

# Exceptional Item Request

**4.A. Exceptional Item Request Schedule**  
 83rd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/23/2012  
 TIME: 2:24:36PM

Agency code: 529 Agency name:

**Health and Human Services Commission**

CODE	DESCRIPTION		Excp 2014	Excp 2015
	<b>Item Name:</b>	Maintain Medicaid Current Services		
	<b>Item Priority:</b>	1		
	<b>Includes Funding for the Following Strategy or Strategies:</b>			
		02-01-01 Aged and Medicare-related Eligibility Group		
		02-01-02 Disability-Related Eligibility Group		
		02-01-03 Pregnant Women Eligibility Group		
		02-01-04 Other Adults Eligibility Group		
		02-01-05 Children Eligibility Group		
		02-02-01 Non-Full Benefit Payments		
		02-02-02 Medicaid Prescription Drugs		
		02-02-03 Medical Transportation		
		02-02-04 Health Steps (EPSDT) Dental		
		02-02-05 For Clients Dually Eligible for Medicare and Medicaid		
		02-03-01 Medicaid Contracts and Administration		
		03-01-02 CHIP Perinatal Services		

**OBJECTS OF EXPENSE:**

3001	CLIENT SERVICES		1,011,964,007	2,055,757,328
	<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,011,964,007</b>	<b>\$2,055,757,328</b>

**METHOD OF FINANCING:**

555	Federal Funds			
93.767.778	CHIP for Medicaid (EFMAP)		3,436,833	7,042,071
93.778.000	XIX FMAP		642,333,739	1,229,022,775
706	Vendor Drug Rebates-Medicaid		28,137,444	60,805,556
758	GR Match For Medicaid		338,055,991	758,886,926
	<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,011,964,007</b>	<b>\$2,055,757,328</b>

**DESCRIPTION / JUSTIFICATION:**

This request represents the incremental costs associated with the FY 2014-15 Medicaid costs estimates over the FY 2013 levels not allowed in the base request. Caseload growth is assumed to be in the base request at FY 2013 cost levels and the Federal Medical Assistance Percentage (FMAP) rates of 59.30 percent for FY 2014-15. The overall FY 2014-15 Medicaid cost growth trend over fiscal year 2011 is 9.9 percent (from 2011 to 2015), averaging 2.3 percent per year. Medicaid is an entitlement service.

Acute and Long-Term Services medical costs account for 68 percent of this exceptional item costs. In general, acute care medical costs grew at a rate of 1.6 percent a year

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from FY 2013 to FY 2015 (only these years were used to mitigate the impact of STAR+Plus LTSS costs coming into the budget in FY 2012 and FY 2013). Acute care costs include all inpatient and outpatient hospital costs, and all HMO premium payments for the Medicaid Risk Groups and STAR+PLUS, including Long-Term Services and Supports. Vendor drug costs account for 17 percent of this item. Vendor Drug costs show a 4.5 percent growth trend for each year of the biennium, which is in line with the average growth for the past five years. Dental costs represent 7 percent of this exceptional item. Premiums, hospital co-payments and vendor drug give-back for Medicare clients account for about 6 percent of this item. The remaining 2 percent of the exceptional item is for Breast and Cervical Cancer Clients emergency services provided to Non-Citizens and miscellaneous cost reimbursed items such as Indian Health Services.

This request also reflects the cost growth for some of the DADS programs impacted by the Exceptional item to expand STAR+Plus in the rural areas. The additional savings for allowing cost growth for the DADS changes in NF utilization resulting from MRSA are reflected in HHSC's Strategy 2.3.1 Medicaid Contracts and Administration. This cost growth is also requested by DADS in their LAR.

**EXTERNAL/INTERNAL FACTORS:**

Some cost elements of Medicaid are not controlled by the state. For example, the federal matching rate and Medicare related payments are set by the federal government. Federal regulations can increase state costs. In addition, some medical cost increases can be attributed to changes in medical technology and the adoption of newer procedures. Additionally, costs for the Affordable Care Act Primary Care Physician Rate Increase, beginning in Fiscal Year 2013, are included in the overall costs at the baseline FY 2013 amount.

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CODE	DESCRIPTION		Excp 2014	Excp 2015
	<b>Item Name:</b>	Maintain CHIP Current Services		
	<b>Item Priority:</b>	2		
	<b>Includes Funding for the Following Strategy or Strategies:</b>	03-01-01 Children's Health Insurance Program (CHIP)		
		03-01-02 CHIP Perinatal Services		
		03-01-03 CHIP PRESCRIPTION DRUGS		
<b>OBJECTS OF EXPENSE:</b>				
3001	CLIENT SERVICES		43,250,749	89,817,427
	<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$43,250,749</b>	<b>\$89,817,427</b>
<b>METHOD OF FINANCING:</b>				
555	Federal Funds			
93.767.000	CHIP		31,067,013	64,542,803
8010	GR Match For Title XXI		11,922,903	24,732,603
8070	Vendor Drug Rebates-CHIP		260,833	542,021
	<b>TOTAL, METHOD OF FINANCING</b>		<b>\$43,250,749</b>	<b>\$89,817,427</b>

**DESCRIPTION / JUSTIFICATION:**

This request represents the incremental costs associated with the FY 2014-15 CHIP costs estimates over the FY 2013 levels not allowed in the base request. Caseload growth is assumed to be in the base request at FY 2013 cost levels and the Enhanced Federal Medical Assistance Percentage (EFMAP) rates of 71.51 percent for FY 2014-15. Traditional CHIP recipient month premiums are assumed to grow at 3.9 percent each year in FY 14 and FY 15. CHIP cost growth accounts for 72 percent of this exceptional item. Total CHIP vendor drug cost growth over the base LAR request is 3.9 percent in FY 2014 and 8 percent in FY 2015. Cost growth in the CHIP vendor drug program accounts for 18 percent of this exceptional item. Total CHIP Perinatal cost growth over the base LAR request is 2.1 percent in FY 2014 and 4.2 percent in FY 2015. Cost growth in the CHIP Perinatal program accounts for 10 percent of this exceptional item.

**EXTERNAL/INTERNAL FACTORS:**

CHIP vendor drug costs are now capitated beginning March 2012 for both traditional CHIP and Perinatal. The assumed trend on drug premiums is 3.9 percent for CHIP and Perinatal. Certain cost elements of CHIP are not controlled by the state. For example, the federal match rate is set by the federal government. Federal regulations can increase state costs. In addition, some medical cost increases can be attributed to changes in medical technology and the adoption of newer procedures.

HHSC has not included CHIP Experience Rebate revenues for fiscal years 2014-2015 to support this request. There is no guarantee that MCOs will generate sufficient profitability to trigger an experience rebate payment. Preliminary financial results indicate that Managed Care Organization (MCO) profits will be minimal to negative for fiscal year 2013 and the contract provides for a 2 year loss carry forward provision, further reducing the probability for future experience rebate payments. In addition, CHIP financial performance is combined with other programs in determining experience rebates and currently STAR+PLUS MCOs are showing significant losses.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Maintain Current Services and Support Caseload Growth		
	<b>Item Priority:</b> 3		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-02 Integrated Eligibility and Enrollment (IEE)		
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	5,691,056	11,708,158
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$5,691,056</b>	<b>\$11,708,158</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	45,575	176,348
555	Federal Funds		
93.767.000	CHIP	304,876	722,706
93.778.003	XIX 50%	2,610,016	5,261,572
758	GR Match For Medicaid	2,610,016	5,261,572
8010	GR Match For Title XXI	120,573	285,960
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$5,691,056</b>	<b>\$11,708,158</b>

**DESCRIPTION / JUSTIFICATION:**

This exceptional item would provide funding for contracted eligibility supports with costs associated with caseload growth that exceeded the 2014-15 base request amounts. Examples of these costs are Electronic Benefit Transfer (EBT) transaction fees for SNAP, the imaging of client applications and supporting documentation, and data broker inquiries.

**EXTERNAL/INTERNAL FACTORS:**

Contractors leverage HHSC's current investments in technology and support best practices and improved business processes that result in efficient and effective utilization of the state's eligibility determination staff and enrollment of clients, as well as support for improved accuracy, timeliness, and customer service. Other impacts include caseload growth and laws and standards for benefit issuance, including federal standards that determine imposition of sanctions and financial penalties.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Maintain Children's Litigation		
	<b>Item Priority:</b> 4		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 05-01-01 Central Program Support		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	944,473	944,473
2001	PROFESSIONAL FEES AND SERVICES	1,239,538	1,239,538
2003	CONSUMABLE SUPPLIES	7,028	7,028
2005	TRAVEL	18,961	18,961
2007	RENT - MACHINE AND OTHER	3,609	3,609
2009	OTHER OPERATING EXPENSE	574,102	574,102
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$2,787,711</b>	<b>\$2,787,711</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	2,787,711	2,787,711
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$2,787,711</b>	<b>\$2,787,711</b>

**DESCRIPTION / JUSTIFICATION:**

During the 2012-13 biennium, the Health and Human Services Commission requested and received approval to transfer and expend up to \$5 million in general revenue within HHSC to effectively support the legal defense of the state agencies and officials named in relation to the defense of the lawsuit styled M.D, et al. Rick Perry, Thomas Suehs, and Anne Heiligenstein, U.S. District Court, Southern District of Texas, Civil Action No. 2:11cv00084. The 2012-13 expenditures incurred have been reflected as a one-time expenditure on Schedule 6.B of the LAR.

This request would allow additional funding to continue to support the legal defense in this case through the 2014-15 biennium. The funding includes costs at DFPS of \$3.1 million GR and All Funds and at HHSC for \$2.5 million GR and All Funds.

**EXTERNAL/INTERNAL FACTORS:**

The length of the litigation and potential expense related to the defense of the Governor and the agencies are unknown at this time.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Maintain Funding for Data Center Services (HHS Agencies)		
	<b>Item Priority:</b> 5		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-02-01 Consolidated System Support		
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	14,283,979	13,622,234
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$14,283,979</b>	<b>\$13,622,234</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	10,751,813	5,882,330
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	1,304,034	1,402,433
10.561.000	St Admin Match Food Stamp	539,087	1,659,652
93.767.000	CHIP	5,944	27,995
93.778.003	XIX 50%	391,645	1,489,286
93.778.004	XIX ADM @ 75%	264,154	0
758	GR Match For Medicaid	479,687	1,489,286
777	Interagency Contracts	6,070	0
8010	GR Match For Title XXI	2,458	11,600
8014	GR Match Food Stamp Adm	539,087	1,659,652
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$14,283,979</b>	<b>\$13,622,234</b>

**DESCRIPTION / JUSTIFICATION:**

HHS agencies are participants in the State's consolidated data center services contract, which has recently been transferred from IBM to another group of vendors. The agreement includes management of services in 31 legacy data centers, consolidation of these services to the Austin and San Angelo Data Centers, and ongoing operations. The state retains ownership of all assets until end of life and retains ownership of all data on the in-scope systems. The State's goal for the data center services (DCS) contract include effective management of in-place services, migration of services to the consolidated data centers, and improvements to services, security, and disaster recovery capability.

This exceptional item includes projected DCS shortfalls for the 2014-15 biennium, preparation of current applications and environments for data center services transformation by upgrading applications and refreshing technology platforms, providing a test environment for testing software upgrades, and acquires assistance with project management, transformation oversight, and system administration for the HHS enterprise agencies. The DIR payments would be included in the capital budget rider. This funding is necessary to transform and remediate existing applications so that they can be supported by the DIR Data Center.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	This funding request includes costs in FY 2011-12 for DADS of \$0.4 million All Funds (\$0.1 GR), DARS \$1.8 million All Funds (\$1.8 GR), DFPS \$0.1 million All Funds (\$0.1 GR), DSHS \$14.8 million All Funds (\$13.0 GR), and HHSC \$6.2 million All Funds (\$4.2 GR).		

**EXTERNAL/INTERNAL FACTORS:**

Texas Government Code §2054.375, Subchapter L. Statewide Technology Centers requires DIR to manage a statewide data center consolidation and identify agencies for participation. Transformation costs (both agency-specific and state-wide amortized milestones) are prorated across all DCS agencies. Actual transformation schedules will shift costs among agencies and among fiscal years. In addition, all the settlement costs with the prior contractor are not yet known.

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**Health and Human Services Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Affordable Care Act Provision: Maintain PCP Rate Increase for Primary Care Services		
	<b>Item Priority:</b> 6		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	02-01-01 Aged and Medicare-related Eligibility Group		
	02-01-02 Disability-Related Eligibility Group		
	02-01-03 Pregnant Women Eligibility Group		
	02-01-04 Other Adults Eligibility Group		
	02-01-05 Children Eligibility Group		
<b>OBJECTS OF EXPENSE:</b>			
3001	CLIENT SERVICES	0	266,162,047
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$266,162,047</b>
<b>METHOD OF FINANCING:</b>			
555	Federal Funds		
93.778.000	XIX FMAP	0	159,211,684
758	GR Match For Medicaid	0	106,950,363
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$0</b>	<b>\$266,162,047</b>

**DESCRIPTION / JUSTIFICATION:**

Effective January 1, 2013, Section 1202 of the ACA directs states to increase reimbursement to certain primary care providers (family practitioners, internal medicine providers, and pediatricians) for specific procedure codes, classified as primary care services in the ACA, at the Medicare reimbursement rate for two calendar years from January 1, 2013, through December 31, 2014.

States will receive 100 percent federal match for the difference between the July 1, 2009, Medicaid rates and 2013-2014 Medicare rates for these services. Because Texas implemented rate reductions in February 2011, the state will incur some cost to increase the rate back to the level that was effective in July 2009. There will also be some administrative cost to implement system changes needed to increase provider rates for certain provider types.

This exceptional item funds the cost of maintain the Medicaid primary care provider rate increase for the last 8 months of FY 2015, January 2015 through August 2015. At this point, the state would utilize general revenue to match federal funds at the FMAP rate, rather than receive 100 percent match.

**EXTERNAL/INTERNAL FACTORS:**

The FMAP rate determines the matching state share if the higher reimbursement rates are maintained.

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**Health and Human Services Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Maintain Support of State-Operated Facilities		
	<b>Item Priority:</b> 7		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-02-01 Consolidated System Support		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	75,624	75,624
2001	PROFESSIONAL FEES AND SERVICES	793,600	787,200
2009	OTHER OPERATING EXPENSE	15,611	8,782
3002	FOOD FOR PERSONS - WARDS OF STATE	640,500	640,500
5000	CAPITAL EXPENDITURES	3,291,499	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$4,816,834</b>	<b>\$1,512,106</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	2,472,483	892,172
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	784,010	619,106
10.561.000	St Admin Match Food Stamp	2,965	207
93.767.000	CHIP	50	4
93.778.000	XIX FMAP	925,373	0
93.778.003	XIX 50%	2,931	204
758	GR Match For Medicaid	626,041	204
8010	GR Match For Title XXI	16	2
8014	GR Match Food Stamp Adm	2,965	207
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$4,816,834</b>	<b>\$1,512,106</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

3.00	5.00
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**DESCRIPTION / JUSTIFICATION:**

This request includes 4 components related to the State Supported Living Centers (DADS) and the State Hospitals (DSHS): (1) regional laundry facility equipment & related vehicles, (2) frozen food and storage, (3) inventory system upgrade, and (4) systems retirements (CARE/CMBHS).

Funding is requested to replace laundry equipment that has an average age of 18 years, with the oldest piece being 45 years old. Laundry vehicles and trailers support the consolidated laundry function. Clean clothing, towels, and bedding play a pivotal role in ensuring that the individuals in these facilities receive the best care possible. The laundry request totals \$1.2 million GR & \$2.2 million AF.

Funding would ensure dietary and nutritional requirements for clients at the State Supported Living Centers and State Hospitals are met. Costs to purchase, store, and transport food for these clients totals \$0.9 million GR and \$1.3 million AF.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
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Funding would upgrade a critical supply inventory system used daily - \$1.3 million GR & \$1.7 million AF. This system is not current with technology advances or with software upgrades. The upgrade would contain facility services, inventory, supply/stock/requisition, replenishments, medical supplies, and foods, with warehouse work flow and business processes.

The Client Assignment and Registration System (CARE) is a central tracking system for consumers receiving mental health and mental retardation services. CARE manages demographic, diagnostic, assessment and service data. The HHSC costs to support the upgrade totals \$0.6 million GR and \$1.2 million AF.

**EXTERNAL/INTERNAL FACTORS:**

Regulatory feedback from the Department of Justice and from Joint Commission have focused attention on consumer safety, food texture safety and patient satisfaction. Specifications for cooked ground meats (to eliminate bone and gristle-a safety issue) and other frozen fruits and vegetables have required revision to ensure quality and safety. Also new frozen pureed products have been added to increase safety, consistency, and quality. These factors lead to increased food costs.

The MIMS platform (i.e., AIX operating system version 5.2, Oracle database version 9i, & application version 7.2.4) is out-of-date by multiple versions and no longer receives support, patches/fixes or maintenance. MIMS version 7.2.4 is not upgradeable to a current version of the Oracle database or AIX operating system. The MIMS platform does not meet the software requirements for the DIR Data Center Contract, thus HHSC cannot migrate the existing application. New hardware and software will enable compliance with "n or n-1" software standards.

DADS & DSHS are working on systems that will replace functionality currently in CARE. There are many stakeholders, including agencies within and outside of the HHS agencies, who depend on CARE. There has been no comprehensive analysis of all functions & interfaces so there is a risk that there will be functions or interfaces that are needed but are not in one of the new systems. This project will validate all functions and interfaces, ensure that all needed functions are available in some system & that there is no loss in data integrity when CARE is retired.

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**Item Name:** Support Office of Acquired Brain Injury (OABI)

**Item Priority:** 8

**Includes Funding for the Following Strategy or Strategies:** 01-01-01 Enterprise Oversight and Policy

**OBJECTS OF EXPENSE:**

1001	SALARIES AND WAGES	239,556	301,512
2001	PROFESSIONAL FEES AND SERVICES	40,000	40,000
2003	CONSUMABLE SUPPLIES	10,000	10,000
2005	TRAVEL	12,500	15,500
2009	OTHER OPERATING EXPENSE	157,887	146,392
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$459,943</b>	<b>\$513,404</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	459,465	512,067
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	18	52
10.561.000	St Admin Match Food Stamp	116	325
93.767.000	CHIP	3	8
93.778.003	XIX 50%	112	312
758	GR Match For Medicaid	112	312
8010	GR Match For Title XXI	1	3
8014	GR Match Food Stamp Adm	116	325
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$459,943</b>	<b>\$513,404</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

	4.00	5.10
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**DESCRIPTION / JUSTIFICATION:**

Funding would allow the continuation of Office of Acquired Brain Injury (OABI) operations after the expiration of federal funds in August 2013 and would expand the work of the office to include fully functional stroke and cardiovascular; children and youth; military and veterans; elderly; rural; border and other programs in accordance with the OABI mission and strategic plan. The office ensures linkages internally and externally for the enterprise to identify common services and cost-saving programs as well as gaps in services.

**EXTERNAL/INTERNAL FACTORS:**

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	More than 144,000 Texans sustain a traumatic brain injury each year (based upon reports from physicians, urgent care centers, emergency rooms, hospitals or other medical facilities). More than 5,700 are permanently disabled annually, and an estimated 440,000 Texans (2% of the population) live with a disability from traumatic brain injury. (These figures do not include service members with brain injury returning from Iraq or Afghanistan.). Individuals with brain injuries and their families do not know where or how to access services and supports.		

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**Health and Human Services Commission**

CODE	DESCRIPTION		Excp 2014	Excp 2015
		<b>Item Name:</b> Replace and Maintain HHSC Vehicles		
		<b>Item Priority:</b> 9		
	<b>Includes Funding for the Following Strategy or Strategies:</b>	01-02-01 Consolidated System Support		
		07-01-01 Office of Inspector General		
<b>OBJECTS OF EXPENSE:</b>				
5000	CAPITAL EXPENDITURES		546,637	543,411
	<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$546,637</b>	<b>\$543,411</b>
<b>METHOD OF FINANCING:</b>				
1	General Revenue Fund		546,637	543,411
	<b>TOTAL, METHOD OF FINANCING</b>		<b>\$546,637</b>	<b>\$543,411</b>

**DESCRIPTION / JUSTIFICATION:**

Funding would allow the replacement of 36 vehicles within Regional Administrative Services, Facilities Management, Office of Inspector General and the staff pool managed by the Enterprise Fleet Management Office. HHSC had no authority to replace vehicles during the 2012-13 biennium.

Many HHSC vehicles are currently meeting or exceeding established agency replacement criteria and if they are not replaced, certain services and jobs performed through the use of these vehicles may be adversely affected as they tend to breakdown or are in the shop for maintenance more often. Additionally, as vehicles breakdown or become unusable, programs will be required to rent or lease vehicles to fulfill obligations and daily tasks, with no guarantee that the specific size and type of vehicle needed would be available exactly when needed. Maintenance and repair costs on older vehicles are typically much more costly than maintenance and repairs on newer vehicles. In addition to lower maintenance and repair costs, new vehicles would also ensure that required services continue uninterrupted.

**EXTERNAL/INTERNAL FACTORS:**

Included in the findings of an internal audit performed on Regional Administrative Services, was a statement that the program was spending more on older existing vehicles than what the vehicle is worth. The management response to this finding was that while HHS has a vehicle replacement schedule by which ideally all HHS vehicles would be replaced funding is not always appropriated by the Legislature to fund those replacement needs; therefore, programs must continue to put excessive amounts of money into maintaining and repairing aging vehicles in order to continue providing services.

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 TIME: **2:24:36PM**

Agency code: **529** Agency name:

**Health and Human Services Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Implement Fraud Integrity Initiative		
	<b>Item Priority:</b> 10		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 02-03-01 Medicaid Contracts and Administration		
	07-01-01 Office of Inspector General		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	217,056	217,056
2001	PROFESSIONAL FEES AND SERVICES	26,701,910	11,129,951
2003	CONSUMABLE SUPPLIES	400	400
2009	OTHER OPERATING EXPENSE	93,989	66,676
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$27,013,355</b>	<b>\$11,414,083</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	91	177
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	18	36
10.561.000	St Admin Match Food Stamp	116	226
93.767.000	CHIP	3	6
93.778.003	XIX 50%	3,092,760	2,812,917
93.778.004	XIX ADM @ 75%	2,403,172	3,422,460
93.778.005	XIX FMAP @ 90%	15,860,935	1,101,865
758	GR Match For Medicaid	5,656,143	4,076,168
8010	GR Match For Title XXI	1	2
8014	GR Match Food Stamp Adm	116	226
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$27,013,355</b>	<b>\$11,414,083</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

4.00 4.00

**DESCRIPTION / JUSTIFICATION:**

Funding would allow HHSC, DADS and DSHS to implement provider and supplier screening and enrollment requirements in Medicare, Medicaid, and CHIP and to enroll providers in accordance with a designated level of risk of waste, fraud and abuse: low, moderate or high.

Compliance with Affordable Care Act (ACA) provisions will require HHSC to collect a provider enrollment/screening fee from certain institutional providers that are not currently paying the enrollment fee to the federal government. States may utilize this collected revenue to offset the costs of implementing the ACA provisions. The federal government sets the fee and the State must return to the federal government any unused balances from the collected fee revenue. HHSC would contract with the Medicaid claim administrator to perform the required activities for provider screening, enrollment, and monitoring. A new screening process would include a licensure check, and may,

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include a criminal background check; fingerprinting; unscheduled and unannounced site visits, including pre-enrollment site visits; and database checks.

**EXTERNAL/INTERNAL FACTORS:**

Section 6401 of the ACA (Provider Screening) requires states to comply with certain requirements related to provider and supplier screening and enrollment in Medicare, Medicaid, and the CHIP and enroll providers in accordance with a designated level of risk of waste, fraud and abuse: low, moderate or high. CMS has yet to provide information that would clarify the number of institutional providers that would remit the screening fee to HHSC. Therefore HHSC has no estimate of the revenue that would be collected, or expended.

There is a rider requested that would provide appropriation authority for this fee.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Expand Star+Plus in the Medicaid Rural Services Area (MRSA)		
	<b>Item Priority:</b> 11		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	02-01-01 Aged and Medicare-related Eligibility Group		
	02-01-02 Disability-Related Eligibility Group		
	02-01-05 Children Eligibility Group		
	02-03-01 Medicaid Contracts and Administration		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	0	-3,761,220
2001	PROFESSIONAL FEES AND SERVICES	0	2,387,225
2005	TRAVEL	0	-171,000
3001	CLIENT SERVICES	0	40,546,102
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$39,001,107</b>
<b>METHOD OF FINANCING:</b>			
555	Federal Funds		
93.778.000	XIX FMAP	0	24,299,876
93.778.003	XIX 50%	0	-1,096,389
93.778.004	XIX ADM @ 75%	0	25,838
758	GR Match For Medicaid	0	15,771,782
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$0</b>	<b>\$39,001,107</b>

**DESCRIPTION / JUSTIFICATION:**

HHSC proposes development and implementation of a STAR+PLUS model for rural areas of the state. Fiscal analysis does not yet demonstrate short term cost savings; however, moving forward with implementation of the rural STAR+PLUS model allows the state to be a more effective purchaser of long term services and supports. The STAR+PLUS rural model will replace the STAR program for SSI clients in the MRSA, the Community Based Alternatives (CBA) waiver, Day Activity and Health Services, and Primary Home Care programs operated by DADS, with STAR+PLUS in FY 2015. Participation is mandatory for SSI Adults, and voluntary for those under age 21 (as is STAR). It would also expand managed care to the Aged & Medicare-Related Adults and Children.

The request represents the net cost between DADS & HHSC. The cost to HHSC of \$154.3 million GR & \$383.3 million All Funds is partially offset by savings to DADS in waivers & nursing facilities of \$138.5 million GR & \$344.3 million All Funds. These amounts exclude any premium tax collections from this managed care expansion, estimated at \$4.5 million in FY 2015.

The DADS client services savings are shown in HHSC Strategy 2.1.5. There will be a reduction of 114 FTEs for DADS in 2015 but this is not reflected in the schedule.

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Although this expansion is a net cost in FY 2015, the initial year of implementation, overall savings are anticipated in future years due to increased premium tax collections for the State.

Moving to such a model will standardize the delivery system, increase opportunities for care coordination, and better manage long-term utilization.

This change will not reduce the level of services necessary to ensure individuals remain in the community. Controls, including contract requirements, authorization processes & state oversight & monitoring are in place to document & verify the same level of community service options for residents in rural areas that are provided in the rest of the state.

**EXTERNAL/INTERNAL FACTORS:**

The efficiency and cost effectiveness of the Texas STAR+PLUS program have been established over time and this model has become a standard for acute and long-term care integration nationally. Texas has enjoyed savings associated with the STAR+PLUS program reflected in reduced hospitalizations and emergency department utilization. STAR+PLUS has also enabled a substantial increase in the collection of premium tax.

Changes in the FMAP calculation would impact the state share match required.

HHSC proposes development and implementation of a STAR+PLUS model for rural areas of the state. Fiscal analysis does not yet demonstrate short term cost savings; however, moving forward with implementation of the rural STAR+PLUS model allows the state to be a more effective purchaser of long term services and supports. The STAR+PLUS rural model will replace the existing rural STAR program for SSI clients in the MRSA, the Community Based Alternatives (CBA) waiver, Day Activity and Health Services, and Primary Home Care programs operated by DADS, with STAR+PLUS in fiscal year 2015. Participation is mandatory for SSI Adults, and voluntary for those under age 21 (as is STAR). It would also expand managed care to the Aged and Medicare-Related Adults and Children.

The costs of expanding to the MRSA reflected here are FY 2013 flat costs for both DADS and DSHS. The cost growth for both agencies is reflected in HHSC's exceptional item for maintaining Medicaid current services. The savings of expanding STAR+Plus are greater when cost growth is permitted.

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**Health and Human Services Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Implement Information Security Improvements and Application Provisioning Enhancements		
	<b>Item Priority:</b> 12		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-02-01 Consolidated System Support		
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	2,976,691	2,560,191
2009	OTHER OPERATING EXPENSE	125,000	125,000
5000	CAPITAL EXPENDITURES	2,245,000	600,000
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$5,346,691</b>	<b>\$3,285,191</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	2,502,713	1,228,645
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	678,575	333,129
10.561.000	St Admin Match Food Stamp	227,339	111,606
93.767.000	CHIP	3,847	1,889
93.778.003	XIX 50%	852,649	748,770
758	GR Match For Medicaid	852,650	748,771
8010	GR Match For Title XXI	1,579	775
8014	GR Match Food Stamp Adm	227,339	111,606
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$5,346,691</b>	<b>\$3,285,191</b>

**DESCRIPTION / JUSTIFICATION:**

HHS agencies face increasing and evolving threats from cyber-related attacks. Funding would allow: additional information security controls at HHS agencies to protect systems from attacks; additional protections against unauthorized access including a higher level of authentication and improved efficiencies in granting and removing access to systems; and improved monitoring systems and processes to better protect agency information assets. Without these initiatives, systems will be at risk from attacks, potential disclosure of confidential data, and costs associated with clean-up activities. Additionally, failure to perform these functions will put HHS at risk of a major security incident, potentially causing the loss of personally identifiable information about its clients, and causing severe damage to its reputation.

**EXTERNAL/INTERNAL FACTORS:**

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	<p>HHS agencies maintain confidential information on their clients. Numerous laws and policies govern the way that HHS is protect this information during its use, transport, processing and storage, including Texas Administrative Code (202) Rule 202.21, Subchapter A; American Recovery and Reinvestment Act, dated February 17, 2009; CMS policy for the information Security dated December 31, 2008; Texas Government Code, Subchapter A, Section 2059.056.</p> <p>Since the consolidation of HHS agencies in 2004, there have been numerous information security events that have undermined public confidence in HHS, drastically impacted worker productivity, wasted labor hours, and exposed a currently insufficient information security posture. A series of attacks in 2005 is estimated to have cost the Enterprise over \$2 million to remediate. Additional attacks in 2010 showed consistent threat from foreign sources. Although there are no pending penalties or funding losses, the risk of non-compliance includes the possible breach of client confidential data, indeterminate loss of federal funding, fines and penalties, and negative audit findings.</p>		

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Improve Security Infrastructure for Regional Health and Human Services Client Delivery Facilities		
	<b>Item Priority:</b> 13		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-02-01 Consolidated System Support		
<b>OBJECTS OF EXPENSE:</b>			
2009	OTHER OPERATING EXPENSE	164,365	0
5000	CAPITAL EXPENDITURES	1,527,000	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,691,365</b>	<b>\$0</b>

<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	895,552	0
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	190,980	0
10.561.000	St Admin Match Food Stamp	167,597	0
93.767.000	CHIP	998	0
93.778.013	XIX FMAP TCM	134,108	0
758	GR Match For Medicaid	134,108	0
8010	GR Match For Title XXI	423	0
8014	GR Match Food Stamp Adm	167,599	0
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,691,365</b>	<b>\$0</b>

**DESCRIPTION / JUSTIFICATION:**

Since 2007 Regional Administrative Services (RAS) has conducted annual vulnerability assessments for all regional HHS facilities. Access control continues to be documented as a key area of vulnerability for these offices which the Intrusion and Access Control Systems are intended to mitigate. Security surveillance systems provide a deterrence factor and the ability to monitor facilities remotely. RAS has been installing these and other security measures on a regular basis as funds have been available. Given recent tragic events there is an expectation from staff and others that the enterprise continue to make headway in the area of office safety and security.

The requested funding would install keyless access systems at 90 facilities install video surveillance systems at 31 facilities, and erect parking lot fencing and lighting at 5 facilities.

**EXTERNAL/INTERNAL FACTORS:**

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	While office safety and security has always been a priority of the enterprise there may be heightened awareness and attention regarding the matter as a result of two recent fatal incidents that occurred in two different offices less than a month apart. There has been an increase in threats or heightened sensitivity to threats as a result of these incidents as evidenced by an increase in the number of threats that get referred to Regional Administrative Services (RAS) by 211, HHS call centers and regional staff for incident management.		



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With the approval of the additional FTEs, there would be an increase in cost recovery and cost avoidance as a result of sufficient staff to investigate fraud/overpayment and referrals.

**EXTERNAL/INTERNAL FACTORS:**

External factors underlying the additional request include S.B. 643 and State Hospital investigation mandates, Federal DOJ time constraint criteria, rising state and local identity theft, the immediacy of missing children investigations, transitioning into Managed Care from Fee-For-Service, ACA and H.B. 1720 requirements for enhanced provider screening and onsite investigations, termination and exclusion of certain providers, imposition of payment suspensions based upon a credible allegation of fraud, and RAC audit appeals, enforcement of federal electronic health record incentive payment audit findings as well as findings arising out of other OIG audit initiatives, legislative mandates to recover more dollars and OIG's reorganization efforts in the short and long-term to meet our changing environment and yield the highest recovery of Medicaid dollars.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Implement Initiatives to Address Disproportionality and Disparities Across HHS System		
	<b>Item Priority:</b> 15		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-02-01 Consolidated System Support		
 <b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	128,748	128,748
2003	CONSUMABLE SUPPLIES	500	500
2005	TRAVEL	8,200	8,200
2009	OTHER OPERATING EXPENSE	30,997	17,341
4000	GRANTS	150,000	150,000
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$318,445</b>	<b>\$304,789</b>
 <b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	196,676	188,114
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	53,323	50,999
10.561.000	St Admin Match Food Stamp	17,919	17,193
93.767.000	CHIP	304	292
93.778.003	XIX 50%	16,089	15,439
758	GR Match For Medicaid	16,089	15,439
8010	GR Match For Title XXI	126	120
8014	GR Match Food Stamp Adm	17,919	17,193
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$318,445</b>	<b>\$304,789</b>
 <b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		<b>2.00</b>	<b>2.00</b>

**DESCRIPTION / JUSTIFICATION:**

Research has shown that the causes of disproportionality and disparities are complex, multilayered, and not fully understood. Only through a better understanding of the causes and impact of disproportionality, can truly effective programs, services, support and policies be developed that will have a lasting impact on the lives of citizens serviced by HHS agencies. Current models exist within HHSC involving the child welfare system and the health disparities program that have proven to be successful in decreasing disparities.

Funding for this exceptional item includes staf that will facilitate cross systems disproportionality work at a state and regional level including working with communities and other stakeholders. Training would build a foundation for understanding culture, ethnicity and race, enhancing the competency of staff to ensure equitable outcomes for all clients served. Funding would support the expansion of the Texas model to address the elimination of disproportionality and disparities across HHS agencies. These initiatives align with the responsibilities of the Center for Elimination of Disproportionalities and Disparities as amended in Senate Bill 501, 82nd Legislature, Regular Session.

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**EXTERNAL/INTERNAL FACTORS:**

Disproportionality is a problem that crosses many systems. These systems include public health, medical and behavioral health care, care for the elderly and people with disabilities, juvenile justice, criminal justice, education, poverty related entitlement benefits, etc. The Health and Human Services Commission is committed to expanding its current efforts to eliminate disparities experience by children, families, and individuals served by HHS agencies. Data reflects that disproportionality and disparate outcomes exist for certain client populations.

Since the inclusion of training and addition of disproportionality staff significant gains have been made in reducing disparate outcomes within the Texas child welfare system and the intent is to gain the same efficiencies and outcomes in all health and human services agencies.

Due to the expanded authority and workload related to implementation of this S.B. 501, this resource is needed for effective implementation of legislative mandates.

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CODE	DESCRIPTION	Excp 2014	Excp 2015
	<b>Item Name:</b> Affordable Care Act: Expand PCP Rate Increase for Primary Care Services		
	<b>Item Priority:</b> 16		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	02-01-01 Aged and Medicare-related Eligibility Group		
	02-01-02 Disability-Related Eligibility Group		
	02-01-03 Pregnant Women Eligibility Group		
	02-01-04 Other Adults Eligibility Group		
	02-01-05 Children Eligibility Group		
	02-03-01 Medicaid Contracts and Administration		
	03-01-01 Children's Health Insurance Program (CHIP)		

**OBJECTS OF EXPENSE:**

3001	CLIENT SERVICES	286,554,315	301,076,551
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$286,554,315</b>	<b>\$301,076,551</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	9,850,112	9,850,912
555	Federal Funds		
93.767.000	CHIP	54,949,472	57,857,374
93.778.000	XIX FMAP	119,677,847	126,042,583
758	GR Match For Medicaid	80,527,022	84,669,037
8010	GR Match For Title XXI	21,549,862	22,656,645
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$286,554,315</b>	<b>\$301,076,551</b>

**DESCRIPTION / JUSTIFICATION:**

Effective January 1, 2013, Section 1202 of the Affordable Care Act (ACA) increases reimbursement to certain primary care providers (family practitioners, internal medicine providers, and pediatricians) for specific procedure codes, at the Medicare reimbursement rate for two calendar years from January 1, 2013, through December 31, 2014. This two-year increase is 100% federally funded. This exceptional item funding would 1) extend the ACA reimbursement level to CHIP and DSHS primary care providers for the 2014-15 biennium and 2) reimburse other types of primary care providers in Medicaid, CHIP, and DSHS programs at the same Medicare level as ACA funds for the same biennial period.

The cost to extend the increased reimbursement to the primary care providers in other HHS programs totals \$48.1 million GR and \$126.4 million All Funds (CHIP - \$30.7 million GR and \$109.0 million All Funds and DSHS - \$17.4million GR and All Funds).

The cost to broaden the reimbursement to other primary care providers totals \$181.1 million GR and \$461.3 million All Funds (Medicaid --\$165.2 million GR and \$410.9

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	million All Funds, CHIP--\$13.5 million GR and \$48.0 million All Funds, and DSHS--\$2.3 million GR and All Funds).		

All DSHS costs are reflected in HHSC Strategy 2.3.1 Medicaid Contracts and Administration.

The match rate for these services in Medicaid and CHIP would be the standard FMAP and EFMAP. There is no federal match in the DSHS programs. There will also be some administrative cost to implement system changes needed to increase provider rates for certain provider types.

**EXTERNAL/INTERNAL FACTORS:**

CHIP and other DSHS health care programs (Children with Special Health Care Needs, Maternal and Child Health, Primary Care , Family Planning, and Breast & Cervical Cancer Services) set their reimbursement rates to Medicaid rates. Different reimbursements by the State for the same procedures could create confusion and disincentives for some providers to continue participation in programs other than Medicaid. The exceptional item would also cover the delivery of primary care services by other primary care providers, including obstetricians and gynecologists.

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<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2014</u>	<u>Excp 2015</u>
	<b>Item Name:</b> Continue International Classification of Diseases (ICD-10)		
	<b>Item Priority:</b> 17		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 02-03-01 Medicaid Contracts and Administration		
 <b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	848,403	1,474,761
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$848,403</b>	<b>\$1,474,761</b>
 <b>METHOD OF FINANCING:</b>			
555	Federal Funds		
93.778.003	XIX 50%	424,202	277,330
93.778.005	XIX FMAP @ 90%	0	828,091
758	GR Match For Medicaid	424,201	369,340
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$848,403</b>	<b>\$1,474,761</b>

**DESCRIPTION / JUSTIFICATION:**

The International Classification of Diseases (ICD) is a code set designed to promote international comparability in the collection, processing, classification, and presentation of statistics. The ICD code set has been revised from the 9th generation to the 10th generation (ICD-10) which allows for an expansion in the number of conditions that can be captured (almost twice as many) and support more comprehensive analysis. ICD codes are included in certain transactions sent between providers and HHS agencies and are used in many of the HHS systems for medical claims processing, tracking, and reporting.

Requested funding would update systems at DADS, DARS, DSHS and HHSC to process ICD-10, the new code set.

**EXTERNAL/INTERNAL FACTORS:**

The HIPAA ICD-10 Code set rule mandates an upgrade from ICD-9 to ICD-10 for diagnosis and procedure codes. These code set allow for a more thorough detail identification. These code sets are used in 95% of health care related systems and are required for paying claims. Compliance date is October 1, 2013, with stabilization and optimization requirements continuing for approximately two years afterwards. There is some discussion at the federal level regarding moving the compliance date back for up to two years due to lack of readiness in the provider community.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Secure Mobile Infrastructure and Enterprise Communications		
	<b>Item Priority:</b> 18		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	01-01-02 Integrated Eligibility and Enrollment (IEE)		
	01-02-01 Consolidated System Support		
 <b>OBJECTS OF EXPENSE:</b>			
5000	CAPITAL EXPENDITURES	25,350,000	0
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$25,350,000</b>	<b>\$0</b>
 <b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	3,714,033	0
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	861,647	0
10.561.000	St Admin Match Food Stamp	5,440,363	0
93.767.000	CHIP	91,767	0
93.778.003	XIX 50%	4,881,903	0
758	GR Match For Medicaid	4,881,898	0
8010	GR Match For Title XXI	38,026	0
8014	GR Match Food Stamp Adm	5,440,363	0
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$25,350,000</b>	<b>\$0</b>

**DESCRIPTION / JUSTIFICATION:**

HHS is currently exploring and planning business initiatives designed to increase efficiencies, promote improvement in service delivery in order to meet projected increases in caseloads without expanding the HHS workforce. These initiatives include expansion of tele-work and video conferencing, enabling mobile workers where appropriate, office consolidation and increased use of client self service capabilities in our web based applications. To support these initiatives, the underlying network and communications infrastructure needs to be modernized and enhanced.

Requested funding would provide a foundation for a secure, integrated HHS network, and enhanced telecom systems in various offices, eligibility call centers and other service delivery areas.

**EXTERNAL/INTERNAL FACTORS:**

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All 5 HHS agencies have identified business requirements that require mobility and/or tele-work capabilities to better serve their clients and work more effectively. In addition, office closures and consolidations drive the need for more flexible communication alternatives. HHSC's Eligibility Operations is refining its workload distribution strategy to enable work to be assigned based on skills and availability, rather than location. Other HHS agencies have also identified significant benefits that could be derived from a more converged and mobility enabled infrastructure. Health Care Reform is expected to generate an increased demand for HHS services. Allowing work to be distributed to anyone, anywhere, anytime based on their skills and availability will significantly enhance our ability to handle this additional caseload.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Continue Enterprise Data Warehouse Initiative		
	<b>Item Priority:</b> 19		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-02-01 Consolidated System Support		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	777,696	777,696
2001	PROFESSIONAL FEES AND SERVICES	16,909,388	16,536,913
2003	CONSUMABLE SUPPLIES	1,000	1,000
2005	TRAVEL	40,000	40,000
2009	OTHER OPERATING EXPENSE	319,721	227,966
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$18,047,805</b>	<b>\$17,583,575</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	319	585
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	64	118
10.561.000	St Admin Match Food Stamp	408	748
93.767.000	CHIP	10	19
93.778.003	XIX 50%	2,891	3,217
93.778.004	XIX ADM @ 75%	8,168,871	6,743,608
93.778.005	XIX FMAP @ 90%	6,434,084	7,725,094
758	GR Match For Medicaid	3,440,746	3,109,430
8010	GR Match For Title XXI	4	8
8014	GR Match Food Stamp Adm	408	748
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$18,047,805</b>	<b>\$17,583,575</b>

**FULL-TIME EQUIVALENT POSITIONS (FTE):**

13.10 13.10

**DESCRIPTION / JUSTIFICATION:**

Funding would allow continuation of establishing a data warehouse that will span Medicaid-related data across all HHS agencies. Integration of data across all HHS agencies would help improve the delivery of health care services to Texans, help evaluate program effectiveness, assure that services are delivered in a cost-effective manner, and help forecast future needs and priorities. By using this system for integrating related program data and conducting advanced data analysis, HHSC would enhance its ability to interpret patterns and gain insight into client outcomes.

The current Enterprise Data Warehouse (EDW) project phase is supported with general revenue and federal funds from CMS. HHSC originally envisioned this initiative as being implemented in its full scale across Health and Human Services (HHS); however, the approach to executing the project has undergone modifications to focus only on

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Medicaid for the first few years of implementation to receive enhanced (90/10) federal financial participation (FFP) for the project. All of the functional requirements for the data warehouse have been completed in FY 2012 resulting in more refined estimates for the cost and schedule for the development of a comprehensive Medicaid focused EDW designed for improved outcome, improved quality of care and reduced cost of care while providing HHSC with analytical and reporting capabilities that are in compliance with federal standards and conditions while adapting to evolving health information strategies.

**EXTERNAL/INTERNAL FACTORS:**

The EDW is currently funded under Rider 43 of the 2012 - 2013 General Appropriations Act (Article II, HHSC, 82nd Legislature). The EDW Initiative was identified as a strategic project on the MITA Roadmap provided to CMS in 2010 as part of the required MITA 2.0 State Self-Assessment conducted to allow HHSC to continue to receive enhanced funding (90/10) from CMS for key MMIS projects. Thus allowing the EDW Initiative to receive 90/10 federal financial participation for the design, development, and implementation of a Medicaid focused EDW.

The EDW Initiative is closely tied to other HHSC strategic initiatives for the Medicaid enterprise. Dependencies between the MMIS Reprocedurement, ICD-10 Remediation, and Health Information Exchange Initiatives have been identified. In addition, the EDW/BI solution will provide ad-hoc reporting and BI capabilities currently provided by the Claims Administrators MMIS data warehouse for the HHS enterprise along with an improved and trusted data source for adhoc reporting and BI capabilities for the OIG's MFADS division.

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**Health and Human Services Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Upgrade Winters Data Center Facilities		
	<b>Item Priority:</b> 20		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-02-01 Consolidated System Support		
<b>OBJECTS OF EXPENSE:</b>			
2001	PROFESSIONAL FEES AND SERVICES	2,300,000	0
5000	CAPITAL EXPENDITURES	1,700,000	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$4,000,000</b>	<b>\$0</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	586,040	0
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	135,960	0
10.561.000	St Admin Match Food Stamp	858,440	0
93.767.000	CHIP	14,480	0
93.778.003	XIX 50%	770,320	0
758	GR Match For Medicaid	770,320	0
8010	GR Match For Title XXI	6,000	0
8014	GR Match Food Stamp Adm	858,440	0
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$4,000,000</b>	<b>\$0</b>

**DESCRIPTION / JUSTIFICATION:**

Funding would upgrade key data center facility infrastructure components to improve reliability and availability of key computing resources. This upgrade would focus on the electrical infrastructure components, installing a power generator system and related electrical system enhancements.

This reduces the risk of down time and service outage for key systems located in the Winters data centers. This includes mission critical systems and services upon which many key business areas rely. If the data centers are not upgraded, systems will continue to be susceptible to power outages which could adversely affect clients for hours at a time.

**EXTERNAL/INTERNAL FACTORS:**

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This project will benefit several HHS agencies and will help resolve internal audit findings that identified several physical security vulnerabilities for the Winters Complex data centers, including a lack of monitoring, alerting and logging capability, both locally and remotely, for electrical infrastructure and environmental systems.

Services associated with this funding request require coordination through Texas Facilities Commission (TFC). HHSC is not authorized to make facility changes without TFC approval.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Support Texas Office for the Prevention of Development Disabilities (TOPDD)		
	<b>Item Priority:</b> 21		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-01 Enterprise Oversight and Policy		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	62,057	62,057
2003	CONSUMABLE SUPPLIES	203	203
2005	TRAVEL	10,005	10,005
2009	OTHER OPERATING EXPENSE	4,478	4,478
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$76,743</b>	<b>\$76,743</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	76,743	76,743
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$76,743</b>	<b>\$76,743</b>

**DESCRIPTION / JUSTIFICATION:**

Funding would allow the Texas Office for the Prevention of Developmental Disabilities (TOPDD) to expand work in critical areas such as injury prevention, prenatal care, etc. that are fundamental to the mission of preventing developmental disabilities by securing a consistent funding level. TOPDD also would be able to involve other state agencies, private organizations, businesses, and individuals (volunteers, staff).

Historically, TOPDD has had limited support from state funding due to a rider provision that caused TOPDD staff to seek grant funding and donations. TOPDD has been able to obtain outside funding to address fetal alcohol syndrome disorder.

To address this increase in state funding there is a corresponding version of the rider for this exceptional funding.

**EXTERNAL/INTERNAL FACTORS:**

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	<p>TOPDD Legislative Report indicated a 50% increase in participation in its education programs from the previous biennium. TOPDD needs to capitalize on this increasing demand. The changing health care system includes new federal and state policies which can potentially expand prevention (examples: 1115 Waiver and the Affordable Care Act.) Through TOPDD, the state can be positioned to implement strategies that prevent developmental disabilities on a large scale. Through this item, more time can be spent on these types of projects and less time will have to be devoted to fund-raising.</p> <p>PL111-320, the Child Abuse Prevention and Treatment Act, which funds child welfare, has increased requirements related to newborns affected by prenatal alcohol exposure. TOPDD needs the capacity to convene state agencies to develop strategies to meet this requirement. Additionally, outside funding sources will find the agency more attractive with a higher level of investment from the state. In the current economic environment, TOPDD needs this competitive advantage.</p> <p>The primary internal factor impacting this work is the challenge and opportunity to expand and diversify approaches to achieving our mission thereby continually improving approaches used by organizations throughout the state to implement prevention. Also, the need for technical upgrades is important to this work, especially since communication is fundamental to this work. The agency also has an unfunded position that it does not have the funds to fill.</p>		

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**Health and Human Services Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Improve Community Resources Coordination Group (CRCG)Services		
	<b>Item Priority:</b> 22		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-01-01 Enterprise Oversight and Policy		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	86,076	86,076
2001	PROFESSIONAL FEES AND SERVICES	135,840	135,840
2005	TRAVEL	10,576	10,576
2007	RENT - MACHINE AND OTHER	2,193	2,193
2009	OTHER OPERATING EXPENSE	45,024	31,367
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$279,709</b>	<b>\$266,052</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	37,629	35,798
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	9	18
10.561.000	St Admin Match Food Stamp	75,310	71,615
93.767.000	CHIP	3,544	3,370
93.778.003	XIX 50%	43,221	41,122
758	GR Match For Medicaid	43,221	41,122
8010	GR Match For Title XXI	1,465	1,392
8014	GR Match Food Stamp Adm	75,310	71,615
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$279,709</b>	<b>\$266,052</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>		<b>2.00</b>	<b>2.00</b>

**DESCRIPTION / JUSTIFICATION:**

The request would resume funding that was paused in FY 2012-2013, to restore funds for two staff, and allow the development and deployment of an enhanced web-based data collection/reporting tool to improve accessibility, data consistency and reliability of the CRCG statewide network. This would ensure compliance with legislative requirements including the streamlined collection, analysis, and preparation of program data for submission in required reports.

**EXTERNAL/INTERNAL FACTORS:**

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The CRCG program was originally established in 1987 and amended in 2001 to provide technical assistance, training materials, and resource information to a statewide network of local CRCGs. The goal of the CRCG program is to provide comprehensive and coordinated multiagency services responsive to children, youth, and families with complex needs.

During the 2012-13 biennium there was no funding for state level coordination for the CRCG and the program has operated without funding or dedicated staff to support ongoing CRCG operations or required activities.

HHSC coordinated with eight other state agencies to execute a Memorandum of Understanding (MOU), which detailed the purpose, mission and responsibilities shared between HHSC and the eight state agencies specified by the CRCG legislation. It also provides guidance for permanency roles, and creation of adult services, and the production of a biennial legislative report describing the activities of the CRCG and explaining benefits of and barriers to coordinated service response. The current system does not collect and report the information necessary to produce the legislative report. Due to current restrictions of staff and funding, the CRCG MOU has not been updated since 2007.

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**Health and Human Services Commission**

CODE	DESCRIPTION		Excp 2014	Excp 2015
	<b>Item Name:</b>	Increase Support of Healthy Marriage Program (HMP)		
	<b>Item Priority:</b>	23		
	<b>Includes Funding for the Following Strategy or Strategies:</b>	01-01-02 Integrated Eligibility and Enrollment (IEE)		
<b>OBJECTS OF EXPENSE:</b>				
1001	SALARIES AND WAGES		54,264	54,264
2001	PROFESSIONAL FEES AND SERVICES		7,000	7,000
2005	TRAVEL		15,000	15,000
2009	OTHER OPERATING EXPENSE		246,591	239,761
4000	GRANTS		274,000	274,000
	<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$596,855</b>	<b>\$590,025</b>
<b>METHOD OF FINANCING:</b>				
1	General Revenue Fund		596,735	589,794
555	Federal Funds			
00.000.001	Comptroller Misc Claims Fed Fnd Pym		5	9
10.561.000	St Admin Match Food Stamp		29	56
93.767.000	CHIP		1	1
93.778.003	XIX 50%		28	54
758	GR Match For Medicaid		28	54
8010	GR Match For Title XXI		0	1
8014	GR Match Food Stamp Adm		29	56
	<b>TOTAL, METHOD OF FINANCING</b>		<b>\$596,855</b>	<b>\$590,025</b>
<b>FULL-TIME EQUIVALENT POSITIONS (FTE):</b>			1.00	1.00

**DESCRIPTION / JUSTIFICATION:**

Funding would provide expanded technical assistance to Healthy Marriage program providers/clients, updated advertising and outreach materials, and continuing development of website enhancements designed to increase access for providers and couples searching for services or resources. This request will provide enhanced coordination and support to increase the existing volunteer network by leveraging emerging technologies to reach new service providers and clients.

These services were previously funded, but funding was paused in FY 2012-2013.

**EXTERNAL/INTERNAL FACTORS:**

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	<p>The 80th Legislature, Regular Session, 2007, enacted H.B. 2683 and H.B. 2685 requiring HHSC to spend a minimum of one percent of TANF funds during each fiscal year to fund programs that support the development of healthy marriages of the strengthening of families and to develop and maintain a website through which individuals and program organizations can electronically register and provide information about available marriage education curriculum and services. FY 2010-11 appropriations for the Healthy Marriage Program replaced TANF federal funding with state funding.</p> <p>In addition, H.B. 2685 also increased the fee for a Texas marriage license to \$60, while providing a waiver of that fee for couples who completed at least eight hours of premarital education with the year preceding the application for the license. Currently, many couples do not find out about the Healthy Marriage Program until they are already prepared to apply for a marriage license with the County Clerk. Thus, missing the opportunity to participate in a marriage education opportunity and receive the \$60 fee and 72-hour waiting period waiver.</p>		

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Expand Family Violence Prevention and Victim Services		
	<b>Item Priority:</b> 24		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 04-02-01 Family Violence Services		
<b>OBJECTS OF EXPENSE:</b>			
4000	GRANTS	1,250,000	1,250,000
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,250,000</b>	<b>\$1,250,000</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	1,250,000	1,250,000
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,250,000</b>	<b>\$1,250,000</b>

**DESCRIPTION / JUSTIFICATION:**

This request enables current family violence (FV) service providers and other community-based organizations to provide economic stability and legal services, primary prevention and domestic violence fatality review (DFVR) over and above the core services. These expanded services will enable service providers to serve clients more efficiently and effectively, thus freeing up resources for use by new clients.

Providing enhanced economic stability and legal services can facilitate a victim's transition out of the shelter, reduce the incidence of repeat FV, and strengthen families. As a result of receiving these services, victims are better able to function independently in society, provide a safer environment for their family, and support themselves economically. Enhancing economic stability and legal services directly impacts the key risk factors that drive victims back to their abusers. These services contribute to HHSC's objective to encourage self-sufficiency, and are an extension of the agency's efforts to increase the safety of adult victims and their children.

The primary benefits of providing prevention services is a reduction in the overall incidence and severity of FV by informing and educating the community, teaching potential abusers to develop appropriate coping strategies, and building stronger systems that can operate collaboratively to address family violence when it occurs. These services will enhance infrastructure and improve systems, leading to a reduction in the incidence and severity of FV.

**EXTERNAL/INTERNAL FACTORS:**

The primary external factor that impacts this request is the changing demographics of the population served by the Family Violence Program. Victims that present for services at the family violence shelters and nonresidential facilities are bringing increasingly complex issues that typically require additional resources or time to address. Examples include custody and other legal issues, severe economic concerns, and mental health and substance abuse issues. Stakeholders, including the service providers and victims of family violence, have indicated a need for resources that can address the increasingly complex and challenging issues facing victims. While shelter and nonresidential staff have the skills and training to address many situations, some clients present with issues that require specialized expertise. Additionally, stakeholders have expressed a need for more emphasis on prevention and an increased understanding of how to strengthen the systems currently in place to address family violence.

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<u>CODE</u>	<u>DESCRIPTION</u>	<u>Excp 2014</u>	<u>Excp 2015</u>
	<b>Item Name:</b> Add Therapies to Medicaid waivers for Individuals with Acquired Brain Injury (HHS Agencies)		
	<b>Item Priority:</b> 25		
	<b>Includes Funding for the Following Strategy or Strategies:</b>		
	02-01-01 Aged and Medicare-related Eligibility Group		
	02-01-02 Disability-Related Eligibility Group		
	02-03-01 Medicaid Contracts and Administration		
 <b>OBJECTS OF EXPENSE:</b>			
3001	CLIENT SERVICES	2,637,435	1,967,387
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$2,637,435</b>	<b>\$1,967,387</b>
 <b>METHOD OF FINANCING:</b>			
555	Federal Funds		
93.778.000	XIX FMAP	1,576,131	1,176,498
758	GR Match For Medicaid	1,061,304	790,889
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$2,637,435</b>	<b>\$1,967,387</b>

**DESCRIPTION / JUSTIFICATION:**

This request would fund the costs associated with providing cognitive therapies to individuals with an acquired brain injury (ABI) who are currently enrolled in STAR+Plus at HHSC and other long-term-care waivers at DADS. There would be administrative costs at both agencies.

The biennial costs at DADS totals \$0.4 million GR and \$1.0 million in All Funds and are reflected in HHSC Strategy 2.3.1. Medicaid Contracts and Administration. The biennial cost at HHSC totals \$1.5 million GR and \$3.6 million ALL Funds.

The estimated number of individuals with an acquired brain injury that would be served is 738 in FY 2014 and 757 in FY 2015.

**EXTERNAL/INTERNAL FACTORS:**

Acquired Brain Injury is a growing public health issue in Texas and across the nation. More than 144,000 Texans are reported annually with a subset of ABI, Traumatic Brain Injury (TBI), caused by a penetrating wound, a blow or jolt to the head. As a result, over 5,700 Texans are permanently disabled from these injuries.

Acquired Brain Injuries (include TBI as well as stroke, heart attack, brain tumors, choking, near-drowning or other conditions that create oxygen deprivation which disrupts the normal function of the brain but are not always recognized as a brain injury.

Inclusion of these services in Medicaid waivers would provide the necessary array of services that allow people to remain in their homes and receive the support to regain independence. Federal approval would be required.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Upgrade HHSAS Financials - Hardware Remediation (HHS Agencies)		
	<b>Item Priority:</b> 26		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-02-01 Consolidated System Support		
<b>OBJECTS OF EXPENSE:</b>			
2009	OTHER OPERATING EXPENSE	51,200	51,200
5000	CAPITAL EXPENDITURES	1,241,955	272,267
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$1,293,155</b>	<b>\$323,467</b>

**METHOD OF FINANCING:**

1	General Revenue Fund	799,209	199,913
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	216,694	54,203
10.561.000	St Admin Match Food Stamp	72,598	18,159
93.767.000	CHIP	1,228	307
93.778.003	XIX 50%	65,162	16,300
758	GR Match For Medicaid	65,162	16,300
8010	GR Match For Title XXI	504	126
8014	GR Match Food Stamp Adm	72,598	18,159
<b>TOTAL, METHOD OF FINANCING</b>		<b>\$1,293,155</b>	<b>\$323,467</b>

**DESCRIPTION / JUSTIFICATION:**

Funding would allow remediation of the HHSAS Financials PeopleSoft application onto a refreshed technology platform within the consolidated data centers in San Angelo and Austin. The current platform is an aging technology (approximately 6 years or older) residing on the legacy side of the San Angelo data center, with production, test, and development on the same platforms causing contention for resources. With this upgrade, the production environment would be in San Angelo and the test/development would be in Austin, and therefore available for disaster recovery/business continuity purposes.

**EXTERNAL/INTERNAL FACTORS:**

The current platform does not meet the software requirements for the Data Center Services (DCS) Contract. This initiative is part of the technology refresh requirement. New hardware and software will enable compliance with "n" or "n-1" software standards. It will provide users with improved performance, particularly with reporting. Other agencies impacted include DADS, DARS, DFPS, and DSHS.

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<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Increase HHS Recruitment and Retention		
	<b>Item Priority:</b> 27		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 01-02-01 Consolidated System Support		
<b>OBJECTS OF EXPENSE:</b>			
1001	SALARIES AND WAGES	23,755,849	23,755,849
	<b>TOTAL, OBJECT OF EXPENSE</b>	<b>\$23,755,849</b>	<b>\$23,755,849</b>
<b>METHOD OF FINANCING:</b>			
1	General Revenue Fund	14,270,744	14,270,744
555	Federal Funds		
00.000.001	Comptroller Misc Claims Fed Fnd Pym	9,485,105	9,485,105
	<b>TOTAL, METHOD OF FINANCING</b>	<b>\$23,755,849</b>	<b>\$23,755,849</b>

**DESCRIPTION / JUSTIFICATION:**

HHSC requests this exceptional item in support of the Department of Aging and Disability Services (DADS) and Department of State Health Services (DSHS) efforts in improving recruitment and retention in critical positions in state supported living centers and state mental health hospitals. Funding would allow DADS and DSHS to provide a 10 percent salary increase to over 13,000 staff in critical direct health care positions to improve retention and recruitment of these staff. This request is in addition to requests in the DADS and DSHS LARs for funding salary increases for other health professionals.

This funding request includes costs in FY 2014-15 of \$32.7 million All Funds and \$13.8 million GR for DADS and \$14.8 million All Funds and GR for DSHS.

**EXTERNAL/INTERNAL FACTORS:**

Even though decline in economy has decreased the turnover in some areas within HHS, selected areas, especially among direct care staff, continue experiencing high turnover rates.

**4.A. Exceptional Item Request Schedule**  
 83rd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2012**  
 TIME: **2:24:36PM**

Agency code: **529**

Agency name:

**Health and Human Services Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Carve In Nursing Facility Services in STAR+Plus		
	<b>Item Priority:</b> 28		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 02-01-01 Aged and Medicare-related Eligibility Group		
<b>OBJECTS OF EXPENSE:</b>			
3001	CLIENT SERVICES	0	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$0</b>

**DESCRIPTION / JUSTIFICATION:**

HHSC seeks to include nursing facility services provided to persons enrolled in the STAR+PLUS program in the array of benefits covered under the monthly capitation payments to Managed Care Organizations. This would entail adding funds to the capitation that would cover all services currently provided that are billed to and paid by the Department of Aging and Disability Services to nursing facilities.

Details of this proposal are being developed and will include specific definitions of covered populations and means to identify those persons at the time they are in a nursing facility so as to ensure that duplicate payments are avoided or minimized and enrolled persons understand the benefits available to them while they are in nursing facility care.

**EXTERNAL/INTERNAL FACTORS:**

**4.A. Exceptional Item Request Schedule**  
 83rd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2012**  
 TIME: **2:24:36PM**

Agency code: **529**

Agency name:

**Health and Human Services Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
	<b>Item Name:</b> Affordable Care Act Provision: Dual Eligibles Integrated Care Project		
	<b>Item Priority:</b> 29		
	<b>Includes Funding for the Following Strategy or Strategies:</b> 02-01-01 Aged and Medicare-related Eligibility Group		
<b>OBJECTS OF EXPENSE:</b>			
3001	CLIENT SERVICES	0	0
<b>TOTAL, OBJECT OF EXPENSE</b>		<b>\$0</b>	<b>\$0</b>

**DESCRIPTION / JUSTIFICATION:**

This is a placeholder request as the estimated fiscal impact has not been determined. Opportunity for states to participate in a capitated or managed FFS model to provide comprehensive coverage to dual (Medicare-Medicaid) eligibles and share in savings achieved through improved care coordination and health outcomes for this population.

**EXTERNAL/INTERNAL FACTORS:**

Section 2602 of the ACA allows an opportunity for states to align financing between Medicare and Medicaid to support improvements in the quality and cost of care for individuals enrolled in both programs through improved care coordination.

**4.A. Exceptional Item Request Schedule**  
 83rd Regular Session, Agency Submission, Version 1  
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: **8/23/2012**  
 TIME: **2:24:36PM**

Agency code: **529**

Agency name:

**Health and Human Services Commission**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>Excp 2014</b>	<b>Excp 2015</b>
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**Item Name:** Affordable Care Act Provision: Balancing Incentives Payment (BIP) Program

**Item Priority:** 30

**Includes Funding for the Following Strategy or Strategies:** 02-01-02 Disability-Related Eligibility Group

**OBJECTS OF EXPENSE:**

3001	CLIENT SERVICES	0	0
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**DESCRIPTION / JUSTIFICATION:**

This is a placeholder request as the estimated fiscal impact has not been determined. Provides an increase in federal financial participation (FMAP) for a balancing incentive payment state for eligible Medicaid expenditures. Balancing incentive payments are available to states in which less than 50% of total Medicaid expenditures for a fiscal year for long-term services and supports (LTSS) are for non-institutional LTSS. Texas has applied for BIP funding and CMS has confirmed that Texas could qualify for a time-limited 2% increase in FMAP for community-based services. Funding is available to states through October 2015 and must be invested in infrastructure improvements and efforts designed to improve access to community-based LTSS.

**EXTERNAL/INTERNAL FACTORS:**

Section 10202 of the ACA establishes the Balancing Incentive Program (BIP) which will grant states a targeted increase in their FMAP (Texas is eligible for 2%) for non-institutional LTSS if states meet required structural changes.