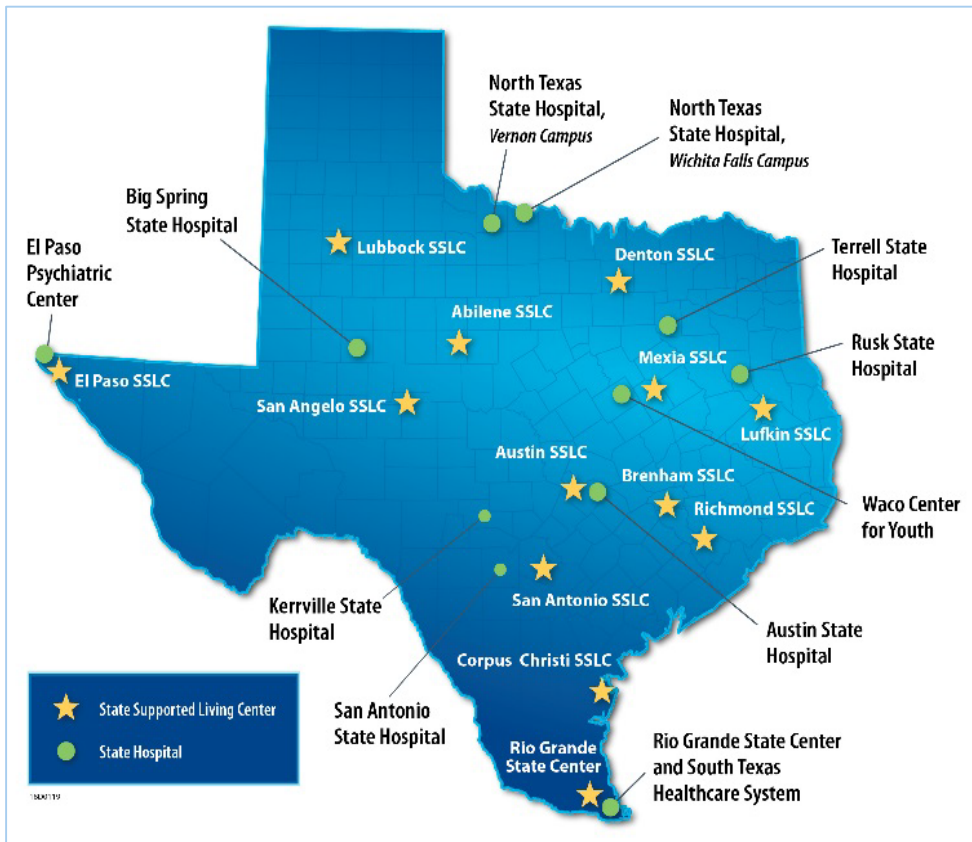
Campuses:

- 13 state supported living centers
- 9 psychiatric hospitals
- 1 youth residential treatment center
- 1 primary care outpatient clinic

System Overview:

- 22,000+ positions
- 1,400 buildings
- 2,500+ contracts
- ~5,000 served each day

State Hospitals

Primary Functions:

- Provides adult psychiatric inpatient treatment; forensic services; child, adolescent, and geropsychiatric treatment
- Serves 7,800 individuals per year, each with an individualized recovery plan

Key Issues:

- Changing population and associated revenue collection issues

  ➢ 600 beds to the inpatient psychiatric care network in our communities

- Aging infrastructure

- Workforce recruitment and retention

Percentage of Average Census by Commitment Type

Chart values — % Civil: 72% (start) declining to 35% (end). %Forensic: 28% (start) rising to 65% (end).

Legend: % Civil, %Forensic

X-axis: FY 2006, FY 2008, FY 2010, FY 2012, FY 2014, FY 2016, FY 2018
Y-axis: 0%, 25%, 50%, 75%, 100%
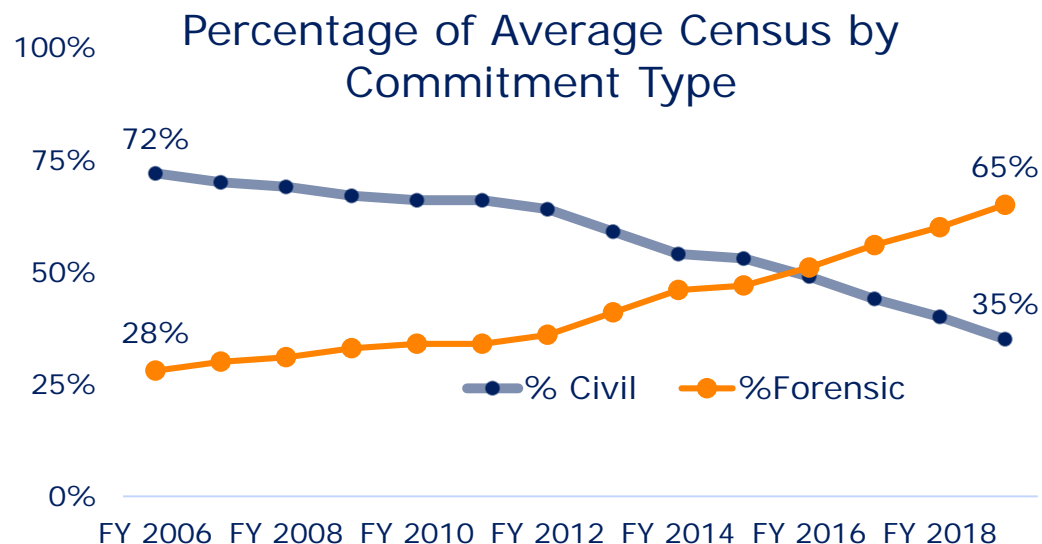
State Hospital Waitlist
September 2019 - January 2021
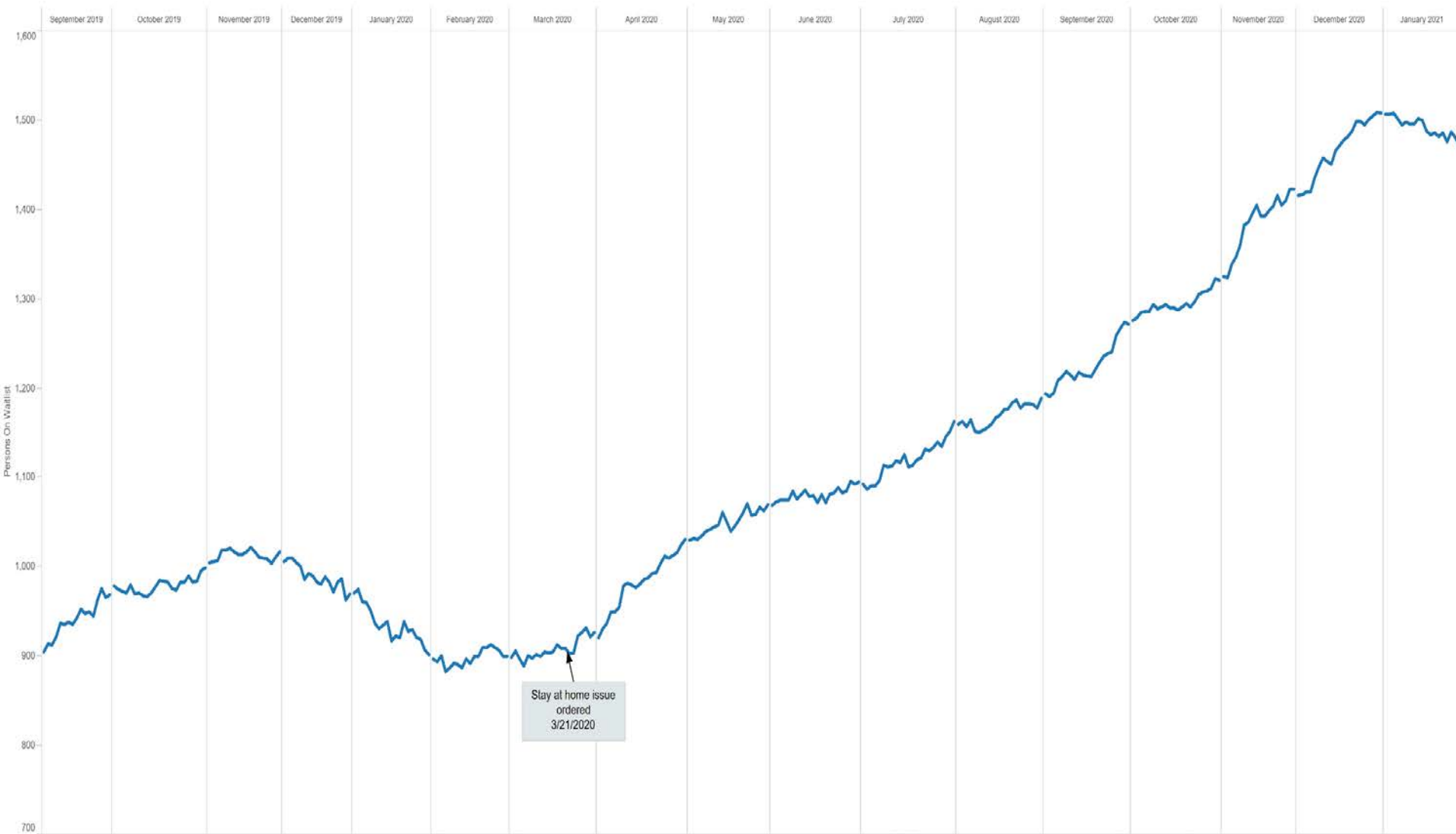
State Supported Living Centers (SSLCs)

Primary Functions:

- Serves approximately 2,800 individuals with intellectual disabilities in a 24 hour residential setting

- Services include comprehensive behavioral treatment and health care; skills training; occupational, physical, and speech therapies; and vocational programs; among others

Key Issues:

- Changing admissions and transitions trends
- Department of Justice Settlement Agreement
- Aging infrastructure
- Workforce recruitment and retention

New Admissions and Community Transitions FY 2012-FY 2021 to Date

Number of Individuals

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21
Admissions	166	187	177	160	139	149	129	89	33
Transitions	287	261	233	126	109	84	80	58	10
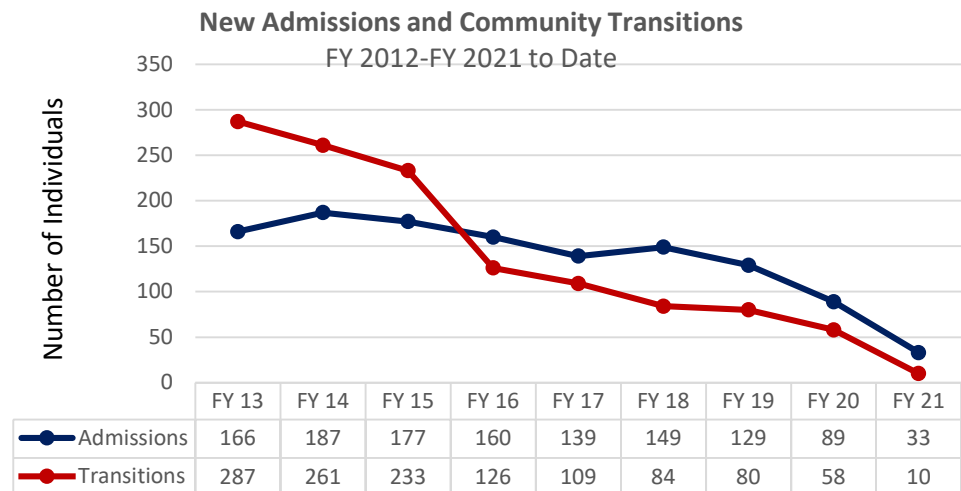
Health & Specialty Care System COVID-19 Response

- Obtained necessary personal protective equipment for all SSLC and state hospital staff, including more than 3 million surgical and KN-95 masks

- Implemented strict testing protocols based on virus transmission in each community, with facilities testing as often as twice weekly in communities with substantial community transmission

- Administered over 24,000 doses of vaccine (first and second doses), and fully vaccinated more than 7,500 staff, people served, frontline partners, and community members who qualify under 1b (as of February 3, 2021)

Health & Specialty Care System Severe Weather Preparation

- Executed staffing plans and prepared accommodations for holding staff over
- Coordinated deliveries to ensure supplies, food, diesel, and laundry to maintain basic services for the people we serve
- Ensured enough personal protective equipment (PPE) was available at each campus
- Alerted major food vendors in case of urgent need
- Maintained meals-ready-to-eat (MREs)
- Registered as critical electricity sites in most locations
- Ensured onsite staff to perform basic repairs and maintenance during severe weather
- Readied fleet for emergency support as roads cleared (e.g. 18 wheelers, generators and refrigerated trucks)
- Future planning needs include insulation/heating of pipes & other infrastructure, improve heating systems in client buildings, and improve access to non-potable water sources

Regulatory Services Division

The Regulatory Services Division, which was created as a result of Transformation, regulates:

- Long-term care (LTC) providers, such as nursing facilities and assisted living facilities

- Health care facilities, including hospitals and dialysis centers

- Child care providers

- Licensed professionals, such as licensed chemical dependency counselors and nursing facility administrators

- Investigates allegations of abuse, neglect, and exploitation in certain provider settings and triages complaints about providers

Long-term Care Regulation

The Long-term Care Regulation (LTCR) department regulates the following facilities and programs:

- Nursing Facilities
- Intermediate Care Facilities
- Assisted Living Facilities
- Day Activity and Health Services
- Home and Community Support Services Agencies (including home health, hospice, and personal assistance services)
- Home and Community-based Services waiver providers
- Texas Home Living waiver providers
- Prescribed Pediatric Extended Care Centers

LTCR also licenses or permits the following professionals who work in long-term care settings:

- Nursing facility administrators
- Medication aides
- Certified nurse aides

Health Care Regulation

The Health Care Regulation (HCR) department licenses, surveys, and investigates these facilities:

- Hospitals – General and Specialty
- Psychiatric hospitals
- Ambulatory surgical centers
- End-Stage Renal Disease (dialysis) facilities
- Freestanding emergency medical care facilities
- Birthing centers
- Abortion facilities
- Special care facilities
- Crisis stabilization units

- Substance abuse treatment facilities
- Narcotic treatment programs
- Rural health clinics
- Outpatient Physical Therapy/Speech Therapy
- Comprehensive Outpatient Rehabilitation Facilities
- Community Mental Health Centers

HCR licenses and regulates the following behavioral health occupations:

- Licensed Chemical Dependency Counselors
- Sex Offender Treatment Providers

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Provider Investigations

The Provider Investigations (PI) unit within the LTCR department investigates allegations of abuse, neglect, or exploitation of individuals receiving services from:

- State hospitals

- State supported living centers

- Intermediate care facilities for individuals with intellectual disabilities

- HHSC-operated community services

- Persons contracting with an HHS agency to provide inpatient mental health services

PI also investigates allegations involving individuals residing in a Home and Community-based Services (HCS) group home or children receiving services from a Home and Community Support Services Agency (HCSSA)

Child Care Regulation

The Child Care Regulation department has two major functional areas to carry out its regulatory role in child care:

- **Daycare Licensing** – Protects the health, safety, and well-being of children from birth through age 13 who attend daycare centers and daycare homes

- **Residential Child Care Licensing** – Protects the health, safety, and well-being of children birth through age 17 who reside in residential child care operations

Complaint and Incident Intake

The Complaint and Incident Intake unit processes contacts from the public, clients, and providers who have complaints related to long-term care and acute health facilities and agencies

- Receives, screens, documents, and prioritizes complaints and incidents for investigation
- Provides information regarding rules, regulations, and policies related to long-term care and acute health care providers
- Refers complaints to internal and external agencies as appropriate

COVID-19 Response Partnership

HHSC Regulatory Services
Ensures that facilities are in compliance with all health and safety standards, including infection control, and also serve as frontline points of contact to assess facility needs.

State Operations Center (SOC)
Led by Texas Division of Emergency Management (TDEM), the SOC facilitates getting critical resources to facilities, including personal protective equipment (PPE), staffing, testing, site assessment and disinfection services.

Long-Term Care Facilities

Department of State Health Services (DSHS)
Provides clinical direction and guidance through infection control epidemiologists who train facility staff to implement infection prevention strategies and deploy resources, as appropriate, to conduct patient health assessments.

Local Partners and Stakeholders
Includes county governments, local public health authorities, and local fire departments, that connect facilities with local resources and execute disaster response missions.

TEXAS
Health and Human Services

Regulatory Services
COVID-19 Response: Outbreak

HHSC immediately began working with our partners, providing for facility resource needs and putting in place the necessary and appropriate rules, policies, and protocols to ensure the safest environment possible for all long-term care facilities and their extremely fragile residents

- Rapid Assessment – Quick Response Force – Identify, assess, triage, and determine critical resource needs in response to COVID-19 outbreak in facilities, providing testing of staff and residents, personal protective equipment, infection control assistance, and additional staffing

- Federally-directed Infection Control Surveys conducted by HHSC

- Quality Monitoring Program Support – Ongoing technical assistance to nursing facilities on infection control, as well as facility monitoring, outreach, and education

- Special Infection Control Assessments – Targeted technical assistance to nursing facilities to strengthen infection control policies and procedures

- Emergency rules to enhance infection control protocols in long-term care facilities, establish COVID mitigation plans, and increase reporting requirements to identify outbreaks and determine facility resource needs

Regulatory Services COVID-19 Response: Testing

- In early March, HHSC began receiving reports of shortages in nursing facilities to obtain tests for residents or staff who did not meet the strict criteria for testing

- Lab capacity was also a challenge during this early period, but private laboratories began testing in mid-March and the capacity to test expanded

- On May 11, 2020, Governor Abbott directed that all nursing facility residents and staff be tested for the virus

- In response, HHSC, TDEM, and DSHS collaborated with local fire and health officials to launch this comprehensive testing effort

- The TDEM also began contracting with a vendor to provide free point of care COVID-19 testing of staff and residents in nursing facilities and assisted living facilities

- On August 26, 2020, CMS issued new regulations and guidance on COVID-19 testing of staff and residents in nursing facilities, effective September 2, 2020

- Coinciding with the new testing rule, the federal government announced an agreement to purchase 150 million rapid COVID-19 testing kits from Abbott Laboratories in a bid to significantly expand the nations testing capabilities

COVID-19 in Nursing Facilities

As of February 25, 2021

COVID-19 in Assisted Living Facilities

Legend:
- # of Staff Positive (active)
- # of Residents Positive (active)
- Total Deaths (cumulative)
- Facilities with outbreak (cumulative)
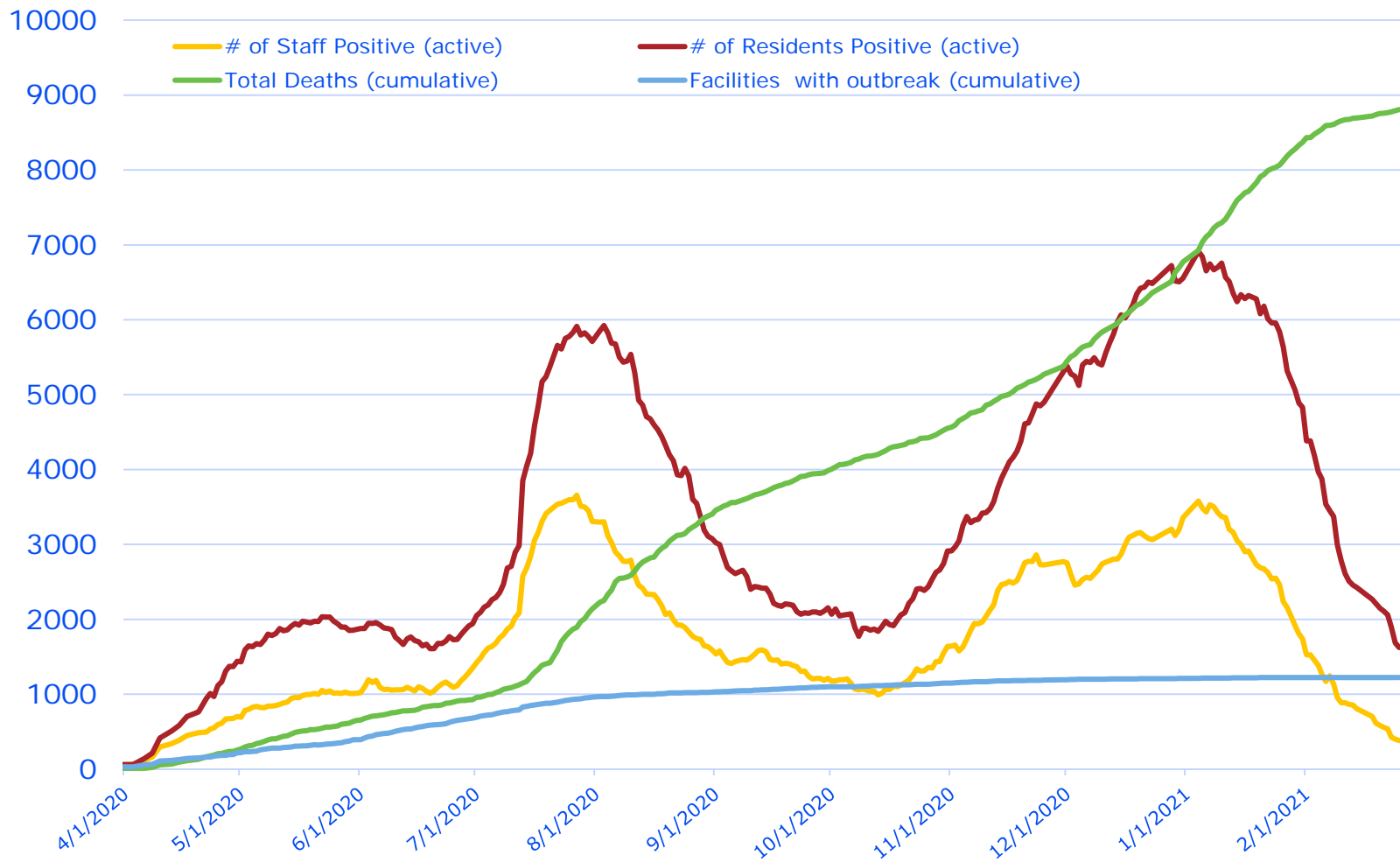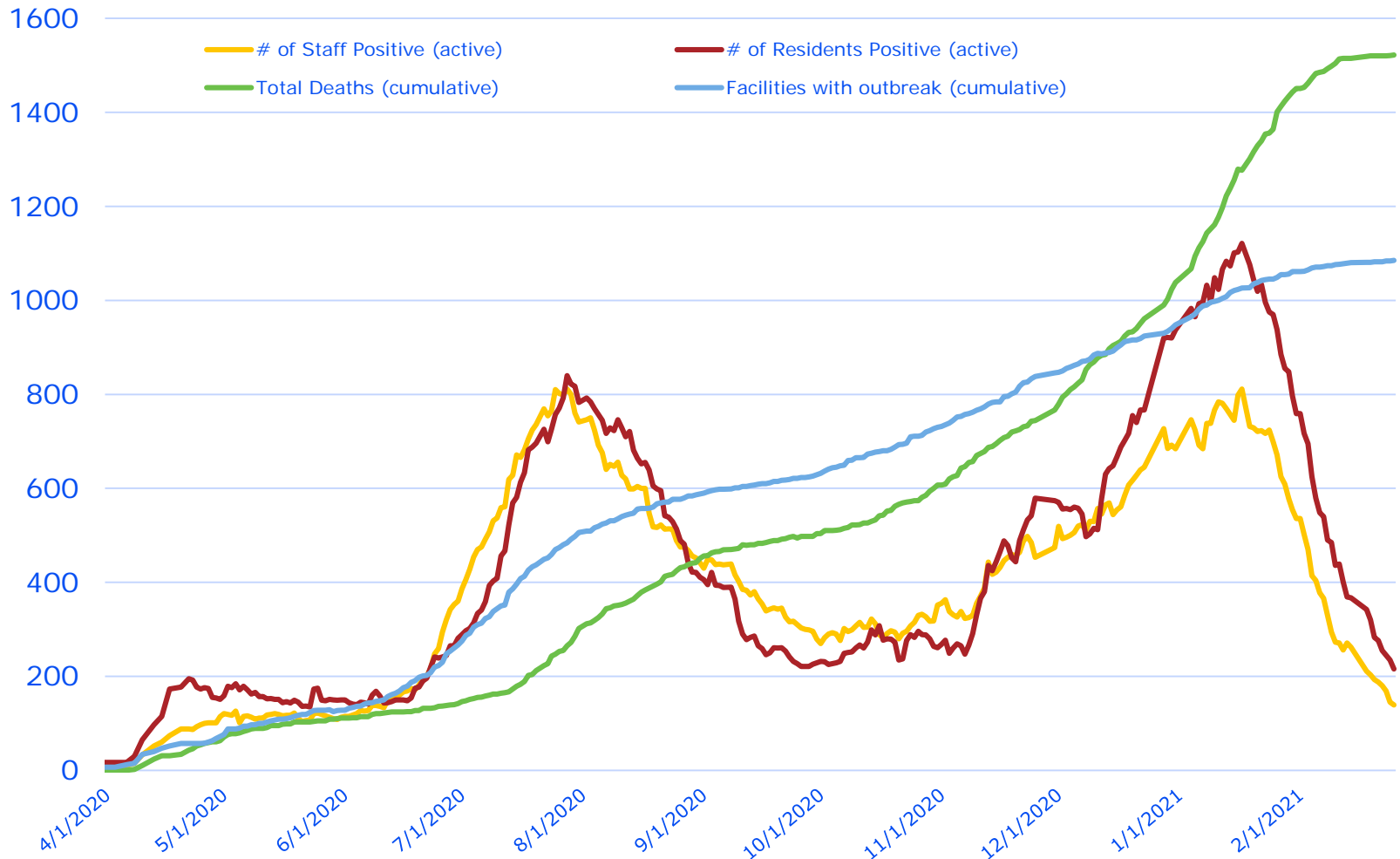
As of February 25, 2021

TEXAS
Health and Human Services

COVID-19 in Long-Term Care Facilities

	Nursing Facilities	Assisted Living Facilities
Total # of Residents/Clients Recovered	49,292	6,473
Total # of Resident Deaths (cumulative)	8,808	1,522
State's Total # of Licensed Facilities	1,222	2,029
Percentage of State's Total Facilities Affected (cumulative)	99.6%	53.5%
Percentage of State's Total Facilities with 1 or more active cases (staff and/or residents)	51.9%	6.3%
Percentage of State's Total Facilities with 1 or more active cases (residents only)	17.9%	4.5%
Percentage of State's Total Facilities Recovered (current)	48%	47.1%

As of February 25, 2021

Regulatory Services
COVID-19 Response: Provider Outreach and Training

In addition to rapid response, HHSC continues to engage daily with providers on a comprehensive COVID response effort that has included, or still includes, the following activities:

- Conducted more than 16,798 on-site investigations by survey teams in response to all complaints or facility-reported incidents related to COVID-19, with active monitoring as required after any on-site visit

- Conducted more than 11,798 on-site inspections since March 9 focused exclusively on infection control, which includes identifying concerns and bringing facilities into compliance with all requirements to protect resident health and safety

- Made calls in March to all 1,220 nursing facilities and other long-term care providers to answer their questions, ensure they understood the latest state or federal guidance, and identify and address any higher risk concerns

- Held twice weekly calls with industry associations to ensure updated, critical HHSC messages were being pushed out to their provider members

- Provided more than 1,100 guidance communications and trainings to providers, including provider letters, webinars, alerts, and emergency rules and temporary suspensions of regulatory requirements to give providers the flexibility they need to respond to COVID-19

- Issued a comprehensive response plan for nursing facilities and other long-term care providers, which is continually updated as guidance changes on both the state and federal level (this plan pulls together all guidance from the state and the Centers for Disease Control and Prevention (CDC) and CMS)

- Hosted dozens of ongoing webinars with long-term providers in collaboration with DSHS and then posted content on the HHSC COVID-19 provider website page for those unable to participate in real time

- Provided ongoing, on-site training to providers on topics such as infection control, the proper use of PPE, and other prevention efforts

Regulatory Services COVID-19 Response: Visitation

On March 19, 2020, Governor Abbott issued an executive order stating that non-essential visitors could not enter nursing or other long-term care facilities in Texas, in keeping with federal guidance from the CDC and CMS

- Soon after, HHSC issued emergency rules prohibiting visitors unless the person is providing critical assistance, including:
  - Providers of essential services
  - Persons with legal authority to enter
  - Family members or friends of residents at the end of life, including clergy

- In light of these restrictions, HHSC encouraged facilities to pursue alternative methods for residents to communicate with their loved ones by utilizing federal funding to purchase tablets, webcams, and headphones for resident use

Regulatory Services
COVID-19 Response: Visitation

In response to declining COVID-19 cases, HHSC was able to ease visitation restrictions in phases

On September 24, all approved long-term care facilities are allowed expanded visitation options

- Residents are allowed to designate up to two essential caregivers who will be provided necessary training to allow them to safely go inside a facility for a scheduled visit, including in the resident's room

- For general visitors, approved nursing facilities are permitted scheduled indoor visitation with the use of plexiglass safety barriers to prevent the spread of COVID-19, unless the county positivity rate is greater than 10 percent

- Facilities that are serving residents with COVID-19 will be eligible for general visitation with plexiglass barriers, as long as all COVID-positive residents are cohorted in a separate area, and they have staff dedicated to those areas

- All nursing facilities are **required** to permit essential caregiver, which includes compassionate care situations, end-of-life, outdoor and closed window visitation, per the CMS requirements

- Facilities are also **required** to permit all other forms of general visitation, as long as they are not experiencing an outbreak

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Essential Caregiver Visitation

- Residents in any facility (or their legal representative) may designate up to two essential caregivers who will be trained by the facility on PPE use and infection control

- Prior to the visit, essential caregivers must have a negative COVID-19 test result from a test performed no more than 14 days before the first essential caregiver visit, unless the facility chooses to perform a rapid test prior to entry into the facility

- To address challenges around access to testing kits, HHSC, in coordination with TDEM, began distributing free point-of-care antigen test kits in October 2020 to facilities and agencies located in rural areas where limited free test sites are available, where the COVID-19 positivity rate is greater than 10 percent

- These test kits are to be used only for testing of essential caregivers

Regulatory Services
COVID-19 Response: Vaccines

Residents in long-term care facilities, and those who care for them, are considered a priority for vaccination in Texas' strategy against the COVID pandemic, are categorized as Phase 1A in the Texas vaccination plan and are eligible to receive vaccinations

- To obtain the vaccines, long-term care providers were directed to register, by December 4, with the Pharmacy Partnership for Long-Term Care program, which is a federal partnership with CVS, Walgreens, and other select pharmacies

- As part of this program, which is free of charge to facilities, the federal pharmacy partner:
  - Schedules and coordinates on-site clinic dates directly with each facility
  - Orders vaccines and associated supplies
  - Provides on-site administration of vaccine to all residents and any staff not already vaccinated
  - Promptly reports vaccination data to all required jurisdictions

- Facilities that missed the deadline to register may still obtain the vaccine through other means, including enrolling as a Texas Vaccine Provider with DSHS

Regulatory Services
Long-term Care Regulation: Backlog

In March 2020, CMS restricted survey activity for nursing facilities to focused infection control surveys and investigations of immediate jeopardy (Priority 1) intakes which includes allegations of abuse and neglect and lower priority intakes and certification surveys were suspended

- The prioritization of COVID response efforts combined with the suspension of other activities created a backlog in mandatory federal and state workload requirements for re-licensure and recertification surveys and lower priority intakes

- In September 2020, CMS allowed states to resume certification surveys and priority two intakes as resources allowed

- However, a second prolonged COVID surge caused an increase in COVID infection reports, resulting in a simultaneous increase of priority one intakes and weekly CMS-mandated focused infection control surveys limiting staff's ability to address lower priority intakes

- During this time, 90 percent of nursing facilities and 31 percent of assisted living facilities had COVID outbreaks, meaning LTC staff were present in and able to monitor most of the facilities despite not actively working lower priority intakes

Regulatory Services
Long-term Care Regulation: Backlog

The backlog, shown below as of February 22, 2021, reflects a total of 10,547 surveys and investigations in nursing facilities and 3,863 in assisted living facilities

This translates to approximately 377,088 staff hours

Facility Type	Surveys	Investigations			
		14-day (P2)	Next on site	Regional Offsite Reviews	Total
Nursing Facility	904	4002	4224	1417	9643
ALF	719	1479	1414	251	3144

- Based on data analysis, it will take additional resources to reduce the backlog and pending work in a timely manner

- With current staff, the estimated date to eliminate the backlog is October 2024

- LTCR is implementing strategies to address the backlog including reallocating position within the Regulatory Services department, requesting temporary assistance from FTEs across the agency, and an exceptional item request

Emergency Preparedness Requirements: Nursing Facilities

Nursing facilities are required to develop and implement a written Emergency Preparedness and Response Plan including:

- A risk assessment of all potential internal and external emergency situations relevant to the facility's operations and geographical area with a risk for harm to people or property

- Description of the facility's resident population

- A section for fire safety plans that complies with all relevant state and federal fire safety regulations

- A process for self-reporting incidents

- Detailed requirements for each core function of emergency management that is based on a facility's decision to either shelter-in-place or evacuate during an emergency situation

Nursing facilities are also required to:

- Report to HHSC an emergency situation that caused the death or serious injury of a resident

- Evaluate the plan periodically to determine if information in it needs to change, including within 30 days after an emergency situation

- Maintain documentation of compliance with these requirements

Generator Requirements: Nursing Facilities

- Generators are required for new facilities beginning in 1996 (facilities built before 1996 may have battery-powered equipment)

- Licensure requires regular maintenance and testing of these systems

- If a facility's emergency plan relies on a generator, a facility must supply and maintain a generator

- If a generator is provided, whether required or not, it must power key systems including:

  ➢ Alarm Systems (fire and oxygen alarms, if piped oxygen in used in the facility)

  ➢ Lighting in means of egress, exits and directional signs, nurses' stations, medication rooms, dining and living rooms, and areas immediately outside exit doors

  ➢ Nurse call system

  ➢ Facility telephone equipment

  ➢ Public address systems, if used as part of the emergency communication plan

- In areas where the 99 percent heating temperature is below 20 degrees Fahrenheit, a generator must support heating parts of the facility for resident safety

- The facility must have enough fuel to run the generator continuously for at least four hours

- Considering past outage records and fuel delivery problems due to weather, shortages, and other geographic and environmental conditions, the facility should have sufficient fuel for between 48 and 96 hours of operation

Emergency Preparedness Requirements: Assisted Living Facilities

In response to significant concerns about preparedness in the wake of Hurricane Harvey, revised emergency preparedness rules for ALFs went into effect in March 2020, with enforcement beginning on May 1, 2020

ALFs are now required to:

- Have a written Emergency Preparedness and Response Plan which includes procedures that staff must follow and addresses, at a minimum, the eight core functions of emergency management

- Conduct and document a comprehensive risk assessment that addresses potential internal and external emergencies or disasters relevant to the facility's operations and location that pose the highest risk to the facility

- Report to HHSC a death or serious injury of a resident, or threat to resident health and safety resulting from a disaster or emergency

- Maintain a current, printed copy of the plan in a central location accessible to staff, residents, and residents' representatives at all times

- Update the plan within 30 days or as soon as practicable following a disaster or emergency

Generator Requirements: ALFs

Large Facilities (licenses for 17 or more residents)

- Must have emergency power, which can be a generator or a battery, battery-powered system, or battery-powered equipment to power the following:
  - Fire alarm systems
  - Lighting in means of egress
  - Exit signs and means of egress directional signs

- If a generator is used to power these items, licensure requires regular maintenance and testing of the generator

Small Facilities (licenses for 16 or fewer residents)

- Emergency power is required for fire alarm systems

- Fire alarm systems have batteries that will power the alarm for at least 24 hours

Emergency Preparedness Requirements: Hospitals

Texas hospitals are required to adopt, implement, and enforce a written plan for all hazard, natural or man-made, disaster preparedness and are subject to review and approval by HHSC

The plan must:

- Include applicable information from the National Fire Protection Association Standards for Health Care facilities, as well as names and contact numbers of city and county emergency management officers and hospital water supplier

- Specify methods for notifying hospital personal and local disaster management authorities of an event that significantly impacts hospital operations

- Include use of an HHSC-approved process to update bed availability for physically available beds and staffed beds that are vacant/available according to the most critical bed types

- Have a component for the reception, treatment, and disposition of casualties that can be used in the event the situation requires the hospital to accept multiple patients, including a plan to provide food and shelter for staff and volunteers as needed throughout the duration of response

- Contain a robust plan for either full or partial evacuation of the hospital

- Notify HHSC of emergency closure or changes in daily operations as a result of an emergency/disaster but not before they have ensured the safety of patients/clients

- Provide a self-sufficient communication system capable of communicating with available community or state emergency networks

Procurement Update

HHS Procurement and Contracting Improvement Plan (PCIP)

- HHSC entered into a contract with Ernst & Young (EY) on July 16, 2018, beginning a 10-week engagement

- The contract included four phases and corresponding deliverables:
  - Phase I: Assessment
  - Phase II: Root Cause Analysis
  - Phase III: Improvement Plan EY
  - Phase IV: Post-Implementation Evaluation

- Based on findings in Phases I and II, and the recommended improvements in Phase III, HHSC developed a portfolio of 16 high-impact projects, known as PCIP

- All 16 projects were completed and closed out by October 2, 2020

Ernst and Young Phase IV Report

Evaluation of HHSC Improvements, issued in January 2021

Findings - Strengths:

- Improvement in communications and collaboration between Procurement and Contracting Services (PCS) and program areas
- Development of "to-be" process mapping
- Robust Procurement and Contract Management Handbook
- Real-time status updates of procurement requisitions in the CAPPS workflow
- Comprehensive training strategy and framework
- Contract Management Support division created in PCS
- Reduced vacancy rate in PCS from 24.3 percent to 4.74 percent

Findings - Recommendations for Further Improvement:

- Expanding existing performance measures and defining fit-for-purpose key performance indicators and associated remediation plans
- Establishing an institutionalized procurement planning practice
- Improving Historically Underutilized Business (HUB) utilization tracking, accountability procedures and reporting compliance
- Performing a technology capability/functionality assessment to map HHSC's current needs and gaps

"HHSC has undertaken a systemwide cross-agency effort to transform its procurement and contracting functions… Since 2018, HHSC has invested in transformational improvements to address the most pressing issues facing PCS".
Ernst & Young, Texas Health and Human Services Procurement and Contracting Phase IV Evaluation Report, January 7, 2021

HHSC Procurement and Contracting Reform – Focus Areas

Accountability, Oversight and Compliance

- Established the Compliance and Quality Control (CQC) division, under a separate chain of command from PCS to perform quality and compliance reviews on all complex procurements and to play a key role in ensuring the accuracy and integrity of the evaluation process

- Incorporated minimum requirements for management oversight to ensure staff accountability for key contract management functions such as invoice processing, tracking deliverables and ensuring complete contract management files

- Created a Compliance division within the Internal Auditor's office to track audit trends and reduce the frequency of repeat findings and disallowed costs

Improving Communications and Transparency

- Published a guide for vendors called, "How to Do Business with HHSC" to foster more engagement with current vendors, and published the HHSC Vendor Interaction Policy to promote and guide communications between the vendor community and HHSC staff

- Published a HUB Toolkit for vendors to assist with state HUB compliance

- Posted a forecast of complex procurements and grants to the HHSC website to make vendors aware of upcoming opportunities to do business with the agency

HHSC Procurement and Contracting Reform – Focus Areas

Strengthening Procurement and Contracting Workforce

- Utilizing the Legislature's investment of 32 additional FTEs appropriated in the 86th Legislative Session, PCS recruited highly qualified staff and leadership

- As a result, PCS has decreased its vacancy rate from 24.3 percent to 4.74 percent and reduced the average supervisor to purchaser ratio from 1:18 to 1:10

- Established a Contract Management Support unit within PCS to develop standard tools, issue guidance and policies, and provide technical assistance to HHSC contract managers

- Established specialized teams of purchasers in PCS to focus on grants, construction, and complex information technology procurements

Strategic and Long-Term Planning

- Published the Procurement Action Lead Time Schedule that informs program staff of the timelines, steps, and responsible parties associated with each procurement type

- Published a revised operating model and a three-year strategic plan for the HHSC procurement and contracting system

- Enacted the Procurement Forecast and Action Plan Policy, requiring all divisions and agencies that utilize PCS procurement services to forecast procurements for a five-year period and to plan for procurements needing initiation in two years to ensure timely contract execution

HHSC Procurement and Contracting Reform – Focus Areas

Effective Policies, Procedures and Processes

- Developed or updated all relevant checklists, forms, and templates to ensure legal compliance and best practices for all types of procurements

- Published updated standard operating procedures for complex solicitations to ensure compliance with statutes and provide clear guidance to PCS and program staff

- Created a comprehensive matrix showing, for all key steps in the procurement and contracting process, the level of responsibility and accountability for all parties, including PCS, CQC, Legal, Budget, and program contract management

- Published the comprehensive and user-friendly HHS Procurement and Contract Management Handbook

Current and Future Improvement Efforts

HHSC embraces a continuous improvement approach to procurement and contracting, and will continue to seek additional opportunities to improve compliance, efficiency, and quality - below are some key activities currently planned for 2021

- Enhance automation of the Invoice Tracking System to improve efficiency and accuracy of vendor payments

- Develop and launch HUB training for contract managers and enhance HUB vendor outreach and education

- Establish a data reporting tool to better capture recurring issues identified by CQC during their review of complex solicitations

- Launch a requisition entry training and establish a Requisition Resource Center to provide tools and training to improve the accuracy of requisitions for purchases

- Launch a mandatory, comprehensive agency-wide procurement and contract management training to be complete every two years

- Establish a comprehensive system-wide contract file checklist policy to ensure consistent and complete contract management files in accordance with statutory requirements

- Launch additional improvements to CAPPS Financials to allow for better tracking of purchase orders and contracts

- Enhance automation in System of Contract Operation and Reporting (SCOR) to reduce staff time spent on manual processes

- Create tool box to include helpful resources for management of contracts in accordance with established requirements including detailed information on vendor compliance checks, flow charts on key contract processes, frequently asked questions, and desk guides

Bill Implementation Update

House Bill 3329

House Bill 3329 relates to the services provided by assisted living facilities

- The bill amends the definition of an assisted living facility to include the provision of health maintenance activities, as defined by the Texas Board of Nursing

- When rules are adopted, assisted living facilities will be able to offer certain non-skilled health maintenance services, allowing residents to receive these services without interruption to their living situation

- Examples of health maintenance activities include the administration of topical medications, administration of insulin, routine administration of prescribed oxygen, and the administration of bowel and bladder programs

Implementation Update

- The bill is part of the assisted living rules that were published in the Texas Register for formal public comment in January

- The public comment period ends on March 1

- At that point, HHSC will review comments received and prepare the adoption packet

- HHSC is on track to adopt final rules by April or May 2021

Senate Bill 781

Senate Bill 781 relates to the regulation of child-care facilities

- The bill created multiple new requirements for General Residential Operations (GROs) that provide treatment services for children with emotional disorders

- The bill also adds requirements regarding the enforcement framework that Child Care Regulation (CCR) uses

Implementation Update:

- Began requiring GROs to submit operational plans when applying for a permit

- Changed public hearing requirements

- Allowed a county commissioner's court to request a hearing to listen to public feedback on the renewal of a GRO permit (rule will be effective in April 2021)

- Removed evaluation as a part of the CCR enforcement framework

- Issues a five-year ban to an operation that voluntarily closes or relinquishes a permit in lieu of disciplinary action

- Ongoing collaboration with the Texas Education Association (TEA) to develop best practices for the education of children placed in GROs

- By April 2021, HHSC and TEA will develop a best practices document that will be available to GROs

House Bill 1576

House Bill 1576 relates to the delivery of certain transportation services under Medicaid and certain other health and human services programs

- The bill required HHSC to add non-emergency transportation (NEMT) services to managed care for coordination by managed care organizations

- Nonmedical transportation services, which are a subset of demand response transportation services, will be provided for certain trips requested with less than 48-hour notice

  ➢ Limited to pharmacy trips, hospital discharge, and trips to access treatment for an urgent condition

- Increases opportunities for transportation network companies to deliver NEMT services

- HHSC MTP will continue to provide NEMT services to clients not enrolled in managed care

Implementation Update:

- Services will be carved-in by June 2021

House Bill 1, Rider 42

Rider 42 – Medicaid Waiver Program Interest List Study

- Directed HHSC to study interest lists for Medicaid 1915(c) long-term services and supports waivers and identify strategies HHSC could employ to eliminate the interest lists

Implementation Update:

- In conducting the study, HHSC considered experiences of other states in managing interest lists for individuals with intellectual and developmental disabilities

- HHSC submitted report to the Legislature in August 2020

- HHSC identified strategies Texas could consider in reforming interest list management, including:
  - Addressing gaps in real-time information about the needs of people on a waiver interest list
  - Prioritizing certain populations and individuals with the highest level of service needs
  - Considering funding allocations for interest list reduction and targeting additional funding for priority populations