

3.A. Strategy Request

84th Regular Session, Agency Submission, Version 1
Automated Budget and Evaluation System of Texas (ABEST)

529 Health and Human Services Commission

GOAL: 1 HHS Enterprise Oversight and Policy
 OBJECTIVE: 1 Enterprise Oversight and Policy
 STRATEGY: 1 Enterprise Oversight and Policy
 Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 30
 Income: A.2
 Age: B.3

Output Measures and Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures: 1 Number of Rates Determined Annually	\$16,450	\$20,906.00	\$18,000.00	\$18,000.00	\$18,000.00
Objects of Expense: 1001 SALARIES AND WAGES	\$17,341,315	\$19,695,574	\$20,114,312	\$22,249,191	\$22,087,461
Objects of Expense: 1002 OTHER PERSONNEL COSTS	\$654,006	\$625,743	\$622,098	\$692,771	\$690,727
Objects of Expense: 2001 PROFESSIONAL FEES AND SERVICES	\$6,269,748	\$15,499,863	\$9,328,405	\$6,880,469	\$5,663,309
Objects of Expense: 2002 FUELS AND LUBRICANTS	\$4,765	\$4,798	\$4,784	\$4,784	\$4,784
Objects of Expense: 2003 CONSUMABLE SUPPLIES	\$61,440	\$114,950	\$108,005	\$107,356	\$107,239

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Objects of Expense: 2004 UTILITIES	\$589,368	\$629,256	\$665,686	\$364,659	\$362,751
Objects of Expense: 2005 TRAVEL	\$191,888	\$446,806	\$463,815	\$493,084	\$356,995
Objects of Expense: 2006 RENT - BUILDING	\$800,211	\$921,736	\$983,627	\$1,133,516	\$1,133,516
Objects of Expense: 2007 RENT - MACHINE AND OTHER	\$286,258	\$333,579	\$370,624	\$184,028	\$184,028
Objects of Expense: 2009 OTHER OPERATING EXPENSE	\$2,118,572	\$2,826,389	\$2,341,942	\$2,013,550	\$1,898,077
Objects of Expense: 4000 GRANTS	\$23,896,095	\$26,939,227	\$20,554,635		\$18,161,186
\$12,695,273 Objects of Expense: 5000 CAPITAL EXPENDITURES	\$9,152	\$2,314	\$1,646	\$0	\$0
TOTAL, OBJECT OF EXPENSE	\$52,222,818	\$68,040,235	\$55,559,579	\$52,284,594	\$45,184,160

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$7,187,783	\$11,878,762	\$14,373,333	\$12,932,128	\$12,932,128
758 GR Match for Medicaid	\$4,226,110	\$5,839,221	\$5,374,464	\$5,353,620	\$5,353,620
8010 GR Match for Title XXI	\$68,232	\$100,242	\$100,744	\$113,474	\$113,714
8014 GR Match Food Stamp Adm	\$1,659,418	\$1,818,404	\$1,826,168	\$1,908,141	\$1,908,141
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)	\$13,141,543	\$19,636,629	\$21,674,709	\$20,307,363	\$20,307,603

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Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
369 Fed Recovery & Reinvestment Fund 93.719.00 St Grants_Hlth Info Tech - Stimulus	\$8,623,643	\$3,054,141	\$0	\$0	\$0
369 Fed Recovery & Reinvestment Fund 93.748.000 Integration and Interoperab. Exp.		\$206,250	\$234,766	\$0	\$0
CFDA Subtotal, Fund 369	\$8,623,643	\$3,260,391	\$234,766	\$0	\$0
555 Federal Funds 10.561.000 State Admin Match SNAP	\$1,659,431	\$1,818,582	\$1,826,346	\$1,908,427	\$1,908,427
555 Federal Funds 93.104.000 Comprehensive Community M	\$356,536	\$41,526	\$0	\$0	\$0
555 Federal Funds 93.110.000 Maternal and Child Health	\$138,950	\$0	\$0	\$0	\$0
555 Federal Funds 93.234.00 TRAUMATIC BRAIN INJURY	\$156,359	\$249,338	\$0	\$0	\$0
555 Federal Funds 93.243.000 Project Reg. & National Significance	\$10,152	\$965,951	\$62,780	\$982,314	\$776,703

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.505 ACA Home Visiting Program	\$8,850,336	\$11,397,900	\$7,087,174	\$894,823	\$0
555 Federal Funds 93.505.001 ACA Home Visitation Grant - Competitive	\$2,084,554	\$7,910,278	\$2,674,390	\$6,546,218	\$546,218
555 Federal Funds 93.558.000 Temp Assist Needy Family	\$3,275,189	\$3,498,590	\$3,500,138	\$3,504,232	\$3,504,232
555 Federal Funds 93.566.000 Refugee and Entrant Assis	\$5,300	\$10,776	\$11,010	\$11,790	\$11,790
555 Federal Funds 93.609.000 ACA Medicaid Adult Quality Grants	\$301,470	\$227,040	\$0	\$0	\$0
555 Federal Funds 93.667.00 Social Services Block Grants	\$105,611	\$128,986	\$129,584	\$130,543	\$130,543
555 Federal Funds 93.748.000 Integration and Interoperab. Exp.	\$8,984	\$0	\$0	\$0	\$0
555 Federal Funds 93.767.000 CHIP	\$171,025	\$247,190	\$248,454	\$262,793	\$262,553
555 Federal Funds 93.778.003 XIX 50%	\$4,227,055	\$5,838,854	\$5,374,098	\$5,353,253	\$5,383,253
CFDA Subtotal, Fund 555	\$21,350,952	\$32,335,011	\$20,913,974	\$19,594,393	\$12,493,719
SUBTOTAL MOF (FEDERAL FUNDS)	\$29,974,595	\$35,595,402	\$21,148,748	\$19,594,393	\$12,493,719

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
666 Appropriated Receipts	\$102,290	\$149,782	\$139,670	\$139,670	\$139,670
777 Interagency Contracts	\$9,004,390	\$12,658,422	\$12,596,460	\$12,243,168	\$12,243,168
SUBTOTAL MOF (OTHER FUNDS)	\$9,106,680	\$12,808,204	\$12,736,130	\$12,382,838	\$12,382,838

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)	\$13,141,543	\$19,636,629	\$21,674,709	\$20,307,363	\$20,307,603
SUBTOTAL, MOF (GENERAL REVENUE FUNDS)	\$13,141,543	\$19,636,629	\$21,674,709	\$20,307,363	\$20,307,603
SUBTOTAL MOF (OTHER FUNDS)	\$9,106,680	\$12,808,204	\$12,736,130	\$12,382,838	\$12,382,838
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	\$0	\$0	\$0	\$52,284,594	\$45,184,160
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$52,222,818	\$68,040,236	\$55,559,579	\$52,284,594	\$45,184,160
FULL TIME EQUIVALENT POSITIONS:	275.4	315.5	347.0	347.0	347.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The HHS Enterprise strategy includes consolidated oversight, policy, guidance, and coordination of the 5 HHS agencies. Key priorities include the Executive Commission, Communications, Legal, Risk and compliance Management, Federal Funds Management, Rate Analysis, System Forecasting, Actuarial Analysis, Strategic Planning, and Program Evaluation, which support the entire HHS enterprise and funding is dependent on all five agencies.

HHSC also coordinates interagency projects involved in service integration, including: Community Resource Coordination Groups for children, youth and families with complex needs; Taskforce for Children with Special Needs; Institute for health Care Quality and efficiency; Family-based Alternatives; Long-Term Care Insurance Partnership; Texas Office for the

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Prevention of Developmental Disabilities; Office of Acquired Brain Injury; Veteran's Health Services and Supports; coordination of HHS services in East Texas and in colonias along the Texas-Mexico border; Maternal, Infant and early Childhood Home Visiting programs; Texas Home Visiting program; Nurse Family Partnership program; Promoting Independence; Umbilical Cord Blood Bank; Prescription Drug Monitoring program; and the System of Care Consortium which replaced the Texas Integrated Funding Initiative (TIFI) in support of children and youth with severe emotional disturbances and health information network development. Federal funding for the health information network grants ended March 214.

Legal Base: Chapter 531.055, Government Code

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

A key external factor is change to federal and state health policy. Changes to Medicaid, CHIP, and other HHS programs as well as the implementation of new programs continue to place increased demands on oversight and policy functions. HHSC also has a need to provide oversight and develop policies that are client-focused.

Changes in demographic trends (e.g., an aging population and increased longevity) and economic conditions (e.g., caseloads) also present factors that must be considered in HHS policy considerations. Additionally, many HHS enterprise efforts are financed by interagency contracts with other HHS agencies, and available funding for these enterprise operations depends on the ability of the contributing agencies to continue current levels of funding.

The primary internal factor impacting this strategy is the challenge and opportunity to provide services more efficiently through such means as increasing the scope of health-care services delivered through Medicaid managed care and to implement transformational policies to improve quality of care for Medicaid clients. These types of initiatives often require changes to HHS enterprise staffing, functions, services, and providers, thereby impacting this strategy. Functions within this strategy focus on balancing oversight and operations, streamlining administrative services, and strengthening analytical and forecasting support for major decisions with financial significance.

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GOAL: 1 HHS Enterprise Oversight and Policy
 OBJECTIVE: 1 Enterprise Oversight and Policy
 STRATEGY: 2 Integrated Eligibility and Enrollment (IEE)
 Statewide Goal/Benchmark: 3 10
 Service Categories:
 Service: 08
 Income: A.1
 Age: B.1

Object of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1002 OTHER PERSONNEL COSTS	\$12,971,484	\$15,693,926	\$14,947,716	\$15,425,870	\$15,425,870
2001 PROFESSIONAL FEES AND SERVICES	\$215,748,279	\$245,117,977	\$284,831,830	\$242,123,283	\$235,507,482
2002 FUELS AND LUBRICANTS	\$74,850	\$79,758	\$78,301	\$78,301	\$78,301
2003 CONSUMABLE SUPPLIES	\$2,166,265	\$3,613,686	\$3,591,042	\$3,592,106	\$3,592,106
2004 UTILITIES	\$16,890,075	\$14,914,596	\$15,243,721	\$13,860,706	\$13,861,085
2005 TRAVEL	\$10,419,912	\$11,409,446	\$11,456,307	\$11,455,993	\$11,455,993
2006 RENT - BUILDING	\$27,848,081	\$29,643,329	\$30,962,998	\$27,889,835	\$27,889,835
2007 RENT - MACHINE AND OTHER	\$8,677,045	\$8,090,180	\$9,202,922	\$3,746,024	\$3,746,024
2009 - OTHER OPERATING EXPENSE	\$63,565,471	\$87,210,753	\$96,601,485	\$92,562,116	\$92,771,803
5000 CAPITAL EXPENDITURES	\$239,686	\$33,027	\$8,759	\$751	\$751
TOTAL OBJECT OF EXPENSE	\$670,561,574	\$760,251,742	\$806,366,440	\$747,206,107	\$704,800,372

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$2,270,386	\$5,648,269	\$5,799,470	\$5,162,004	\$5,162,004
758 GR Match for Medicaid	\$156,910,082	\$185,935,004	\$206,919,497	\$182,873,803	\$181,614,371
8010 GR Match for Title XXI	\$12,881,762	\$16,015,411	\$15,894,411	\$15,446,526	\$14,869,923
GR Match Food Stamp Adm	\$140,280,640	\$141,515,768	\$142,428,158	\$140,441,007	\$139,623,025
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$312,342,870	\$349,114,452	\$371,041,536	\$343,923,340	\$341,269,323

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
369 Fed Recovery & Reinvestment Fund 93.714.000 TANF Emergency Contingency Fund - Stimulus	\$2,8000,000	\$200,000	\$0	\$0	\$0
CFDA Subtotal Fund 369	\$2,8000,000	\$200,000	\$0	\$0	\$0
555 Federal Funds 00.000.01 Comptroller Misc Claims Fed Fund Payment	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 10.551.000 Food Stamps	\$10,784	\$2,400	\$0	\$0	\$0
555 Federal Funds 10.561.000 State Admin Match SNAP	\$126,733,105	\$153,566,162	\$154,257,970	\$150,709,423	\$149,891,440
555 Federal Funds 10.580.000 SNAP: Customer Mgmt Flow Sys Deployment	\$33,4000	\$43,041	\$0	\$0	\$0
555 Federal Funds 93.558.000 Temp Assist Needy Families	\$10,314,468	\$10,374,833	\$10,477,739	\$10,684,383	\$10,564,933

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.566.000 Refugee and Entrant Assis	\$637,798	\$686,720	\$692,508	\$674,526	\$674,526
555 Federal Funds 93.667.000 Social Services Block Grants	\$0	\$68	\$74	\$74	\$74
555 Federal Funds 93.767.000 CHIP	\$32,245,869	\$39,614,647	\$39,826,509	\$36,545,569	\$34,990,716
555 Federal Funds 93.778.003 XIX 50%	\$164,642,489	\$195,400,830	\$218,768,378	\$192,210,953	\$190,951,521
555 Federal Funds 93.778.004 XIX ADM @ 75%	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$9,479,882	\$0	\$0	\$1,156,113	\$1,156,113
555 Federal Funds 93.778.07 XIX ADM @ 100	\$447,527	\$0	\$0	\$0	\$0
555 Federal Funds 97.073.000 St. Homeland Security Program	\$180,000	\$180,000	\$180,000	\$180,000	\$180,000
CFDA Subtotal Fund 555	\$344,725,322	\$399,868,701	\$424,203,178	\$392,161,041	\$388,409,323
SUBTOTAL MOF (FEDERAL FUNDS)	\$347,525,322	\$400,068,701	\$424,203,178	\$392,161,041	\$388,409,323

Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
666 Appropriated Receipts	\$9,574,979	\$9,463,428	\$9,463,428	\$9,463,428	\$9,463,428
777 Interagency Contracts	\$1,118,403	\$1,605,161	\$1,658,298	\$1,658,298	\$1,658,298
SUBTOTAL MOF (OTHER FUNDS)	\$10,693,382	\$11,068,589	\$11,121,726	\$11,121,726	\$11,121,726

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Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$312,342,870	\$349,114,452	\$371,041,536	\$343,923,340	\$341,269,323
SUBTOTAL MOF (FEDERAL FUNDS)	\$347,525,322	\$400,068,701	\$424,203,178	\$392,161,041	\$388,409,323
SUBTOTAL MOF (OTHER FUNDS)	\$10,693,382	\$11,068,589	\$11,121,726	\$11,121,726	\$11,121,726
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	\$0	\$0	\$0	\$747,206,107	\$740,800,372
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$670,561,574	\$760,251,742	\$806,366,440	\$747,206,107	\$740,800,372
FULL TIME EQUIVALENT POSITIONS:	9,313.4	9,401.4	9,401.4	9,401.4	9,401.4

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Integrated Eligibility and Enrollment (IEE) strategy encompasses multiple channels (face-to-face, fax Internet, and telephone) to apply for various benefits including: eligibility determination for Temporary Assistance for Needy Families (TANF) cash assistance; Supplemental Nutrition Assistance Program (SNAP); Medicaid, Children's Health Insurance Program (CHIP) and Refugee services; Electronic Benefits Transfer (EBT) for TANF and SNAP; outreach and application assistance; nutrition education; non-capital operations, enhancements and maintenance for Texas Integrated Eligibility Redesign System and Eligibility Supporting technologies (TIERS/EST); and policy, training, oversight, and quality assurance/quality control. Other strategy programs include 2-1-1 Texas Information Referral Network (TIRN); ombudsman services; and the "Twogether in Texas" healthy Marriage programs.

Eligibility determination continues to be modernized to maximize the use of self-service options, web-based automation, document imaging and electronic case files, shared work flow between local benefit offices, and contracted support of eligibility and enrollment functions.

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Legal Base: Federal - TANF 42 USCA 601 et. Seq. SNAP 7 USCA 2011 et seq., Medicaid 42 USCA 1396 et seq.; Human Resources Code Chapter 22, 31, 32, 33, 34, and 44, Health and Safety Code Ch. 62 and 63.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors affecting eligibility and enrollment include 1) caseload/workload growth and caseload mix changes; 2) laws and standards for case decision timeliness and benefit determination accuracy, including state compliance with federal standards that determine receipt of bonuses or imposition of sanctions and financial penalties; 3) re-procurements of contracted services; 4) federal programs and policy changes; 5) implementation of program and policy changes from state legislation; 6) disasters; and 7) federal and state review and oversight.

Many of the expenditures of contracted support functions, such as EBT, are derived by a unit cost of transactions or number of clients, which are caseload driven.

Internal factors affecting eligibility and enrollment include 1) staff retention and recruitment; 2) cost allocation factor changes impacted by the number and type of cases affecting the demand for general revenue; and 3) streamlining internal processes and procedures with technology to reduce administrative costs and improve productivity and efficiencies.

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GOAL: 1 HHS Enterprise Oversight and Policy
 OBJECTIVE: 2 HHS Consolidated System Support Services
 STRATEGY: 1 Consolidated System Support
 Statewide Goal/Benchmark: 3 0
 Service Categories:
 Service: 09
 Income: A.2
 Age: B.3

Output and Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures: 1 Initiatives to Address Disproportionality and Disparities	275.00	300.00	374.00	371.00	370.00
Efficiency Measures: 1 Percent of Informal Dispute Resolutions Completed Within 30 Days	100.00%	95.00%	95.00%	95.00%	95.00%
Efficiency Measures: 2 Percent of Dispute Resolutions Completed Within 90 Days Timeframe	100.00%	95.00%	95.00%	95.00%	95.00%

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$30,831,508	\$37,866,011	\$43,602,925	\$43,602,925	\$43,602,925
1002 OTHER PERSONNEL COSTS	\$1,455,621	\$1,327,037	\$1,433,263	\$1,433,263	\$1,433,263
2001 PROFESSIONAL FEES & SERVICES	\$49,040,681	\$74,579,951	\$79,830,060	\$92,260,766	\$94,445,481
2002 FUELS AND LUBRICANTS	\$92,787	\$124,413	\$116,785	\$116,785	\$116,785
2003 CONSUMABLE SUPPLIES	\$124,072	\$312,647	\$376,265	\$229,046	\$229,046

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2004 UTILITIES	\$1,472,901	\$1,606,237	\$1,650,603	\$13,413,271	\$13,365,939
2005 TRAVEL	\$562,128	\$659,121	\$632,570	\$632,570	\$632,570
2006 RENT - BUILDING	\$1,857,099	\$2,398,228	\$2,536,523	\$2,536,523	\$2,536,523
2007 RENT - MACHINE AND OTHER	\$546,897	\$597,294	\$686,264	\$8,182,618	\$8,200,218
2009 OTHER OPERATING EXPENSE	\$19,986,220	\$31,378,120	\$16,274,145	\$36,333,122	\$39,787,984
3001 CLIENT SERVICES	\$0	\$0	\$0	\$0	\$0
3002 FOOD FOR PERSONS - WARDS OF STATE	\$5,500,553	\$6,567,824	\$6,567,824	\$6,567,824	\$6,567,824
4000 GRANTS	\$0	\$37,301	\$24,751	\$24,751	\$24,751
5000 CAPITAL EXPENDITURES	\$1,685,746	\$7,479,619	\$2,807,028	\$6,118,543	\$2,075,000
TOTAL OBJECT OF EXPENSE	\$113,156,213	\$164,933,803	\$156,539,006	\$211,452,007	\$213,018,309

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
7 General Revenue Fund	\$3,154,777	\$1,146,375	\$1,407,419	\$898,532	\$668,016
758 GR Match for Medicaid	\$10,561,925	\$16,117,949	\$16,282,059	\$22,072,744	\$23,321,778
8010 GR Match for Title XXI	\$137,110	\$672,916	\$654,174	\$997,913	\$1,038,176
8014 GR Match Food Stamp Adm	\$6,679,815	\$7,022,251	\$7,480,749	\$11,787,506	\$10,897,143
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$20,533,627	\$24,959,491	\$25,824,401	\$35,756,695	\$35,925,113

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 00.000.001 Comptroller Misc Claims Fed Fnd Pym	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 10.561.000 State Admin Match SNAP	\$6,679,827	\$7,053,517	\$7,341,137	\$11,631,097	\$11,742,217
555 Federal Funds 93.296.000 St Grant to Improve Minority Health	\$143,344	\$164,757	\$141,087	\$141,087	\$141,087
555 Federal Funds 93.558.000 Temp Assist Needy Families	\$537,988	\$507,262	\$510,749	\$773,286	\$829,718
555 Federal Funds 93.566.000 Refugee and Entrant Assis	\$61,129	\$64,192	\$61,549	\$88,794	\$107,155
555 Federal Funds 93.643.000 Children's Justice Grants	\$29,146	\$44,631	\$0	\$0	\$0
555 Federal Funds 93.667.000 Social Services Block Grants	\$2,898	\$11,620	\$10,258	\$15,873	\$18,633
555 Federal Funds 93.767.000 CHIP	\$338,463	\$1,653,667	\$1,606,815	\$2,331,967	\$2,586,865
555 Federal Funds 93.778.003 XIX 50%	\$10,398,987	\$11,674,660	\$11,905,721	\$17,592,962	\$17,102,866
555 Federal Funds 93.778.004 XIX ADM @ 75%	\$10,248	\$10,252,085	\$13,038,073	\$3,562,104	\$10,225,174
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$1,477,969	\$10,349,284	\$13,128,967	\$28,453,228	\$26,766,397
CFDA Subtotal Fund 555	\$19,679,999	\$41,775,675	\$47,744,356	\$64,290,395	\$69,520,112
SUBTOTAL MOF (FEDERAL FUNDS)	\$19,679,999	\$41,775,675	\$47,744,356	\$64,290,395	\$69,520,112

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
666 Appropriated Receipts	\$34	\$80	\$0	\$0	\$0
777 Interagency Contracts	\$72,942,553	\$98,198,557	\$82,970,249	\$111,104,917	\$107,573,084
SUBTOTAL MOF (OTHER FUNDS)	\$72,942,553	\$98,198,557	\$82,970,249	\$111,104,917	\$107,573,084

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$20,533,627	\$24,959,491	\$25,824,401	\$35,756,695	\$35,925,113
SUBTOTAL MOF (FEDERAL FUNDS)	\$19,679,999	\$41,775,675	\$47,744,356	\$64,290,395	\$69,520,112
SUBTOTAL MOF (OTHER FUNDS)	\$72,942,553	\$98,198,557	\$82,970,249	\$111,104,917	\$107,573,084
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$211,452,007	\$213,018,309
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$113,156,213	\$164,933,803	\$156,539,006	\$211,452,007	\$213,018,309
FULL TIME EQUIVALENT POSITIONS	618.2	756.5	808.7	808.7	808.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Consolidated System Support Services strategy includes funding for all HHS System support functions that have been consolidated at HHSC for the benefit of all HHS agencies including: Human Resources, Payroll and Leave Support, Procurement, Information Technology Oversight, Facilities and Leasing, Workforce Support Services, Community Support and collaborations, Center for the Elimination of Disproportionality and Disparities, Enterprise Risk Management and Safety and Civil Rights.

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Funding also provides oversight support of the State Hospitals operate by DSHS and the State Supported Living Centers operated by DADS for programs/functions such as risk management, training, food transportation, nutrition planning, and facility management. This strategy includes funding for the on-going operations of health and Human Services Administration System (HHSAS). These functions support the entire HHS system and funding is dependent upon all five agencies.

Costs for FY 2016-17 reflect reallocation of funding to support Data Center Services, Seat Management, and Enterprise Telecom Enhancements. Historically, these capital projects were cost allocated across most strategies based on FTEs and have now been consolidated into this category.

Legal Base: Section 531.0055, Government Code

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Changes in staffing or program in the five HHS agencies impact the level of administrative support needed. Changes in law or rules relating to leasing, purchasing facilities or information technology affect the cost of support services. Economic trends that affect lease cost and purchase prices may also affect the cost of support series. Legislative changes to employee benefits; affect the cost of human resources support services. New federal regulations including civil rights affect the cost of support services for the HHS agencies. Changes in cost allocation factors affect the distribution of shared costs across the five agencies and the demand for GR. The GASB Statement #51 could impact the purchase and depreciation of certain software and the return of federal funds and the reliance of 100% state funds.

Outsources of administrative services and associated costs affect the cost of support services for the five HHS agencies. Optimization projects and agency reductions or increased in staff affect the cost of support services for the HHS Enterprise agencies. Technology solutions that increase efficiencies could result in short-term costs in support services with long-term savings in other areas.

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GOAL: 2 Medicaid
 OBJECTIVE: 1 Medicaid Health Services
 STRATEGY: 1 Aged and Medicare-related Eligibility Group
 Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 22
 Income: A.2
 Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Aged and Medicare-Related Recipient Months Per Ponth: Total (KEY)	366,748.00	371,021.00	378,372.00	390,311.00	404,449.00
2 Avg Aged and Medicare-Related Recipient Months Per Month: STAR+PLUS	224,631.00	228,129.00	310,596.00	340,485.00	351,880.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Aged and Medicare-Related Cost Per Recipient Month (KEY)	433.63	480.77	738.65	949.92	939.15
2 Avg Cost Per Aged & Medicare-Related Recipient Month: STAR+PLUS	651.03	721.49	875.50	1,072.63	1,062.81

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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3001 CLIENT SERVICES	\$1,949,019,657	\$2,140,124,720	\$3,143,970,015	\$4,449,373,311	\$4,556,942,665
TOTAL OBJECT OF EXPENSE	\$1,949,019,657	\$2,140,124,720	\$3,143,970,015	\$4,449,373,311	\$4,556,942,665

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
758 GR Match for Medicaid	\$741,104,622	\$803,55,511	\$1,214,522,148	\$1,847,320,998	\$1,898,628,629
8137 GR Match: Medicaid Entitlement Demand	\$0	\$0	\$0	\$0	\$0
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$741,104,622	\$803,55,511	\$1,214,522,148	\$1,847,320,998	\$1,898,628,629

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
369 Fed Recovery & Reinvestment Fund 93.778.014 Medicaid - Stimulus	\$74,204	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund 369	\$74,204	\$0	\$0	\$0	\$0
555 Federal Funds 93.778.00 XIX FMAP	\$1,207,787,470	\$1,222,840,717	\$1,901,822,727	\$2,602,024,438	\$2,658,291,476
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$49,369	\$37,004	\$40,858	\$27,878	\$22,560
555 Federal Funds 93.778.007 XIX ADM @ 100	\$3,992	\$113,691,488	\$27,584,282	\$0	\$0
CFDA Subtotal, Fund 555	\$1,207,840,831	\$1,336,569,209	\$1,292,447,867	\$2,602,052,313	\$2,658,314,036
8138 FF - Entitlement Demand 93.778.00 XIX FMAP	\$0	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund 8138	\$0	\$0	\$0	\$0	\$0
SUBTOTAL MOF (FEDERAL)	\$1,207,840,831	\$1,336,569,209	\$1,292,447,867	\$2,602,052,313	\$2,658,314,036

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8062 Approp Receipts - Match for Mediciad	\$0	\$0	\$0	\$0	\$0
SUBTOTAL MOF (OTHER FUNDS)	\$0	\$0	\$0	\$0	\$0

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$741,104,622	\$803,55,511	\$1,214,522,148	\$1,847,320,998	\$1,898,628,629
SUBTOTAL MOF (FEDERAL FUNDS)	\$1,207,840,831	\$1,336,569,209	\$1,292,447,867	\$2,602,052,313	\$2,658,314,036
SUBTOTAL MOF (OTHER FUNDS)	\$0	\$0	\$0	\$0	\$0
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$4,449,373,311	\$4,556,942,665
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$1,949,019,657	\$2,140,124,720	\$3,143,970,015	\$4,449,373,311	\$4,556,942,665
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

FULL TIME EQUIVALENT POSITIONS

The Aged and Medicare Related strategy includes the hospital, physician and other medical services provided to eligible Aged and Medicare recipients. This strategy also includes long term services and supports that are paid through the STAR+PLUS program and through the dual Eligible Integrated Care Demonstration. Under Title XIX, Medicaid medical

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services are legally mandated entitlement services. Medicaid services are provided to this risk group through either fee-for-service (FFS) or an at-risk, capitated health plan model.

Strategy funding for FY 2016-17 assumes the current projected Medicaid caseloads at FY 2015 cost levels. Projected Medicaid expenditures for maintaining current cost trends are requested as an exceptional item. Home and community-based attendant services and supports, referred to as Community First Choice to Medicaid recipients with disabilities qualify for a 6 percent increase in the FMAP rate.

FY 2016-17 costs include the impact of managed care carve-ins that bring services previously at the Department of Aging and Disability Services to HHSC. These include Nursing Facility costs, moved in March of 2015, and STAR+PLUS LTSS costs for the Medicaid Rural Service Areas, moved in September of 2014, for the full 24 months. Additionally, LTSS costs for Disability-Related children are moved in September 2016 (STAR Kids).

Legal Base: Title XIX of the Social Security Act; Section 531.061, government Code

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texans needing Medicaid coverage. Since services covered under this strategy are mandated under the Medicaid program, the state risks non-compliance and jeopardizes federal financial participation if it fails to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation and provide access to benefits for all eligible persons.

The federal Medicaid match rate determines the required state match which derives the strategy method of finance. This rate, referred to as FMAP, is calculated as a ratio of Texas' three year average of per capita income to the National three-year average of per capita income. Changes in the Medicaid State Plan along with the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for changes in programs, services, and rates which could impact the cash flow of state funds. The HHS Inspector General's investigation of potential Medicaid fraud

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and overpayments could also impact total Medicaid expenditures. Additionally, changes in other state and federal requirements have the potential to impact costs and/or require rate adjustments. Two areas of particular concern are the impact on provider costs or the Affordable Care Act Employer Mandate and a new Department of Labor rule that requires the application of the Fair Labor Standards Act to home care services; both of these requirements are currently expected to be effective January 1, 2015.

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GOAL: 2 Medicaid
 OBJECTIVE: 1 Medicaid Health Services
 STRATEGY: 2 Disability-related Eligibility Group
 Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 22
 Income: A.2
 Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Disability-Related Recipient Months Per Month: Total (KEY)	420,327.00	427,109.00	437,252.00	446,873.00	460,247.00
2 Average Disability-Related Recipient Months Per Month: STAR+PLUS	181,316.00	182,870.00	250,840.00	260,112.00	241,762.00
3 Average Disability-Related Recipient Months Per Month: STAR Kids	0.00	0.00	0.00	0.00	188,704.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Disability-Related Cost Per Recipient Month (KEY)	866.14	972.82	998.83	1,021.97	1,048.44
2 Avg Cost/Disability-Related Recipient Month: STAR+PLUS	916.09	1,052.08	988.75	1,036.40	1,054.04
3 Average Cost/Disability-Related Recipient Month: STAR Kids	0.00	0.00	0.00	0.00	1,101.86

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Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$4,445,423,568	\$4,966,531,358	\$5,182,069,169	\$5,468,967,933	\$6,136,402,554
TOTAL OBJECT OF EXPENSE	\$4,445,423,568	\$4,966,531,358	\$5,182,069,169	\$5,468,967,933	\$6,136,402,554

Method of Financing - General Revenue

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
705 Medicaid Program Income	\$0	\$1,092,419	\$0	\$0	\$0
758 GR Match for Medicaid	\$1,748,012,585	\$1,921,228,413	\$2,007,330,913	\$2,306,513,695	\$2,597,617,104
8075 Cost Sharing - Medicaid Clients	\$113,230	\$111,971	\$111,971	\$111,971	\$111,971
8137 GR Match: Medicaid Entitlement Demand	\$0	\$0	\$101,213,698	\$0	\$0
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$1,748,125,815	\$1,922,432,803	\$2,108,656,582	\$2,306,625,666	\$2,597,729,075

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
369 Fed Recovery & Reinvestment Fund 93.778.014 Medicaid - Stimulus	\$0	\$0	\$0	\$0	\$0
CFDA Subtotal Fund 369	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 93.778.00 XIX FMAP	\$2,669,295,685	\$2,770,215,820	\$2,846,369,659	\$3,150,009,771	\$3,526,478,137

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 9.778.005 XIX FMAP @ 90%	\$1,633,469	\$1,294,676	\$1,409,120	\$719,063	\$581,909
555 Federal Funds 93.778.007 XIX ADM @ 100	\$484,698	\$266,781,342	\$64,488,003	\$0	\$0
555 Federal Funds 93.791.000 Money Follows Person Rebalancing Demonstration	\$25,883,901	\$5,806,717	\$11,613,433	\$11,613,433	\$11,613,433
CFDA Subtotal Fund 555	\$2,697,753	\$3,044,098,555	\$2,923,880,215	\$3,162,342,267	\$3,538,673,479
8318 FF - Entitlement Demand 93.778.000 XIX FMAP	\$0	\$0	\$149,532,372	\$0	\$0
CFDA Subtotal Fund 8138	\$0	\$0	\$149,532,372	\$0	\$0
SUBTOTAL MOF (FEDERAL FUNDS)	\$2,697,297,753	\$3,044,098,555	\$3,073,412,587	\$3,162,342,267	\$3,538,673,479

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$1,748,125,815	\$1,922,432,803	\$2,108,656,582	\$2,306,625,666	\$2,597,729,075
SUBTOTAL MOF (FEDERAL FUNDS)	\$2,697,297,753	\$3,044,098,555	\$3,073,412,587	\$3,162,342,267	\$3,538,673,479
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$5,468,967,933	\$6,136,402,554
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$4,445,425,568	\$4,966,531,358	\$5,182,069,169	\$5,468,967,933	\$6,136,402,554

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FULL TIME EQUIVALENT POSTIIONS:	N/A	N/A	N/A	N/A	N/A
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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Disability-Related strategy includes the hospital, physician, & other medical services provided to eligible disability-related recipients who are under age 65 who receive SSI for a disabling condition as determined by the SSA. Persons eligible for SSI due to condition & income are also eligible for Medicaid. This strategy also includes LTSS that are paid through the STAR+PLUS & STAR Kids programs. Under Title XIX, medical services are legally mandated entitlement services. Medicaid services are provided to this risk group through either fee-for-service (FFS) or an at-risk, capitated health plan model.

Funding also includes the Medicaid Buy-In program for children, which allows families of children with disabilities up to age 19 who meet SSI disability criteria with family incomes up to 300% of the federal poverty level to purchase Medicaid coverage.

Funding for FY 2016-17 assumes the current projected Medicaid caseloads at FY 2015 or an at-risk, capitated health plan model.

FY 2016-17 costs include the impact of managed care carve-ins that bring services previously at the DADS to HHSC. These include Nursing Facility costs, moved in March of 2015 and STAR+PLUS LTSS costs for the Medicaid Rural Service Areas, moved in September of 2014, for the full 24 months. Additionally, LTSS costs for Disability-Related children are moved in September 2016 (STAR Kids).

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texans needing Medicaid coverage. Since services covered under this strategy are mandated under the Medicaid program, the state risks

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non-compliance and jeopardizes federal financial participation if it fails to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation and provide access to benefits for all eligible persons.

The federal Medicaid match rate determines the required state match which derives the strategy method of finance. This rate, referred to as FMAP, is calculated as a ratio of Texas' three year average of per capita income to the National three-year average of per capita income. Changes in the Medicaid State Plan along with the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for changes in programs services, and rates which could impact the cash flow of state funds. The HHS Inspector General's investigation of potential Medicaid fraud and overpayments could also impact total Medicaid expenditures. Additionally, changes in other state and federal requirements have the potential to impact costs and/or require rate adjustments. Two areas of particular concern are the impact on provider costs of the Affordable Care Act Employer Mandate and a new Department of Labor rule that requires the application of the Fair Labor Standards Act to home care services; both of these requirements are currently expected to be effective January 1, 2015.

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GOAL: 2 Medicaid
 OBJECTIVE: 1 Medicaid Health Services
 STRATEGY: 3 Pregnant Women Eligibility Group
 Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 22
 Income: A.2
 Age: B.3

Output and Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures 1 Average Pregnant Women Recipient Months Per Month (KEY)	129,084.00	137,434.00	144,406.00	145,467.00	146,880.00
Efficiency Measures 1 Average Pregnant Women Cost Per Recipient Month (KEY)	665.73	701.00	673.69	655.57	655.45

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$1,003,229,489	\$1,153,044,269	\$1,166,622,817	\$1,161,381,359	\$1,171,787,918
TOTAL OBJECT OF EXPENSE	\$1,003,229,489	\$1,153,044,269	\$1,166,622,817	\$1,161,381,359	\$1,171,787,918

Method of Financing - General Revenue

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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758 GR Match for Medicaid	\$397,692,278	\$449,624,639	\$329,850,204	\$481,555,210	\$486,718,110
8137 GR Match: Medicaid Entitlement Demand	\$0	\$0	\$151,177,182	\$0	\$0
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$397,692,278	\$449,624,639	\$481,627,386	\$481,555,210	\$486,718,110

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
369 Fed Recovery & Reinvestment Fund 93.778.014 Medicaid - Stimulus	\$0	\$0	\$0	\$0	\$0
CFDA Subtotal Fund 369	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 93.767.778 CHIP for Medicaid (EFMAP)	\$1,316,756	\$1,610,477	\$1,913,527	\$2,634,262	\$2,727,152
555 Federal Funds 93.778.000 XIX FMAP	\$571,061,133	\$639,135,472	\$443,142,697	\$640,559,620	\$645,525,397
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$33,159,322	\$2,058,931	\$2,220,894	\$36,632,267	\$36,817,259
555 Federal Funds 93.778.007 XIX ADM @ 100	\$0	\$60,614,750	\$14,071,944	\$0	\$0
CFDA Subtotal Fund 555	\$0	\$0	\$223,646,369	\$0	\$0
8138 FF - Entitlement Demand 93.778.000 XIX FMAP	\$0	\$0	\$223,646,369	\$0	\$0
SUBTOTAL MOF (FEDERAL FUNDS)	\$605,537,211	\$703,419,630	\$684,995,431	\$679,826,149	\$685,069,808

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
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SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$397,692,278	\$449,624,639	\$481,627,386	\$481,555,210	\$486,718,110
SUBTOTAL MOF (FEDERAL FUNDS)	\$605,537,211	\$703,419,630	\$684,995,431	\$679,826,149	\$685,069,808
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$1,161,381,359	\$1,171,787,918
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$1,003,229,489	\$1,153,044,269	\$1,66,622,817	\$1,161,381,359	\$1,171,787,918
FULL TIME EQUIVALENT POSTIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION

The Pregnant Women Risk Group strategy includes the hospital, physician, and other medical services provided to eligible pregnant women with incomes up to 185 percent of the federal poverty level. Under Title XIX, Medicaid medical services are legally mandated entitlement services. Medicaid services are provided to this risk group through either fee-for-service (FFS) or an at-risk, capitated health plan model.

Strategy funding for FY 2016-17 assumes the current projected Medicaid caseloads at FY 2015 cost levels. Projected Medicaid expenditures for maintaining current cost trends are requested as an exceptional item.

The amounts for FY 2013 represent a reallocation of expenditures based upon a new appropriation structure for the 2014-15 biennium.

Legal Base: Title XIX of the Social Security Act

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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texans needing Medicaid coverage. Since services covered under this strategy are mandated under the Medicaid program, the state risks non-compliance and jeopardizes federal financial participation if it fails to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation and provide access to benefits for all eligible persons.

The federal Medicaid match rate determines the required state match which derives the strategy method of finance. This rate, referred to as FMAP, is calculated as a ratio of Texas' three year average of per capita income to the National three-year average of per capita income. Changes in the Medicaid State Plan along with the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for changes in programs, services, and rates which could impact the cash flow of state funds. The HHS Inspector General's investigation of potential Medicaid fraud and overpayments could also impact total Medicaid expenditures.

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GOAL: 2 Medicaid
 OBJECTIVE: 1 Medicaid Health Services
 STRATEGY: 4 Other Adults Eligibility Group
 Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 22
 Income: A.2
 Age: B.3

Output and Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
Output Measures: 1 Average TANF-Level Adult Recipient Months Per Month (KEY)	122,369.00	131,797.00	161,577.00	192,051.00	195,357.00
Efficiency Measures: 1 Average TANF-Level Adult Cost Per Recipient Month (KEY)	377.24	366.41	346.58	379.90	376.78

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$655,071,830	\$663,817,367	\$773,666,088	\$874,765,944	\$882,653,674
TOTAL OBJECT OF EXPENSE	\$655,071,830	\$663,817,367	\$773,666,088	\$874,765,944	\$882,653,674

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
758 GR Match for Medicaid	\$145,753,141	\$248,246,065	\$306,682,156	\$355,014,716	\$358,975,019
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$145,753,141	\$248,246,065	\$306,682,156	\$355,014,716	\$358,975,019

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Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.767.778 CHIP for Medicaid (EFMAP)	\$65,057,106	\$71,191,811	\$74,269,998	\$73,592,475	\$73,539,991
555 Federal Funds 93.778.000 XIX FMAP	\$328,691,020	\$312,444,945	\$382,866,785	\$432,285,211	\$436,217,994
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$15,570,563	\$1,858,728	\$2,154,254	\$13,873,542	\$13,920,670
555 Federal Funds 93.778.007 XIX ADM @ 100	\$0	\$30,075,818	\$7,692,895	\$0	\$0
CFDA Subtotal Fund 555	\$409,318,689	\$415,571,302	\$466,983,932	\$519,751,228	\$523,678,655
SUBTOTAL MOF (FEDERAL FUNDS)	\$409,318,689	\$415,571,302	\$466,983,932	\$519,751,228	\$523,678,655

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$145,753,141	\$248,246,065	\$306,682,156	\$355,014,716	\$358,975,019
SUBTOTAL MOF (FEDERAL FUNDS)	\$409,318,689	\$415,571,302	\$466,983,932	\$519,751,228	\$523,678,655
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$874,765,944	\$882,653,674
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$655,071,830	\$663,817,367	\$773,666,088	\$874,765,944	\$882,653,674
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

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STRATEGY DESCRIPTION AND JUSTIFICATION

The Other Adults strategy includes hospital, physician, and other medical services (legally mandated entitlement services under Title XIX) provided to eligible TANF-level adults, medically needy adults receiving services through the Medicaid for Breast, and adult recipients who qualify under the Affordable Care Act (if applicable). Medicaid services are provided to this risk group through either fee-for-service (FFS) or an at-risk, capitated health plan model.

The Medicaid for Breast and Cervical Cancer program provides full Medicaid coverage for eligible uninsured women ages 18-64 who have been diagnosed with a qualifying breast or cervical cancer.

Strategy funding for DY 2016-17 assumes the current projected Medicaid caseloads at FY 2015 cost levels. Projected Medicaid expenditures for maintaining current cost trends are requested as an exceptional item.

The amounts for FY 2013 represent a reallocation of expenditures based upon a new appropriation structure for the 2014-15 biennium.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texans needing Medicaid coverage. Since services covered under this strategy are mandated under the Medicaid program, the state risks non-compliance and jeopardizes federal financial participation if it fails to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation and provide access to benefits for all eligible persons.

The federal Medicaid match rate determines the required state match which derives the strategy method of finance. This rate, referred to as FMAP, is calculated as a ratio of Texas' three year average of per capita income to the National three-year average of per capita income. Breast and Cervical Cancer Program services are matched at the Enhanced FMAP rate (the same as CHIP) but do not qualify for the 23 point increase effective October 1, 2015. Changes in the Medicaid State Plan along with the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds

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for changes in programs, services, and rates which could impact the cash flow of state funds. The HHS Inspector General's investigation of potential Medicaid fraud and overpayments could also impact total Medicaid expenditures.

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GOAL: 2 Medicaid
 OBJECTIVE: 1 Medicaid Health Services
 STRATEGY: 5 Children Eligibility Group
 Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 22
 Income: A.2
 Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Poverty-Related Children Recipient Months Per Month (KEY)	2,585,022.00	2,681,428.00	3,226,858.00	3,352,596.00	3,423,144.00
2 Average Number of Qualified Alien Recipient Months per Month	18,368.00	19,549.00	24,007.00	25,331.00	25,702.00
3 Average STAR Health Foster Care Children Recipient Months Per Month (KEY)	30,293.00	30,826.00	32,623.00	33,605.00	34,314.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Poverty-Related Children Cost Per Recipient Month (KEY)	163.95	177.76	161.01	153.69	153.75
2 Average STAR Health Foster Care Children Cost Per Recipient Month (KEY)	784.83	860.92	786.37	781.68	781.34

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Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$5,486,281,967	\$6,056,140,842	\$6,627,655,229	\$6,580,550,888	\$6,685,936,667
TOTAL OBJECT OF EXPENSE	\$5,486,281,967	\$6,056,140,842	\$6,627,655,229	\$6,580,550,888	\$6,685,936,667

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
705 Medicaid Program Income	\$24,159,344	\$76,987,637	\$37,291,000	\$39,284,000	\$39,348,400
758 GR Match for Medicaid	\$1,661,891,936	\$2,001,533,483	\$1,675,717,014	\$2,329,999,559	\$2,370,098,106
8024 Tobacco Receipts Match for Medicaid	\$405,076,492	\$146,584,718	\$225,153,518	\$185,869,118	\$185,869,118
8137 GR Match: Medicaid Entitlement Demand	\$0	\$0	\$614,263,342	\$0	\$0
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$2,091,127,772	\$2,225,105,838	\$2,552,105,838	\$2,55,152,677	\$2,595,315,624

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
369 Fed Recovery & Reinvestment Fund 93.778.014 Medicaid - Stimulus	\$4,950,631	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund 369	\$4,950,631	\$0	\$0	\$0	\$0

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555 Federal Funds 93.767.778 CHIP for Medicaid (EFMAP)	\$16,211,276	\$36,287,284	\$194,710,807	\$335,786,389	\$348,933,037
555 Federal Funds 93.778.000 XIX FMAP	\$3,047,247,727	\$3,327,449,869	\$2,711,560,364	\$355,887,107	\$3,607,887,181
555 Federal Funds XIX FMAP @ 90%	\$10,033,755	\$9,849,320	\$12,770,125	\$6,058,013	\$6,113,770
555 Federal Funds XIX FMAP @ 100	\$214,407,431	\$331,200,515	\$86,224,808	\$0	\$0
CFDA Subtotal, Fund 555	\$3,287,900,189	\$3,704,786,988	\$3,005,266,104	\$3,897,731,509	\$3,962,933,988
8138 FF - Entitlement Demand 93.778.008 XIX FMAP	\$0	\$0	\$941,530,152	\$0	\$0
CFDA Subtotal, Fund 8138	\$0	\$0	\$941,530,152	\$0	\$0
SUBTOTAL MOF (FEDERAL FUNDS)	\$3,292,850,820	\$3,704,786,988	\$3,946,796,256	\$3,87,731,509	\$3,962,933,988

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
777 Interagency Contracts	\$28,000,000	\$44,996,514	\$47,182,597	\$46,415,200	\$46,435,553
8044 Medicaid Subrogation Receipts	\$70,776,153	\$80,000,000	\$80,000,000	\$80,000,000	\$80,000,000
8062 Approp Receipts - Match for Medicaid	\$3,527,222	\$1,251,502	\$1,251,502	\$1,251,502	\$1,251,502
SUBTOTAL MOF OTHER FUNDS	\$102,303,375	\$126,248,016	\$128,434,099	\$127,666,702	\$127,687,055

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$2,091,127,772	\$2,225,105,838	\$2,552,105,838	\$2,55,152,677	\$2,595,315,624
SUBTOTAL MOF (FEDERAL FUNDS)	\$3,292,850,820	\$3,704,786,988	\$3,946,796,256	\$3,87,731,509	\$3,962,933,988
SUBTOTAL MOF OTHER FUNDS	\$102,303,375	\$126,248,016	\$128,434,099	\$127,666,702	\$127,687,055
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$6,580,550,888	\$6,685,936,667
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$5,486,281,967	\$6,056,140,842	\$6,627,655,229	\$6,580,550,888	\$6,685,936,667
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

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STRATEGY DESCRIPTION AND JUSTIFICATION

The Children Strategy includes hospitals, physician and other medical services provided to eligible child recipients who are neither disability-related nor Medicare eligible. This includes Newborns, children ages 1-5 at or below 133% (formerly 100%) FPL. In January 2014, the Medicaid program income eligibility increased to 133% of FPL for children 6-18 pursuant to the Affordable Care Act which moved certain children in CHIP to Medicaid. These former CHIP children retain the higher federal match rate while in the Medicaid program. It also includes TANF-level children and children in Foster Care, some Foster Care adults continuing their education, and adoption subsidy clients.

Medicaid services are provided to this risk group through either fee-for-service (FFC) or an at-risk, capitated health plan model. It also includes an HMO model, STAR Health, which serves foster care children statewide through one health plan.

Strategy funding for FY 2016-2017 assumes the current projected Medicaid caseloads at FY 2015 cost levels. Projected Medicaid expenditures for maintaining current cost trends are requested as an exceptional item.

Legal Base: Title XIX of the Social Security Act

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texans needing Medicaid coverage. Strategy estimates include additional caseload: 167,281 in 2016 and 170,310 in 2017, to account for increases from clients currently eligible but not enrolled, since children are mandated to have insurance under the Affordable Care Act.

Providing an adequate level of outreach to individuals with Medicaid who are less than 21 years of age is also necessary for compliance with the Frew Consent Decree.

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The federal Medicaid match rate determines the required state match which derives the strategy method of finance. This rate, referred to as FMAP, is calculated as a ratio of Texas' three year average of per capita income to the National three-year average of per capita income. PPACA also increases the federal CHIP match rate by 23 percentage points from October 1, 2015 through September 30, 2019. Changes in the Medicaid State Plan along with the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for changes in programs, services, and rates which could impact the cash flow of state funds. The HHS Inspector General's investigation of potential Medicaid fraud and overpayments could also impact total Medicaid expenditures.

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GOAL: 2 Medicaid
 OBJECTIVE: 2 Other Medicaid Services
 STRATEGY: 1 Non-Full Benefit Payments
 Statewide Goal/Benchmark: 3 0
 Service Categories:
 Service: 22
 Income: A.2
 Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Monthly Number of Enrolled Federally Qualified Health Centers	117.00	4,128.00	134.00	141.00	148.00
2 Average Number of Non-citizen Recipient Months Per Month (KEY)	9,818.00	9,336.00	9,234.00	9,403.00	9,618.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Emergency Services for Non-citizens Cost Per Recipient Month	2,890.85	3,023.27	3,016.85	3,016.85	3,061.85

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$554,877,468	\$644,218,910	\$656,944,754	\$661,972,524	\$674,698,064
TOTAL OBJECT OF EXPENSE	\$554,877,468	\$644,218,910	\$656,944,754	\$661,972,524	\$674,698,064

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$2,089,908	\$0	\$0	\$0	\$0
758 GR Match for Medicaid	\$149,196,773	\$182,396,761	\$186,583,927	\$194,964,995	\$200,782,751
SUBTOTAL MOF GENERAL REVENUE FUNDS	\$151,286,681	\$182,396,761	\$186,583,927	\$194,964,995	\$200,782,751

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
369 Fed Recovery & Reinvestment Fund	\$0	\$0	\$0	\$0	\$0
93.778.014 Medicaid - Stimulus					
CFDA Subtotal, Fund 369	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 93.767.778 CHIP for Medicaid (EFMAP)	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 93.778.000 XIX FMAP	\$223,987,090	\$280,844,568	\$214,020,136	\$278,921,255	\$285,808,071
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$10,300,570	\$0	\$0	\$0	\$0
555 Federal Funds 93.778.009 SHARS	\$156,843,110	\$166,948,122	\$175,295,528	\$175,295,528	\$175,295,528
CFDA Subtotal, Fund 555	\$391,130,770	\$447,792,690	\$389,315,664	\$454,216,783	\$461,103,599
8138 FF - Entitlement Demand	\$0	\$0	\$66,439,104	\$0	\$0
93.778.000 XIX FMAP					
CFDA Subtotal, Fund 8138	\$0	\$0	\$66,439,104	\$0	\$0
SUBTOTAL MOF FEDERAL FUNDS	\$391,130,770	\$447,792,690	\$455,754,768	\$454,216,783	\$461,103,599

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8062 Approp Receipts - Match for Medicaid	\$12,460,017	\$14,029,459	\$14,606,059	\$12,790,746	\$12,811,714
SUBTOTAL MOF (OTHER FUNDS)	\$12,460,017	\$14,029,459	\$14,606,059	\$12,790,746	\$12,811,714

Total Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF GENERAL REVENUE FUNDS	\$151,286,681	\$182,396,761	\$186,583,927	\$194,964,995	\$200,782,751
SUBTOTAL MOF FEDERAL FUNDS	\$391,130,770	\$447,792,690	\$455,754,768	\$454,216,783	\$461,103,599
SUBTOTAL MOF (OTHER FUNDS)	\$12,460,017	\$14,029,459	\$14,606,059	\$12,790,746	\$12,811,714
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$661,972,524	\$674,698,064
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$554,877,468	\$644,218,910	\$656,944,754	\$661,972,524	\$674,698,064
FULL TIME EQUIVALENT POSITION	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Non-Full benefits Payments strategy includes medical services that are not risk group specific. These services include the School Health and Related Services (SHARS), emergency services for undocumented persons, Graduate Medical Education (GME), as well as a number of smaller costs, such as cost settlements for Indian health Services and Rural Health Clinics.

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SHARS Services include Medicaid reimbursement to school districts and cooperatives for the federal share of medically necessary services they provide to children enrolled in Medicaid. This strategy also includes associated Medicaid administrative expenses incurred by the Medicaid fiscal agent contractor related to SHARS claims.

Projected expenditures for maintaining current cost trends are requested as an exceptional item as base funding for FY 0216-17 holds costs at FY 2015 levels.

Strategy funding for FY 2016-17 assumes the current projected Medicaid caseloads at FY 2015 cost levels.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texans needing Medicaid coverage. Since services covered under this strategy are mandated under the Medicaid program, the state risks non-compliance and jeopardizes federal financial participation if it fails to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation and provide access to benefits for all eligible persons. The ongoing federal audit of SHARS could impact total Medicaid expenditures.

The federal Medicaid match rate determines the required state match which derives the strategy method of finance. This rate, referred to as FMAP, is calculated as a ratio of Texas' three year average of per capita income to the National three-year average of per capita income. Changes in the Medicaid State Plan along with the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for changes in programs, services, and rates which could impact the cash flow of state funds. The HHS Inspector General's investigation of potential Medicaid fraud and overpayments could also impact total Medicaid expenditures.

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GOAL: 2 Medicaid
 OBJECTIVE: 2 Other Medicaid Services
 STRATEGY: 2 Medicaid Prescription Drugs
 Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 22
 Income: A.2
 Age: B.3

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Cost/Medicaid Recipient Month: Prescription Drugs	66.42	66.55	64.51	65.04	63.89

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$2,918,411,896	\$3,016,738,609	\$3,387,325,676	\$3,560,255,128	\$3,585,007,409
TOTAL OBJECT OF EXPENSE	\$2,918,411,896	\$3,016,738,609	\$3,387,325,676	\$3,560,255,128	\$3,585,007,409

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
706 Vendor Drug Rebates - Medicaid	\$524,985,036	\$479,857,966	\$539,452,613	\$630,476,143	\$628,243,097
758 GR Match for Medicaid	\$583,215,489	\$695,516,732	\$685,251,772	\$764,826,804	\$778,484,224
8081 Vendor Drug Rebates - Sup Rebates	\$68,680,089	\$61,737,975	\$70,841,820	\$72,458,730	\$70,506,202

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8137 GR Match: Medicaid Entitlement Demand	\$0	\$0	\$103,939,891	\$0	\$0
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$1,176,880,614	\$1,237,112,673	\$1,39,486,096	\$1,467,761,677	\$1,477,233,523

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.767.778 CHIP for Medicaid (EFMAP)	\$6,478,295	\$12,943,091	\$73,905,025	\$126,552,578	\$131,531,931
555 Federal Funds 93.778.000 XIX FMAP	\$1,727,033,714	\$1,751,577,494	\$1,741,111,109	\$1,951,004,119	\$1,961,324,344
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$8,019,273	\$15,090,606	\$18,250,864	\$14,936,754	\$14,917,611
CFDA Subtotal, Fund 555	\$1,741,531,282	\$1,779,611,191	\$1,833,266,998	\$2,092,493,451	\$2,107,773,886
8138 FF - Entitlement Demand 93.778.000 XIX FMAP	\$0	\$0	\$154,557,837	\$0	\$0
CFDA Subtotal, Fund 8138	\$0	\$0	\$154,557,837	\$0	\$0
SUBTOTAL MOF (FEDERAL FUNDS)	\$1,741,531,282	\$1,779,611,191	\$1,987,824,835	\$2,092,493,451	\$2,107,773,886

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
777 Interagency Contracts	\$0	\$14,745	\$14,745	\$0	\$0
SUBTOTAL MOF (OTHER FUNDS)	\$0	\$14,745	\$14,745	\$0	\$0

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$1,176,880,614	\$1,237,112,673	\$1,39,486,096	\$1,467,761,677	\$1,477,233,523
SUBTOTAL MOF (FEDERAL FUNDS)	\$1,741,531,282	\$1,779,611,191	\$1,987,824,835	\$2,092,493,451	\$2,107,773,886
SUBTOTAL MOF (OTHER FUNDS)	\$0	\$14,745	\$14,745	\$0	\$0
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$3,560,255,128	\$3,585,007,409
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$2,918,411,896	\$3,016,738,609	\$3,387,325,676	\$3,560,255,128	\$3,585,007,409
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The prescription Drugs strategy includes the cost of outpatient prescription medications to Medicaid clients. Medications are provided by contracted retail and nursing home pharmacies that are reimbursed by HHSC or by contracted managed care organizations. HHSC coordinates with the clients, pharmacies, physicians, drug wholesalers, drug manufacturers, the federal government, other state agencies, and contracted vendors.

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HHSC collects Medicaid rebate revenue from drug manufacturers through a federal program that began in 1991 and through a state supplemental rebate program that began in 2004. The State returns to the federal government its share of collected rebates at the FMAP rate.

Prescription drug benefits are delivered through fee-for-service and managed care plans as a portion of the total monthly capitated rate is allocated for prescription drugs. The expenditures represent the drug benefits for both service delivery models.

Medicaid clients are limited to three prescriptions each month with exceptions. Federal law mandates no monthly Medicaid drug limitation for children under age 21, and nursing facility residents. Most adults also receive unlimited drugs including those who are enrolled in a capitated managed care organization (MCO) and aged, blind, and disabled adults in the community with LTC waiver eligibility. Medicaid adults served on a FFS basis are subject to a limit of three prescriptions per month.

Projected expenditure for maintaining current cost trends are requested as an exceptional item as base funding for FY 2016-17 holds costs at FY 2015 levels.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texans needing Medicaid coverage. Since these services are mandated under the Medicaid program, the state risks non-compliance and jeopardizes federal financial participation if it fails to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation and provide access to benefits for all eligible persons.

The ACA increased the minimum manufacturer rebates for pharmaceuticals to be utilized by the federal government. However S.B. 7 (82nd Legislature) sunsets the single state formulary and the preferred drug list so there are no revenue assumptions for supplemental rebates.

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The federal Medicaid match rate determines the required state match which services the strategy method of finance. This rate, referred to as FMAP, is calculated as a ratio of Texas' 3-year average of per capita income to the National 3-year average of per capita income. Changes in the Medicaid State Plan along with the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for changes in programs, services, and rates which could impact the cash flow of state funds. The HHS Inspector General's investigation of potential Medicaid fraud and overpayments could also impact total Medicaid expenditures.

The introduction of high cost drugs which affect a large number of Medicaid clients could impact the overall costs of prescription drug expenditures.

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GOAL: 2 Medicaid
 OBJECTIVE: 2 Other Medicaid Services
 STRATEGY: 3 Medicaid Transportation
 Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 30
 Income: A.1
 Age: B.3

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Nonemergency Transportation (NEMT) Cost Per Recipient Month (KEY)	3.91	3.91	4.14	4.11	4.12

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$171,626,736	\$176,246,246	\$223,104,880	\$225,041,187	\$230,381,540
TOTAL OBJECT OF EXPENSE	\$171,626,736	\$176,246,246	\$223,104,880	\$225,041,187	\$230,381,540

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
758 GR Match for Medicaid	\$59,315,509	\$72,782,436	\$93,467,063	\$96,111,900	\$98,556,953
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$59,315,509	\$72,782,436	\$93,467,063	\$96,111,900	\$98,556,953

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529 Health and Human Services Commission

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.767.778 CHIP for Medicaid (EFMAP)	\$16,867	\$0	\$0	\$0	\$0
555 Federal Funds 93.778.000 XIX FMAP	\$102,334,209	\$99,059,970	\$129,637,817	\$128,929,287	\$131,824,587
555 Federal Funds 93.778.003 XIX 50%	\$0	\$4,403,840	\$0	\$0	\$0
555 Federal Funds 93.778.007 XIX ADM @ 100	\$9,960,151	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund 555	\$112,311,227	\$103,463,810	\$129,637,817	\$128,929,287	\$131,824,587
SUBTOTAL MOF (FEDERAL FUNDS)	\$112,311,227	\$103,463,810	\$129,637,817	\$128,929,287	\$131,824,587

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$59,315,509	\$72,782,436	\$93,467,063	\$96,111,900	\$98,556,953
SUBTOTAL MOF (FEDERAL FUNDS)	\$112,311,227	\$103,463,810	\$129,637,817	\$128,929,287	\$131,824,587
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$225,041,187	\$230,381,540

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$171,626,736	\$176,246,246	\$223,104,880	\$225,041,187	\$230,381,540
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Medical Transportation Program (MTP) strategy includes funding for cost-effective non-emergency medical transportation (NEMT) for Medicaid clients who have no other means of transportation available to access Medicaid-covered-services. States are federally required to provide NEMT for clients to and from Medicaid services provided by a Medicaid enrolled qualified service provider. DSHS clients in the Children with Special Health Care Needs and the Indigent Cancer Patient Programs also use MTP services.

MTP services include: bus passes [including passes for Special Transit Services]; demand-response transportation services when fixed route public transportation services are not available or may not meet a client's needs; and mileage reimbursement for a family member or friend to drive the client. Special authorization for clients through age 20 may be arranged if transportation services cannot be arranged through bus pass, demand response or mileage reimbursement, as well as lodging and meal services, and States are also required to provide an attendant during transportation if medically necessary.

During FY 2012 NEMT services in the Dallas/Fort Worth and Houston/Beaumont areas are delivered through a full-risk broker model.

MTP services are eligible for federal reimbursement at the FMAP or 50-50 match rate. The federal 50-50 reimbursement is obtained when there is supporting documentation for the claim.

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Projected expenditures for maintaining current cost trends are requested as an exceptional item as base funding for FY 2014-15 holds costs at FY 2013 levels.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Fuel costs may impact the cost of providing MTP services to eligible clients. Any increase in utilization of Texas Health steps (EPSDT) services as a result of outreach and informing efforts mandated by Frew Orders could result in an increase in client utilization of MTP services.

The federal Medicaid match rate determines the required state match which derives the strategy method of finance. This rate, referred to as FMAP, is calculated as a ratio of Texas' three year average of per capita income to the National three-year average of per capita income. Changes in the Medicaid State Plan along with the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for change in programs, services, and rates which could impact the cash flow of state funds. The HHS Inspector General's investigation of potential Medicaid fraud and overpayments could also impact total Medicaid expenditures.

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GOAL: 2 Medicaid
 OBJECTIVE: 2 Other Medicaid Services
 STRATEGY: 4 Health Steps (EPSDT) Dental
 Statewide Goal/Benchmark: 3 5
 Service Categories:
 Service: 22
 Income: A.1
 Age: B.1

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average THSteps (EPSDT) Dental Recipient Months Per Month	2,790,456.00	2,889,545.00	3,438,012.00	3,567,882.00	3,644,216.00
2 Number of THSteps (EPSDT) Active Dent Providers Providing Medicaid Services	3,468.00	3,836.00	4,100.00	4,100.00	4,100.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Cost Per THSteps (EPSDT) Dental Recipient Months Per Month (KEY)	38.18	34.31	33.82	34.55	34.54

Explanatory/Input Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Number of THSteps (EPSDT) Dental Clients Served	2,061,498.00	2,236,570.00	2,426,510.00	2,632,581.00	2,856,152.00

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Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$1,283,717,296	\$1,191,994,079	\$1,394,797,031	\$1,479,547,044	\$1,510,208,574
TOTAL OBJECT OF EXPENSE	\$1,283,717,296	\$1,191,994,079	\$1,394,797,031	\$1,479,547,044	\$1,510,208,574

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
758 GR Match for Medicaid	\$522,658,670	\$489,427,667	\$570,936,424	\$582,952,889	\$593,371,102
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$522,658,670	\$489,427,667	\$570,936,424	\$582,952,889	\$593,371,102

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.767.778 CHIP for Medicaid (EFMAP)	\$7,024,873	\$13,588,716	\$75,566,872	\$131,340,453	\$136,473,555
555 Federal Funds 93.778.000 XIX FMAP	\$754,033,753	\$688,977,696	\$748,293,735	\$765,253,702	\$780,363,917
CFDA Subtotal, Fund 555	\$761,058,626	\$702,566,412	\$823,860,607	\$896,594,155	\$916,837,472
SUBTOTAL MOF (FEDERAL FUNDS)	\$761,058,626	\$702,566,412	\$823,860,607	\$896,594,155	\$916,837,472

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$522,658,670	\$489,427,667	\$570,936,424	\$582,952,889	\$593,371,102

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SUBTOTAL MOF (FEDERAL FUNDS)	\$761,058,626	\$702,566,412	\$823,860,607	\$896,594,155	\$916,837,472
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$1,479,547,044	\$1,510,208,574
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$1,283,717,296	\$1,191,994,079	\$1,394,797,031	\$1,479,547,044	\$1,510,208,574
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Health Steps Dental strategy includes funds for federally-mandated entitlement services providing periodic dental examinations, diagnosis, prevention, and treatment of dental disease to individuals with Medicaid who are less than 21 years of age. Both dental and orthodontic services are provided. These dental services are outside of the payments related to risk groups. Texas Health Steps is the name Texas uses for the federal Early and Periodic Screening, Diagnosis and treatment program, also known as EPSDT.

The goal of Texas Health Steps Dental services is early intervention to address dental problems before they become chronic, and irreversible damage occurs. Poor oral health is often the most serious health threat to otherwise healthy children. Included in this strategy are client service payments to providers.

Medicaid Dental services are primarily provided through a capitated managed care program. There remain a few clients receiving dental services through fee-for-service.

Strategy funding for FY 2016-17 assumes the current projected Medicaid caseloads at FY 2015 cost trends. Projected expenditures for maintaining current cost and utilization trends are requested as an exceptional item.

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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texans needing Medicaid coverage. Since services covered under this strategy are mandated under a State administered Medicaid program, the risk of non-compliance and federal financial participation would be jeopardized for failure to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation. Providing an adequate level of outreach to individuals with Medicaid who are less than 21 years of age is necessary for compliance with the Frew Consent Decree.

The federal Medicaid match rate determines the required state match which derives the strategy method of finance. This rate (referred to as FMAP) is calculated as a ratio of Texas' three-year average of per capita income to the National three-year average of per capita income. PPACA also increases the federal CHIP match rate by 23 percentage points from October 1, 2015 through September 30, 2019. Changes in the Medicaid State Plan along with the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for changes in programs, services, and rates which could impact the cash flow of state funds. The HHS Inspector General's investigation of potential fraud and overpayments could also impact total Medicaid expenditures.

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GOAL: 2 Medicaid
 OBJECTIVE: 2 Other Medicaid Services
 STRATEGY: 5 For Clients Dually Eligible for Medicare and Medicaid
 Statewide Goal/Benchmark: 3 1
 Service Categories:
 Service: 22
 Income: A.2
 Age: B.2

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Part B Recipient Months Per Month (KEY)	602,583.00	618,906.00	634,864.00	560,068.00	588,447.00
2 Average Part A Recipient Months Per Month	53,061.00	53,216.00	54,288.00	35,698.00	36,492.00
3 Average Qualified Medicare Beneficiaries (QMBs) Recipient Months Per Month	123,482.00	130,547.00	135,896.00	144,437.00	153,650.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Part B Premium Per Month (KEY)	104.02	104.90	109.13	111.20	111.20
2 Average Part A Premium Per Month	426.90	409.92	410.40	412.94	412.46
3 Average Qualified Medicare Beneficiaries (QMBs) Cost Per Recipient Month	51.38	52.30	52.96	46.57	46.57

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Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$1,469,872,214	\$1,490,523,474	\$1,562,349,528	\$1,408,899,594	\$1,471,179,758
TOTAL OBJECT OF EXPENSE	\$1,469,872,214	\$1,490,523,474	\$1,562,349,528	\$1,408,899,594	\$1,471,179,758

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
758 GR Match for Medicaid	\$416,935,855	\$440,868,772	\$471,958,803	\$403,432,452	\$422,393,501
8092 Medicare Giveback Provision	\$376,489,755	\$369,104,582	\$378,616,977	\$403,963,767	\$421,103,109
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$793,425,610	\$809,973,354	\$850,575,780	\$807,396,219	\$843,496,610

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.778.00 XIX FMAP	\$605,178,966	\$628,149,374	\$655,081,269	\$541,422,887	\$565,199,441
555 Federal Funds 93.778.007 XIX ADM @ 100	\$71,267,638	\$52,400,746	\$56,692,479	\$60,080,488	\$62,483,707
CFDA Subtotal, Fund 555	\$676,446,604	\$680,550,120	\$711,773,748	\$601,503,375	\$627,683,148
SUBTOTAL MOF (FEDERAL FUNDS)	\$676,446,604	\$680,550,120	\$711,773,748	\$601,503,375	\$627,683,148

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Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$793,425,610	\$809,973,354	\$850,575,780	\$807,396,219	\$843,496,610
SUBTOTAL MOF (FEDERAL FUNDS)	\$676,446,604	\$680,550,120	\$711,773,748	\$601,503,375	\$627,683,148
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$1,408,899,594	\$1,471,179,758
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$1,469,872,214	\$1,490,523,474	\$1,562,349,528	\$1,408,899,594	\$1,471,179,758
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Medicare Payments strategy includes the hospital, physician, and other medical services provided to Medicaid-eligible aged and disabled clients who are also eligible for Title XVIII Medicare coverage. The Federal giveback payments required as part of the Medicare Part D drug program (also known as "clawback") are included in the strategy.

Services are provided through the payment of premiums to the Social Security Administration and through the payment to Medicare providers of Medicare coinsurance and deductibles for dual eligible clients enrolled in the Medicare Part A and Part B programs Medicare Part A covers hospital expenses and Part B covers physician, lab, and outpatient services. Dual eligible clients must utilize Medicare services before utilizing Medicaid services, making this a cost-effective program.

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Eligibility for the various Medicare programs depends on an individual's work history. Qualified Medicaid Beneficiaries include individuals who are enrolled in Medicare Part A, have income that does not exceed 100 percent of the Federal Poverty Level, and whose resources do not exceed twice the resource limit of the Supplemental Security Income Program.

Medicare Part D provides prescription drug benefits for eligible participants. Part D phase-down payments are 100% state funds, they are federally mandated and are included in the maintenance of effort requirements for the state Medicaid programs.

Projected expenditures for maintain current cost trends are requested as an exceptional item as base funding for FY 2016-17 holds costs at FY 2015 levels.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the number of Texans needing Medicaid coverage. Since services covered under this strategy are mandated under the Medicaid program, the state risks non-compliance and puts federal financial participation in jeopardy if it fails to reimburse medical providers at a rate that is reasonable and adequate to ensure provider participation and provide access to benefits for all eligible persons.

The federal government sets the rate for Medicare payments.

The federal Medicaid match rate determines the required state match which derives the strategy's method of finance. This rate, referred to as FMAP, is calculated as a ratio of Texas' three year average of per capita income to the National three-year average of per capita income.

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GOAL: 2 Medicaid
 OBJECTIVE: 2 Other Medicaid Services
 STRATEGY: 6 Transformation Payments
 Statewide Goal/Benchmark: 3 0
 Service Categories:
 Service: 22
 Income: A.1
 Age: B.3

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2001 PROFESSIONAL FEES AND SERVICES	\$0	\$37,890	\$50,000	\$50,000	\$50,000
3001 CLIENT SERVICES	\$112,049,969	\$104,100,971	\$102,394,284	\$100,568,370	\$100,403,774
TOTAL OBJECT OF EXPENSE	\$112,049,969	\$104,138,861	\$102,444,284	\$100,618,370	\$100,453,774

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.778.000 XIX FMAP	\$65,882,275	\$61,152,222	\$59,451,590	\$57,625,676	\$57,461,080
555 Federal Funds 93.778.003 XIX 50%	\$0	\$18,945	\$25,000	\$25,000	\$25,000
CFDA Subtotal, Fund 555	\$65,882,275	\$61,171,167	\$59,476,590	\$57,650,676	\$57,486,080
SUBTOTAL MOF (FEDERAL FUNDS)	\$65,882,275	\$61,171,167	\$59,476,590	\$57,650,676	\$57,486,080

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
777 Interagency Contracts	\$46,167,694	\$42,967,694	\$42,967,694	\$42,967,694	\$42,967,694
SUBTOTAL MOF (OTHER FUNDS)	\$46,167,694	\$42,967,694	\$42,967,694	\$42,967,694	\$42,967,694

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (FEDERAL FUNDS)	\$65,882,275	\$61,171,167	\$59,476,590	\$57,650,676	\$57,486,080
SUBTOTAL MOF (OTHER FUNDS)	\$46,167,694	\$42,967,694	\$42,967,694	\$42,967,694	\$42,967,694
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$100,618,370	\$100,453,774
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$112,049,969	\$104,138,861	\$102,444,284	\$100,618,370	\$100,453,774
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Transformation Payments strategy represents expenditures with state and federal funding to support non-disproportionate share (nonDSH) Medicaid supplemental payments to hospitals. Expenditures reflected here exclude any payments where the state match is an intergovernmental transfer from public state and local hospitals.

The federal approval of the Texas Healthcare Transformation and Quality Improvement Program Waiver during FY 2012, allowed the state to expend state funding as match for uncompensated care (UC) and Delivery System Reform Incentive Payment (DSRIP) payments to hospitals.

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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The federal Medicaid match rate determines the required state match which derives the strategy method of finance. This rate, referred to as FMAP, is calculated as a ration of Texas' three year average of per capita income to the National three-year average of per capita income.

The identification and appropriation of State funding will impact the potential and amount of any Transformation Waiver payments to hospitals expenditure from this strategy during the 2016-17 biennium.

In addition, the waiver will be up for renewal in September 2016. This will involve extensive CMS and stakeholder involvement and could change the nature of the DSRIP and UC programs in ways that cannot yet be anticipated.

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 OBJECTIVE: 2 Other Medicaid Services
 STRATEGY: 6 Transformation Payments
 Statewide Goal/Benchmark: 3 0
 Service Categories:
 Service: 22
 Income: A.1
 Age: B.3

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$29,350,542	\$36,433,487	\$37,736,100	\$37,528,742	\$37,528,742
1002 OTHER PERSONNEL COSTS	\$1,073,430	\$925,843	\$1,057,613	\$758,928	\$758,928
2001 PROFESSIONAL FEES AND SERVICES	\$304,279,913	\$390,951,502	\$352,553,641	\$356,660,039	\$328,304,380
2002 FUELS AND LUBRICANTS	\$7,747	\$9,523	\$9,423	\$9,423	\$9,423
2003 CONSUMABLE SUPPLIES	\$223,197	\$448,634	\$404,672	\$350,560	\$305,560
2004 UTILITIES	\$1,892,554	\$2,136,866	\$1,822,470	\$1,438,002	\$1,438,002
2005 TRAVEL	\$419,984	\$393,619	\$472,007	\$472,111	\$472,111
2006 RENT - BUILDING	\$2,983,305	\$3,604,320	\$3,799,486	\$3,461,146	\$3,461,146
2007 RENT - MACHINE AND OTHER	\$798,434	\$848,657	\$952,630	\$442,726	\$442,726
2009 OTHER OPERATING EXPENSE	\$187,450,455	\$257,335,473	\$257,801,551	\$116,918,638	\$116,918,638
3001 CLIENT SERVICES	\$304,739,779	\$387,784,779	\$334,128,878	\$0	\$0
4000 GRANTS	\$22,500,000	\$22,484,804	\$23,308,270	\$26,280,000	\$26,280,000
5000 CAPITAL EXPENDITURES	\$19,892	\$7,127	\$4,278	\$0	\$0

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL OBJECT OF EXPENSE	\$855,739,232	\$1,103,364,634	\$1,014,051,019	\$544,320,315	\$515,964,656

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$380,374	\$5,087,881	\$2,412,811	\$412,811	\$412,811
758 GR Match for Medicaid	\$166,812,941	\$178,379,746	\$182,438,145	\$190,191,527	\$183,446,175
8010 GR Match for Title XXI	\$0	\$0	\$0	\$0	\$0
8014 GR Match Food Stamp Adm	\$0	\$0	\$0	\$0	\$0
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$167,193,315	\$183,467,627	\$184,850,956	\$190,604,338	\$183,858,986

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
369 Fed Recovery & Reinvestment Fund 93.778.014 Medicaid - Stimulus	\$181,500,957	\$251,945,947	\$247,600,127	\$103,229,355	\$103,288,205
CDA Subtotal, Fund 369	\$181,500,957	\$251,945,947	\$247,600,127	\$103,229,355	\$103,288,205
555 Federal Funds 00.000.001 Comptroller Misc Claims Fed Fnd Pym	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 10.561.000 State Admin Match SNAP	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 93.256.000 Planning Health Care Access - Uninsured	\$34,583	\$0	\$0	\$0	\$0
555 Federal Funds 93.536.000 ACA - Medicaid Prev of Chronic Disease	\$2,175,678	\$3,660,564	\$11,697	\$0	\$0

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.566.00 Refugee and Entrant Assis	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 93.624.000 ACA State Innovation Models	\$732,837	\$593,983	\$0	\$0	\$0
555 Federal Funds 93.767.000 CHIP	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 93.778.000 XIX FMAP	\$180,711,152	\$227,784,779	\$194,128,878	\$0	\$0
555 Federal Funds 93.778.003 XIX 50%	\$69,000,262	\$83,283,3665	\$88,358,052	\$93,911,841	\$93,446,257
555 Federal Funds 93.778.004 XIX ADM @ 75%	\$94,295,390	\$121,283,480	\$111,428,899	\$110,584,074	\$92,897,487
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$10,412,510	\$29,808,534	\$6,080,689	\$4,398,986	\$882,000
555 Federal Funds 93.778.007 XIX ADM @ 100	\$25,147,238	\$41,000,000	\$41,000,000	\$41,000,000	\$41,000,000
555 Federal Funds 93.796.000 Survey & Certification Title XIX 75%	\$392,671	\$498,267	\$554,043	\$554,043	\$554,043
CFDA Subtotal, Fund 555	\$382,902,321	\$507,912,972	\$441,562,258	\$250,448,944	\$228,779,787
SUBTOTAL MOF (FEDERAL FUNDS)	\$564,403,278	\$759,858,919	\$689,162,385	\$353,678,299	\$332,067,992

Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
777 Interagency Contracts	\$124,125,010	\$160,038,088	\$140,037,678	\$37,678	\$37,678
8062 Approp Receipts - Match for Medicaid	\$17,629	\$0	\$0	\$0	\$0
SUBTOTAL MOF (OTHER FUNDS)	\$124,142,639	\$160,038,088	\$140,037,678	\$37,678	\$37,678

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Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$167,193,315	\$183,467,627	\$184,850,956	\$190,604,338	\$183,858,986
SUBTOTAL MOF (FEDERAL FUNDS)	\$564,403,278	\$759,858,919	\$689,162,385	\$353,678,299	\$332,067,992
SUBTOTAL MOF (OTHER FUNDS)	\$124,142,639	\$160,038,088	\$140,037,678	\$37,678	\$37,678
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$544,320,315	\$515,964,656
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$855,739,232	\$1,103,364,634	\$1,014,051,019	\$544,320,315	\$515,964,656
FULL TIME EQUIVALENT POSITIONS	637.2	821.1	766.8	766.8	766.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

This strategy represents the funding of directly administering the Texas Medicaid program. Federal regulations mandate that the Medicaid program must be administered by a single state agency that has final policy making authority for the program. Under Texas law, HHSC is the designated single state agency. HHSC directs the program, administers and supervises the Medicaid State Plan, and is the final approval on Medicaid rules. Policy changes in the Medicaid program often require state plan amendments or waiver of federal requirements which are subject to an extensive review and approval process by the Federal Centers for Medicaid and Medicare.

Expenditures include staffing costs as well as contracted costs for the claims administrator and fiscal agent, managed care quality monitoring support, prior authorization services, enrollment broker services, the assessment of client and provider satisfaction, an informal dispute resolution process for long-term care facilities and administration of pharmacy rebates. The claims administrator maintains the State's Medicaid Management Information System; processes and adjudicates all claims for Medicaid Acute Care; long-term care, and CSHCN program services that are outside the scope of capitated arrangements; and collects encounter data from MCOs to use in the evaluation of quality and utilization of services and

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administers pharmacy rebate functions. For Medicaid Managed Care, the Enrollment Broker provides outreach, education, and enrollment of eligible individuals into health and dental plans.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Changes in federal laws and regulations which require Medicaid state plan amendments or waivers, would impact the workload on the Medicaid State Office. Implementing new state programs or policies could also increase the workload.

External and internal factors affecting enrollment services includes: 1) managed care expansions/initiatives; 2) caseload/workload growth; 3) re-procurement of contracted services; 4) Federal program and policy changes such as Medicaid Information Technology Architecture (MITA) initiative, a national framework to support improved systems development and health care management for the Medicaid enterprise; 5) any increase in utilization of Texas Health Steps services as a result of outreach, informing and support services efforts mandated by the Frew Consent Decree and Corrective Action Orders; 6) the federal match rate which determines the required state match and derives the strategy method of finance; 7) implementation of program and policy changes from state legislation; 8) federal and state review and oversight.

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GOAL: 3 Children's Health Insurance Program Services
 OBJECTIVE: 1 CHIP Services
 STRATEGY: 1 Children's Health Insurance Program (CHIP)
 Statewide Goal/Benchmark: 3 4
 Service Categories:
 Service: 22
 Income: A.1
 Age: B.1

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average CHIP Children Recipient Months Per Month (KEY)	593,619.00	522,485.00	365,549.00	356,897.00	363,668.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average CHIP Children Benefit Cost Per Recipient Month (KEY)	11.08	114.60	122.69	122.69	122.69

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$803,624,165	\$726,483,908	\$565,710,657	\$553,583,023	\$559,139,750
TOTAL OBJECT OF EXPENSE	\$803,624,165	\$726,483,908	\$565,710,657	\$553,583,023	\$559,139,750

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3643 Premium Co-payments	\$1,467,659	\$1,432,3352	\$1,387,298	\$433,991	\$348,761
8010 GR Match for Title XXI	\$6,259,925	\$0	\$1,235,410	\$0	\$0
8025 Tobacco Reciepts Match for CHIP	\$219,867,042	\$202,047,764	\$149,776,315	\$47,631,873	\$37,900,337
8054 Experience Rebates - CHIP	\$2,355,338	\$6,353,600	\$3,225,200	\$704,800	\$555,200
8139 GR Mat: CHIP - Entitlement Demand	\$0	\$0	\$10,242,142	\$0	\$0
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$229,949,964	\$209,833,716	\$165,866,365	\$48,770,664	\$38,804,298

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.767.000 CHIP	\$573,674,201	\$516,650,192	\$375,154,163	\$504,812,359	\$520,335,452
CFDA Subtotal, Fund 555	\$573,674,201	\$516,650,192	\$375,154,163	\$504,812,359	\$520,335,452
8138 FF - Entitlement Demand	\$0	\$0	\$24,690,129	\$0	\$0
CDA Subtotal, Fund 8138	\$0	\$0	\$24,690,129	\$0	\$0
SUBTOTAL MOF (FEDERAL FUNDS)	\$573,674,201	\$516,650,192	\$399,844,292	\$504,812,359	\$520,335,452

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$229,949,964	\$209,833,716	\$165,866,365	\$48,770,664	\$38,804,298
SUBTOTAL MOF (FEDERAL FUNDS)	\$573,674,201	\$516,650,192	\$399,844,292	\$504,812,359	\$520,335,452
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$553,583,023	\$559,139,750

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$803,624,165	\$726,483,908	\$565,710,657	\$553,583,023	\$559,139,750
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Children's Health Insurance Program (CHIP) strategy includes funding for the basic CHIP program. CHIP is a non-entitlement health insurance benefit program for uninsured children (birth through age 18) in families with incomes at or below 200 percent of the federal poverty level who are not eligible for Medicaid. Texas CHIP provides comprehensive statewide health benefits, including inpatient and outpatient medical and dental benefits, through seventeen CHIP managed care organizations and two CHIP dental maintenance organizations. Texas CHIP began providing health coverage in May 2000.

The CHIP Reauthorization Act of 2009 (CHIPRA), which was signed into law on February 4, 2009, authorizes CHIP federal funding through federal fiscal year 2013. The Patient Protection and Affordable Care Act of 2010 (PPACA) extended CHIP federal funding through federal fiscal year 2015. PPACA also increases the federal CHIP match rate by 23 percentage points from October 1, 2015 through September 30, 2019.

Projected expenditures for maintaining current cost trends are requested as an exceptional item as base funding for FY 2016-17 holds costs at FY 2015 levels.

Legal Base: Title XXI of the Social Security Act as revised from the Balanced Budget Act of 1997; Chapters 62 and 63, Health and Safety Code; CHIP Reauthorization Act of 2009, H.R.2; Patient Protection and Affordable Care Act of 2012, H.R. 3590.

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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of down-turn, high unemployment or natural disasters could impact the numbers of Texas children enrolling in CHIP.

The federal CHIP match rate determines the required state match which derives the strategy method of finance. This rate, referred to as enhanced or EFMAP is derived from Medicaid match rate.

The CHIP program is subject to reauthorization during FY 2016 by the President and Congress. This reauthorization, changes in the CHIP State Plan, and the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for changes in programs, services, and rates which could impact the cash flow of state funds.

HHSC has not included CHIP Experience Rebate revenues for fiscal years 016-2017 as there is uncertainty that Managed Care Organizations (MCOs) will generate sufficient profitability to trigger an experience rebate payment. Preliminary financial results indicate that 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, CHJIP financial performance is combined with other programs in determining experience rebate and currently STAR+PLUS MCOs are showing significant losses.

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GOAL: 3 Children's Health Insurance Program Services
 OBJECTIVE: 1 CHIP Services
 STRATEGY: 2 CHIP Perinatal Services
 Statewide Goal/Benchmark: 3 4
 Service Categories:
 Service: 22
 Income: A.1
 Age: B.1

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Perinatal Recipient Months Per Month (KEY)	37,064.00	37,718.00	38,365.00	38,823.00	40,236.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Perinatal Benefit Cost Per Recipient Month	458.04	446.52	449.29	448.74	447.99

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$203,222,465	\$202,102,395	\$209,648,542	\$209,637,480	\$217,895,181
TOTAL OBJECT OF EXPENSE	\$203,222,465	\$202,102,395	\$209,648,542	\$209,637,480	\$217,895,181

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8010 GR Match for Title XXI	\$0	\$0	\$0	\$0	\$0
8025 Tobacco Receipts Match for CHIP	\$58,012,019	\$58,367,172	\$68,468,952	\$18,469,062	\$15,121,926
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$58,012,019	\$58,367,172	\$68,468,952	\$18,469,062	\$15,121,926

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.767.000 CHIP	\$145,210,446	\$143,735,223	\$148,179,590	\$191,168,418	\$202,773,255
CFDA Subtotal, Fund 555	\$145,210,446	\$143,735,223	\$148,179,590	\$191,168,418	\$202,773,255
SUBTOTAL MOF (FEDERAL FUNDS)	\$145,210,446	\$143,735,223	\$148,179,590	\$191,168,418	\$202,773,255

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$58,012,019	\$58,367,172	\$68,468,952	\$18,469,062	\$15,121,926
SUBTOTAL MOF (FEDERAL FUNDS)	\$145,210,446	\$143,735,223	\$148,179,590	\$191,168,418	\$202,773,255
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$209,637,480	\$217,895,181
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$203,222,465	\$202,102,395	\$209,648,542	\$209,637,480	\$217,895,181
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

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STRATEGY DESCRIPTION AND JUSTIFICATION:

The CHIP Perinatal Services strategy includes funds to provide health benefit coverage under CHIP to unborn children in low-income families who are ineligible for Medicaid. The federal CHIP law allows States to provide health insurance coverage for uninsured children with a more favorable federal matching rate than Medicaid. CHIP Perinatal services is an approved program under the federal law.

The 79th Legislature authorized HHSC to establish the CHIP Perinatal Services Program. The program includes an expedited enrollment process for more immediate access to prenatal care. Families are eligible for the Perinatal program if the pregnant mother has a family income at or below 200 percent of poverty and is ineligible for Medicaid due to family income or immigration status. Generally, pregnant women who are U.S. citizens or legal residents, and have incomes that fall into the Medicaid range (e.g., below 185% FPL) would qualify for Medicaid for Pregnant Women, and who meet other Medicaid eligibility requirements would not qualify for CHIP Perinatal. The program was implemented in January 2007.

The Patient Protection and Affordable Care Act of 2010 (PPACA) extended CHIP federal funding through federal fiscal year 2015. PPACA also increases the federal CHIP match rate by 23 percentage points from October 1, 2015 through September 30, 2019.

Projected expenditures for maintaining current cost trends are requested as an exceptional item as base funding for FY 2016-17 holds costs at FY 2015 levels.

Legal Base: 42 CFR 457.10

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texas children enrolling in CHIP. Changes in federal policies have could also impact the CHIP Perinatal program.

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The federal CHIP match rate determines the required state match which derives the strategy method of finance. This rate, referred to as enhanced or EFMAP is derived from Medicaid match rate.

The CHIP program is subject to reauthorization during FY2016 by the President and Congress. This reauthorization, changes in the CHIP State Plan, and the timing of federal approval, deferral, and disallowances impact the authority to utilize federal funds for changes in programs, services, and rates which could impact the cash flow of state funds.

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GOAL: 3 Children's Health Insurance Program Services
 OBJECTIVE: 1 CHIP Services
 STRATEGY: 3 CHIP PRSCRIPTION DRUGS
 Statewide Goal/Benchmark: 3 4
 Service Categories:
 Service: 22
 Income: A.1
 Age: B.1

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Cost/CHIP Recipient Month: Prescription Drugs	25.54	28.24	25.63	25.69	25.76

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$193,292,792	\$189,861,619	\$124,236,177	\$121,991,495	\$124,837,742
TOTAL OBJECT OF EXPENSE	\$193,292,792	\$189,861,619	\$124,236,177	\$121,991,495	\$124,837,742

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8010 GR Match for Title XXI	\$0	\$0	\$0	\$0	\$0
8025 Tobacco Receipts Match for CHIP	\$47,094,647	\$46,992,722	\$31,296,382	\$9,262,813	\$7,468,941
8070 Vednor Drug Rebates - CHIP	\$7,980,458	\$7,839,314	\$5,129,665	\$1,484,638	\$1,194,798
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$55,075,105	\$54,832,036	\$36,426,047	\$10,747,451	\$8,663,739

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Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 63.767.000 CHIP	\$138,217,687	\$135,029,583	\$87,810,130	\$111,244,044	\$116,174,003
CFDA Subtotal, Fund 555	\$138,217,687	\$135,029,583	\$87,810,130	\$111,244,044	\$116,174,003
SUBTOTAL MOF (FEDERAL FUNDS)	\$138,217,687	\$135,029,583	\$87,810,130	\$111,244,044	\$116,174,003

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$55,075,105	\$54,832,036	\$36,426,047	\$10,747,451	\$8,663,739
SUBTOTAL MOF (FEDERAL FUNDS)	\$138,217,687	\$135,029,583	\$87,810,130	\$111,244,044	\$116,174,003
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$121,991,495	\$124,837,742
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$193,292,792	\$189,861,619	\$124,236,177	\$121,991,495	\$124,837,742
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The CHIP Prescription Drugs strategy includes funding for the CHIP program to directly provide CHIP client medications through the CHIP managed care plans.

When the CHIP program was established in 2000, the CHIP program included client medications in the contract with various managed care providers. In 2002, CHIP began purchasing client medications through the Medicaid Vendor Drug Program. In March 2012, prescription drug services became part of the capitated payments to CHIP managed care organizations.

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The CHIP Reauthorization Act of 2009 (CHIPRA), which was signed into law on February 4, 2009, authorizes CHIP federal funding through federal fiscal year 2013. The Patient Protection and Affordable Care Act of 2010 (PPACA) extended CHIP federal funding through federal fiscal year 2015. PPACA also increases the federal CHIP match rate by 23 percentage points from October 1, 2015 through September 30, 2019.

The prescription drug expenditures from FY 2013 through FY 2017 reflected here represent the forecasted share of the monthly premium payment that is attributable to prescription drugs.

Legal Base: Title XXI of the Social Security Act as revised from the Balance Budget Act of 1997; Chapters 62 and 63, Health and Safety Code.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the numbers of Texas children enrolling in CHIP.

The federal CHIP match rate determines the required state match which derives the strategy method of finance. This rate, referred to as enhanced or EFMAP is derived from Medicaid match rate.

The CHIP program is subject to reauthorization during FY 2016 by the President and Congress. This reauthorization, changes in the CHIP State Plan, and the timing of federal approval, deferrals, and disallowances impact the authority to utilize federal funds for changes in programs, services, and rates which could impact the cash flow of state funds.

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GOAL: 3 Children's Health Insurance Program Services
 OBJECTIVE: 1 CHIP Services
 STRATEGY: 4 CHIP Contracts and Administration
 Statewide Goal/Benchmark: 3 4
 Service Categories:
 Service: 30
 Income: A.1
 Age: B.1

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$1,994,086	\$3,044,246	\$3,584,677	\$3,584,677	\$3,584,677
1002 OTHER PERSONNEL COSTS	\$64,543	\$73,689	\$84,090	\$84,090	\$84,090
2001 PROFESSIONAL FEES AND SERVICES	\$7,208,998	\$12,951,150	\$7,624,331	\$9,948,035	\$9,949,522
2002 FUELS AND LUBRICANTS	\$169	\$218	\$222	\$222	\$222
2003 CONSUMABLE SUPPLIES	\$3,514	\$12,313	\$6,404	\$6,404	\$6,404
2004 UTILITIES	\$66,975	\$61,823	\$65,648	\$27,898	\$27,898
2005 TRAVEL	\$24,007	\$36,554	\$39,132	\$39,132	\$39,132
2006 RENT - BUILDING	\$47,256	\$64,139	\$71,359	\$71,359	\$71,359
2007 RENT - MACHINE AND OTHER	\$34,073	\$29,823	\$34,851	\$10,387	\$10,387
2009 OTHER OPERATING EXPENSE	\$557,421	\$625,841	\$568,013	\$559,101	\$559,102
5000 CAPITAL EXPENDITURES	\$1,326	\$246	\$216	\$0	\$0
TOTAL OBJECT OF EXPENSE	\$10,002,368	\$16,900,042	\$12,078,943	\$14,331,305	\$14,332,793

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8010 GR Match for Title XXI	\$2,851,653	\$4,880,732	\$3,694,133	\$4,283,627	\$4,291,238
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$2,851,653	\$4,880,732	\$3,694,133	\$4,283,627	\$4,291,238

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.767.000 CHIP	\$7,150,715	\$12,019,310	\$8,384,810	\$10,047,678	\$10,041,555
CFDA Subtotal, Fund 555	\$7,150,715	\$12,019,310	\$8,384,810	\$10,047,678	\$10,041,555
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$2,851,653	\$4,880,732	\$3,694,133	\$4,283,627	\$4,291,238

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$2,851,653	\$4,880,732	\$3,694,133	\$4,283,627	\$4,291,238
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$2,851,653	\$4,880,732	\$3,694,133	\$4,283,627	\$4,291,238
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$14,331,305	\$14,332,793
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$10,002,368	\$16,900,042	\$12,078,943	\$14,331,305	\$14,332,793
FULL TIME EQUIVALENT POSITIONS	33.7	56.8	58.7	58.7	58.7

STRATEGY DESCRIPTION AND JUSTIFICATION:

Children's Health Insurance Program (CHIP) Contracts and Administration includes agency staffing and contracted costs for quality monitoring that are allocated between the Medicaid and CHIP expenditures. Expenditures also include enrollment services for CHIP, which are provided by a contracted vendor. The Enrollment Broker serves as an intermediary between the CHIP Managed Care Organizations, the clients, and HHSC. Enrollment broker functions include

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maintaining updated enrollment files for CHIP recipients; issuing enrollment packets through its mail subcontractor in order to educate and enroll the recipients; and maintaining an operations center dedicated to completing the enrollments whether by mail or phone. Outreach efforts educate and assist recipients on a one-on-one basis with the completion of their enrollment. In addition to the contracted vendor costs, funding includes the related postage expense. The enrollment broker costs related to Medicaid are represented in strategy B.3.1 Medicaid Contracts and Administration.

Administrative expenses do not qualify for the new enhanced Federal Matching Assistance Percent effective October 1, 2015.

Legal Base: Chapter 62, Health and Safety Code

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Changes in federal laws and regulations which require CHIP state plan amendments or waivers, would impact the workload on the Medicaid State Office. Implementing new state programs or policies could also increase the workload.

External and internal factors affecting enrollment services include: 1) managed care expansions/initiatives; 2) caseload/workload growth; 3) re-procurement of contracted services; 4) the federal match rate which determines the required state match and derives the strategy method of finance; 5) implementation of program and policy changes from state legislation; and 6) federal and state review and oversight.

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GOAL: 4 Encourage Self Sufficiency
 OBJECTIVE: 1 Assistance Services
 STRATEGY: 1 Temporary Assistance for Needy Families Grants
 Statewide Goal/Benchmark: 3 7
 Service Categories:
 Service: 28
 Income: A.1
 Age: B.1

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Number of TANF Basic Cash Assistance Recipients Per Month (KEY)	89,724.00	77,034.00	70,955.00	72,308.00	73,752.00
2 Average Number of State Two-Parent Cash Assist Recipients Per Month (KEY)	4,264.00	3,373.00	3,123.00	3,183.00	3,246.00
3 Average Number of TANF One-time Payments Per Month	219.00	164.00	149.00	146.00	143.00
4 Number of Children Receiving \$30 Once a Year Grant	74,721.00	62,699.00	63,302.00	64,566.00	65,856.00
5 Average Monthly Number of TANF Grandparent Payments	54.00	47.00	45.00	47.00	49.00
6 Average Number TANF/State Cash Adults Per Month w/ State Time-Limited Benefits	5,141.00	3,746.00	3,474.00	3,594.00	3,720.00
7 Average Number TANF/State Cash Adults/Month with Federal Time-Limited Benefits	13,715.00	11,124.00	10,369.00	10,620.00	10,832.00

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Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Monthly Grant: TANF Basic Cash Assistance (KEY)	71.23	72.76	74.14	75.30	75.30
2 Average Monthly Grant: State Two-Parent Cash Assistance Program (KEY)	72.12	74.63	76.08	77.30	77.29

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$85,732,143	\$74,850,556	\$70,204,968	\$73,085,138	\$74,487,405
TOTAL OBJECT OF EXPENSE	\$85,732,143	\$74,850,556	\$70,204,968	\$73,085,138	\$74,487,405

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$3,562,302	\$3,030,797	\$2,851,195	\$2,857,875	\$2,914,952
759 GR MOE for TANF	\$62,851,931	\$62,851,931	\$62,851,931	\$62,851,931	\$62,851,931
8135 GR for Entitlement Demand	\$0	\$0	\$0	\$0	\$0
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$66,414,233	\$65,882,728	\$65,703,126	\$65,709,806	\$65,766,883

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.558.000 Temp Assist Needy Families	\$19,317,910	\$8,967,828	\$4,501,842	\$7,375,332	\$8,720,522
CFDA Subtotal, Fund 555	\$19,317,910	\$8,967,828	\$4,501,842	\$7,375,332	\$8,720,522
SUBTOTAL MOF (FEDERAL FUNDS)	\$19,317,910	\$8,967,828	\$4,501,842	\$7,375,332	\$8,720,522

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Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$66,414,233	\$65,882,728	\$65,703,126	\$65,709,806	\$65,766,883
SUBTOTAL MOF (FEDERAL FUNDS)	\$19,317,910	\$8,967,828	\$4,501,842	\$7,375,332	\$8,720,522
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$73,085,138	\$74,487,405
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$85,732,143	\$74,850,556	\$70,204,968	\$73,085,138	\$74,487,405
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Temporary Assistance for Needy Families (TANF) strategy includes a portion of the federal funding provided through the TANF block grant to the State. The purpose of TANF Cash Assistance is to provide financial assistance to needy dependent children and the parents or relatives with whom they are living. Eligible TANF households receive monthly cash and Medicaid benefits. TANF funds are targeted to providing time-limited financial assistance to needy families with children; services to end family dependence on government benefits by promoting job preparation, work, and marriage; services to prevent out-of-wedlock pregnancies; and activities that encourage the formation and maintenance of two-parent families.

Federal TANF funding helps states provide assistance to needy families by granting statewide flexibility to determine eligibility, method of assistance and benefit levels. Types of assistance can include benefits directed at basic needs like food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses. Benefits can also include childcare, transportation, and supports for families. Some TANF grants to families occur monthly and some benefits are awarded on a one-time basis.

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State funds provide cash assistance to families with two parents who both receive benefits with children deprived of parental support because of the unemployment or underemployment of a parent.

Legal Base: Social Security Act, Title IV-A; 42 United States Code, Section 601 et seq.; Chapter 31, Human Resources Code

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Periods of economic down-turn, high unemployment or natural disasters could impact the number of Texas families applying for TANF cash. The maximum monthly grant is set, by a rider, to be at least 147% of the federal poverty level. The grant amount has not been increased in over a decade. Federal policy changes could also impact TANF cash assistance.

HHSC continues to need the flexibility to ensure that the TANF Maintenance of Effort (MOE) requirement is met as only a portion of the State's general revenue funding for TANF MOE is appropriated to HHSC. HHSC must also coordinate with the other state agencies with TANF MOE appropriations to insure expenditures meet the federal requirements.

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GOAL: 4 Encourage Self Sufficiency
OBJECTIVE: 1 Assistance Services
STRATEGY: 2 Refugee Assistance
Statewide Goal/Benchmark: 3 0
Service Categories:
Service: 28
Income: A.1
Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Number of Refugees Receiving Services	11,908.00	14,000.00	11,000.00	11,000.00	11,000.00

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$479,893	\$495,437	\$508,448	\$508,448	\$508,448
1002 OTHER PERSONNEL COSTS	\$15,271	\$12,929	\$12,622	\$12,622	\$12,622
2001 PROFESSIONAL FEES AND SERVICES	\$81,614	\$157,269	\$156,815	\$154,280	\$154,280
2002 FUELS AND LUBRICANTS	\$32	\$33	\$34	\$34	\$34
2003 CONSUMABLE SUPPLIES	\$278	\$3,747	\$3,748	\$3,748	\$3,748
2004 UTILITIES	\$6,344	\$17,220	\$17,418	\$13,537	\$13,537
2005 TRAVEL	\$32,645	\$47,847	\$47,848	\$47,848	\$47,848
2006 RENT - BUILDING	\$7,593	\$8,138	\$9,626	\$9,626	\$9,626
2007 RENT - MACHINE AND OTHER	\$4,905	\$5,217	\$6,281	\$899	\$899
2009 OTHER OPERATING EXPENSE	\$43,609	\$61,855	\$61,869	\$59,909	\$59,909

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
3001 CLIENT SERVICES	\$7,337,973	\$9,569,954	\$9,569,954	\$15,033,675	\$15,033,675
4000 GRANTS	\$25,696,395	\$24,834,694	\$24,834,693	\$28,280,673	\$28,280,673
5000 CAPITAL EXPENDITURES	\$173	\$23	\$22	\$0	\$0
TOTAL OBJECT OF EXPENSE	\$33,706,725	\$35,214,363	\$35,229,378	\$44,125,299	\$44,125,299

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.566.000 Refugee and Entrant Assis	\$28,406,481	\$28,972,835	\$28,987,851	\$37,883,772	\$37,883,772
555 Federal Funds 93.576.000 Refugee and Entrant	\$1,846,721	\$1,880,960	\$1,880,959	\$1,880,959	\$1,880,959
555 Federal Funds 93.584.000 Refugee and Entrant Assis	\$3,453,523	\$4,360,568	\$4,360,568	\$4,360,568	\$4,360,568
CFDA Subtotal, Fund 555	\$33,706,725	\$35,214,363	\$35,229,378	\$44,125,299	\$44,125,299
SUBTOTAL MOF (FEDERAL FUNDS)	\$33,706,725	\$35,214,363	\$35,229,378	\$44,125,299	\$44,125,299

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (FEDERAL FUNDS)	\$33,706,725	\$35,214,363	\$35,229,378	\$44,125,299	\$44,125,299
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$44,125,299	\$44,125,299
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$33,706,725	\$35,214,363	\$35,229,378	\$44,125,299	\$44,125,299
FULL TIME EQUIVALENT POSITIONS	9.1	9.1	9.1	9.1	9.1

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STRATEGY DESCRIPTION AND JUSTIFICATION:

The Refugee Assistance strategy includes funding to help eligible individuals attain economic independence and cultural adjustment as soon as possible after arriving in the United States. HHSC distributes funds in accordance with federal law, coordinates public and private services for the benefit of immigrants and refugees, and addresses inquiries related to refugee services.

Eligible individuals must meet federal eligibility standards including refugees, asylees, Cuban and Haitian entrants and parolees, certain Amerasians, special immigrants with visas from Iraq and Afghanistan and certified international victims of severe forms of trafficking. This strategy contributes to the agency's objective to encourage self-sufficiency.

The Refugee Affairs Program provides temporary cash assistance and medical assistance for refugees who have lived in the United States for eight months or less. Social services are available to eligible refugees who have lived in the United States for up to five years. Discretionary services are available to eligible refugees until they become U.S. citizens with an emphasis on newly arriving refugee populations.

Legal Base: Sec. 752.004, Health and Safety Code; Immigration reform and Control Act of 1986; Refugee Act of 1980; Section 400.41 of the code of Federal Regulations

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Country conditions overseas and domestic periods of economic down-turn, high unemployment or natural disasters, impact the numbers of individuals applying for Refugee Assistance and would impact the extent to which the cash assistance amount is adequate to encourage self-sufficiency. Secondary migration of refugees to non-traditional resettlement areas of the state and federal funding based on previous three-year arrivals also impacts the extent to which cash and social service funding is adequate to meet needs and demand.

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The President and Congress determine the number of eligible refugees arriving in the United States annually. The number of eligible refugees who come to Texas is determined by the U.S. Department of State in coordination with National Voluntary Agencies, and their local affiliates. Admission is largely dependent on US Department of Homeland Security verification procedures. Due to the inherent uncertainties about the number of eligible refugees in Texas in future years, the amount of federal appropriations and the availability of services for particular refugee groups can vary.

Recent trends indicate that refugee arrivals are below the ceiling for U.S. admissions due to additional security measures implemented by the Department of Homeland Security. However, despite the lowered levels of arrivals, it is anticipated that Texas will continue to be among the top three states nationwide to resettle refugees.

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GOAL: 4 Encourage Self Sufficiency
 OBJECTIVE: 1 Assistance Services
 STRATEGY: 3 Disaster Assistance
 Statewide Goal/Benchmark: 3 0
 Service Categories:
 Service: 28
 Income: A.2
 Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Number of Applications Approved	77.00	1.00	0.00	0.00	0.00

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$20,857	\$2,959	\$0	\$0	\$0
2001 PROFESSIONAL FEES AND SERVICES	\$0	\$92	\$0	\$0	\$0
2003 CONSUMABLE SUPPLIES	\$307	\$500	\$0	\$0	\$0
2005 TRAVEL	1,599		\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$7	\$30	\$0	\$0	\$0
3001 CLIENT SERVICES	\$999,887	\$0	\$0	\$0	\$0
TOTAL OBJECT OF EXPENSE	\$1,022,657	\$3,581	\$0	\$0	\$0

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$250,000	\$0	\$0	\$0	\$0
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$250,000	\$0	\$0	\$0	\$0

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 97.050.000 Individual and Household Other Needs	\$772,657	\$3,581	\$0	\$0	\$0
CFDA Subtotal, Fund 555	\$772,657	\$3,581	\$0	\$0	\$0
SUBTOTAL MOF (FEDERAL FUNDS)	\$772,657	\$3,581	\$0	\$0	\$0

Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
666 Appropriated Receipts	\$0	\$0	\$0	\$0	\$0
SUBTOTAL MOF (OTHER FUNDS)	\$0	\$0	\$0	\$0	\$0

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$250,000	\$0	\$0	\$0	\$0
SUBTOTAL MOF (FEDERAL FUNDS)	\$772,657	\$3,581	\$0	\$0	\$0
SUBTOTAL MOF (OTHER FUNDS)	\$0	\$0	\$0	\$0	\$0
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)				\$0	\$0
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$1,022,657	\$3,581	\$0	\$0	\$0
FULL TIME EQUIVALENT POSITIONS	0.5	0.0	0.0	0.0	0.0

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STRATEGY DESCRIPTION AND JUSTIFICATION:

Disaster Assistance funding assists people located in areas that are declared a disaster by the Governor or President. Programs include: Emergency Preparation and Mitigation, Other Needs Assistance (ONA), Public Assistance, and the Social Services Block Grant (SSBG) Supplemental Disaster Assistance (SDA) grant.

HHSC's Eligibility Emergency Services Program provides water and ice to people affected by state and federal disasters. FEMA provides Public Assistance funds to HHSC for damages and unusual expenses incurred to its facilities and programs.

The ONA program is administered jointly with the Federal Emergency Management Agency. FEMA provides housing assistance and HHSC provides grants to meet the other need of people who live in a Presidential Declared disaster area. Eligible people must be underinsured, not qualify for loan assistance from the Small Business Administration, have serious need and expenses resulting from the disaster.

The FY 2013 client services expenditures are related to the West Explosion.

Legal Base: Robert T Stafford Disaster Relief and Emergency Assistance Act, as amended, PL 106-390; Section 418.022, Government Code

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

There typically is no state appropriation made in the Disaster Assistance strategy. Any required state expenditures for disaster assistance must be transferred from another HHSC program.

When disasters occur in the last few months of the biennium, general revenue funds may not be available for transfer from other programs to disaster and there may be cash flow issues, even when budgetary authority is available; the number and severity of disasters, coupled with the economic circumstances of the population affects the assistance levels

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provided and state matching funds needed; and the requirement of prior notification of funds transfer may impede the flow of funds into the disaster program.

The state matching share percent is normally 25% for Other Needs Assistance and Public Assistance. Sometimes Congress has increased the federal financial participation on significant disasters, such as for Hurricanes Katrina and Rita in 2005.

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GOAL: 4 Encourage Self Sufficiency
OBJECTIVE: 2 Other Family Support Services
STRATEGY: 1 Family Violence Services
Statewide Goal/Benchmark: 3 22
Service Categories:
Service: 28
Income: A.2
Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Number of Persons served by Family Violence Program/Shelters (KEY)	76,131.00	80,686.00	80,686.00	80,686.00	80,686.00
2 Number of Participating Family Violence Programs/Shelters	78.00	78.00	82.00	82.00	82.00
3 Number of Hotline Calls	183,836.00	180,000.00	180,000.00	180,000.00	180,000.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 HHSC Average Cost Per Person Receiving Family Violence Services (KEY)	874.02	840.09	850.09	850.09	850.09

Explanatory/Input Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Percent of Family Violence Program Budgets Funded by HHSC	35.00%	36.00%	36.00%	36.00%	36.00%

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Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$296,763	\$439,071	\$549,692	\$549,692	\$549,692
1002 OTHER PERSONNEL COSTS	\$10,840	\$12,461	\$15,188	\$15,188	\$15,188
2001 PROFESSIONAL FEES AND SERVICES	\$1,330,924	\$1,269,538	\$1,269,346	\$1,267,490	\$1,267,490
2002 FUELS AND LUBRICANTS	\$16	\$26	\$27	\$27	\$27
2003 CONSUMABLE SUPPLIES	\$208	\$460	\$454	\$454	\$454
2004 UTILITIES	\$12,263	\$9,454	\$9,768	\$4,908	\$4,908
2005 TRAVEL	\$23,261	\$36,816	\$36,815	\$36,815	\$36,815
2006 RENT - BUILDING	\$3,796	\$6,399	\$7,453	\$7,453	\$7,453
2007 RENT - MACHINE AND OTHER	\$5,966	\$3,236	\$3,846	\$696	\$696
2009 OTHER OPERATING EXPENSE	\$17,122	\$142,573	\$143,847	\$142,699	\$142,699
4000 GRANTS	\$23,205,606	\$24,518,302	\$24,518,302	\$24,953,545	\$24,950,784
5000 CAPITAL EXPENDITURES	\$288	\$28	\$28	\$0	\$0
TOTAL OBJECT OF EXPENSE	\$24,907,053	\$26,438,364	\$26,554,766	\$26,978,967	\$26,967,206

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$10,170,909	\$10,756,251	\$10,761,274	\$10,750,232	\$10,750,232
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$10,170,909	\$10,756,251	\$10,761,274	\$10,750,232	\$10,750,232

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Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.558.667 TANF to Title XX	\$9,502,426	\$9,502,268	\$9,506,651	\$9,506,651	\$9,506,651
555 Federal Funds 93.566.000 Refugee and Entrant Assis	\$4,578	\$0	\$0	\$0	\$0
555 Federal Funds 93.667.000 Social Svcs Block Grants	\$0	\$1,197,825	\$1,118,170	\$1,056,762	\$1,054,001
555 Federal Funds 93.671.00 Family Violence Prevention	\$5,229,140	\$4,982,020	\$5,168,671	\$5,665,322	\$5,665,322
CFDA Subtotal, Fund 555	\$14,736,144	\$15,682,113	\$15,973,492	\$16,228,735	\$16,225,974
SUBTOTAL MOF (FEDERAL FUNDS)	\$14,736,144	\$15,682,113	\$15,973,492	\$16,228,735	\$16,225,974

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$10,170,909	\$10,756,251	\$10,761,274	\$10,750,232	\$10,750,232
SUBTOTAL MOF (FEDERAL FUNDS)	\$14,736,144	\$15,682,113	\$15,973,492	\$16,228,735	\$16,225,974
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$26,978,967	\$26,976,206
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$24,907,053	\$26,438,364	\$26,554,766	\$26,978,967	\$26,976,206
FULL TIME EQUIVALENT POSITIONS	5.9	7.1	9.0	9.0	9.0

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Family Violence Services strategy includes state funding for programs that provide services to victims of family violence. HHSC contracts with family violence centers to provide emergency shelter and/or nonresidential services to

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adult victims of family violence and their dependent children. Program Objectives include: enhancing the safety of adult victims and their children by providing temporary shelter and /or intervention services; ensuring the responsiveness of community systems to the needs to adult victims and their children and ensuring that adequate resources are available within the community to meet those needs; and providing public awareness about the criminality of acts of violence toward family members and eradicating public misconceptions about family violence.

The services enhance the safety of adult victims and their children by providing services such as, emergency 24-hour a day shelter, 24-hour hotline, intervention services, children's services and therapeutic activities, employment and training services, assistance in obtaining medical care, legal assistance in the civil and criminal justice systems, counseling services, transportation, law enforcement liaison, community education, and information and referral services.

Legal Base: Chapter 51, Human Resources Code

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External: There is a documented need to increase services in currently underserved areas of Texas and develop services for underserved populations.

Internal: The availability of funding, from the state and from the local communities, continues to be a factor that affects the ability to add new programs in underserved areas and the expansion of existing programs to better meet a community's need.

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GOAL: 4 Encourage Self Sufficiency
 OBJECTIVE: 2 Other Family Support Services
 STRATEGY: 2 Alternatives to Abortion. Nontransferable.
 Statewide Goal/Benchmark: 3 14
 Service Categories:
 Service: 23
 Income: A.2
 Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Number of Persons Receiving Services as Alternative to Abortion (KEY)	18,418.00	19,309.0	19,309.00	19,309.00	19,309.00
2 Number of Alternatives to Abortion Services Provided	80,659.00	78,000.00	78,000.00	78,000.00	78,000.00

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2001 PROFESSIONAL FEES AND SERVICES	\$4,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000
TOTAL OBJECT OF EXPENSE	\$4,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$1,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$1,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000

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Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 93.558.000 Temp Assist Needy Families	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
CFDA Subtotal, Fund 555	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$1,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$1,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$1,150,000	\$2,150,000	\$2,150,000	\$2,150,000	\$2,150,000
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$5,150,000	\$5,150,000
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$4,150,000	\$5,150,000	\$5,150,000	\$5,150,000	\$5,150,000
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Alternatives to Abortion Program is a statewide program for women seeking alternatives to abortion focused on pregnancy support services that promote childbirth. HHSC uses funds in this strategy to contract for coordinated services and support to expectant mothers who seek alternatives to abortion in a secure, healthy, and nurturing environment.

The HHSC-funded program is intended to supplement, coordinate and expand the availability and use of pregnancy support services. Pregnancy support services are provided by organizations such as adoption agencies, maternity homes, social service providers, and pregnancy centers.

This strategy contributes to the agency's objective to encourage self-sufficiency. State funding is focused on efforts to enhance support services such as: information regarding pregnancy and parenting, referrals to existing community

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services and social service programs, support groups, mentoring programs, material goods for pregnant women (car seat, maternity clothes, infant diapers, formula, etc.)

Legal Base: 2006-07 General Appropriations Act (Article II, Special Provisions, Section 50, S.B. 1, 79th Legislature, Regular Session, 2005)

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The U.S. National Center for Health Statistics reported that in 2012 Texas had the fourth highest birthrate for teens age 15-17 (34.3 per 1,000 births) and the third highest for the group age 15-19 (60.7 per 1,000 births) among the states and the District of Columbia. (2011 is the last year for which national statistics have been reported on this subject). The highest rate of teenage births is among Hispanic teens at 49.4 (per 1,000 births).

The most recent Texas vital statistics report available provided by the Texas Department of State Health Services (DSHS) indicated that 15.6% of all pregnancies in 2011 were aborted.

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GOAL: 4 Encourage Self Sufficiency
 OBJECTIVE: 2 Other Family Support Services
 STRATEGY: 3 Texas Women's Health Program
 Statewide Goal/Benchmark: 3 0
 Service Categories:
 Service: 22
 Income: A.2
 Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Number of Women's Health Program Recipient Months Per Month (KEY)	115,440.00	116,710.00	115,645.00	114,222.00	114,793.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average Women's Health Program Cost Per Recipient Month (KEY)	15.88	15.37	17.32	17.06	17.06

Explanatory/Input Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Number of Providers Enrolled in Texas Women's Health Program	3,853.00	3,930.00	4,930.00	5,020.00	5,120.00

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Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$30,991	\$59,060	\$63,638	\$65,637	\$65,637
1002 OTHER PERSONNEL COSTS	\$225	\$0	\$0	\$0	\$0
2001 PROFESSIONAL FEES AND SERVICES	\$1,303,160	\$2,320,858	\$1,709,204	\$1,910,661	\$1,952,358
2009 OTHER OPERATING EXPENSE	\$303,080	\$560,738	\$280,795	\$500,000	\$50,000
3001 CLIENT SERVICES	\$18,165,238	\$30,735,396	\$33,580,690	\$32,065,305	\$32,250,781
TOTAL OBJECT OF EXPENSE	\$19,802,694	\$33,676,052	\$35,634,327	\$34,541,603	\$34,768,776

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$10,200,000	\$33,676,052	\$35,634,327	\$34,541,603	\$34,768,776
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$10,200,000	\$33,676,052	\$35,634,327	\$34,541,603	\$34,768,776

Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
8044 Medicaid Subrogation Receipts	\$9,602,694	\$0	\$0	\$0	\$0
SUBTOTAL MOF (FEDERAL FUNDS)	\$9,602,694	\$0	\$0	\$0	\$0

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Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$10,200,000	\$33,676,052	\$35,634,327	\$34,541,603	\$34,768,776
SUBTOTAL MOF (FEDERAL FUNDS)	\$9,602,694	\$0	\$0	\$0	\$0
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$34,541,603	\$34,768,776
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$19,802,694	\$33,676,052	\$35,634,327	\$34,541,603	\$34,768,776
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Texas Women's Health Program (TWHP) is a statewide program for low-income women focused on providing family planning services. On January 1, 2013, TWHP was established as a fully state-funded program due to changes in state law regarding affiliates of entities that perform or promote elective abortions. Due to the federal government's denial of a demonstration waiver to continue a Medicaid-funded program for women's health, women's health services were funded with state funding for most of fiscal year 2013 and the 2014-15 biennium. The 2016-17 strategy request assumes the program will remain fully state-funded.

The goals of TWHP are to improve health outcomes for low-income women and babies, and reduce state expenditures for Medicaid-paid birth-related costs. Women are eligible for services if they are 18 to 44 years old, not pregnant, are U.S. citizens or legal residents and live in Texas, are not covered by health insurance, are not sterile or infertile and have income at 185% or less of the Federal Poverty Level (FPL).

This strategy contributes to the agency's objective to encourage self-sufficiency by providing the resources for family planning services and annual exams to eligible women.

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Legal Base: Texas Human Resources Code, Section 32.024(c-1)

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Despite some start-up challenges, HHSC has been able to locate a provider for every woman who contacted the agency to enroll and addressed isolated coverage gaps thus ensuring access to services. HHSC conducted, and will continue to conduct, outreach to providers and clients to enroll as many qualified providers as possible and ensure that clients are aware of how to access providers.

This strategy is fully funded with general revenue and is a non-entitlement program.

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GOAL: 5 Program Support
 OBJECTIVE: 1 Program Support
 STRATEGY: 1 Central Program Support
 Statewide Goal/Benchmark: 3 0
 Service Categories:
 Service: 09
 Income: A.2
 Age: B.3

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$10,560,675	\$10,965,060	\$11,633,825	\$11,243,906	\$11,243,906
1002 OTHER PERSONNEL COSTS	\$412,700	\$373,905	\$380,375	\$379,258	\$379,258
2001 PROFESSIONAL FEES AND SERVICES	\$3,022,820	\$3,553,157	\$3,556,907	\$1,750,932	\$1,750,932
2002 FUELS AND LUBRICANTS	\$706	\$723	\$757	\$757	\$757
2003 CONSUMABLE SUPPLIES	\$10,688	\$26,383	\$26,086	\$26,086	\$26,086
2004 UTILITIES	\$250,216	\$252,196	\$265,687	\$82,318	\$82,318
2005 TRAVEL	\$39,845	\$80,662	\$77,949	\$76,949	\$76,949
2006 RENT - BUILDING	\$171,972	\$551,764	\$213,425	\$213,425	\$213,425
2007 RENT - MACHINE AND OTHER	\$120,259	\$122,926	\$147,068	\$28,236	\$28,236
2009 OTHER OPERATING EXPENSE	\$589,117	\$856,873	\$816,198	\$754,050	\$754,050
5000 CAPITAL EXPENDITURES	\$5,208	\$1,048	\$1,048	\$0	\$0
TOTAL OBJECT OF EXPENSE	\$15,184,206	\$16,784,697	\$17,119,325	\$14,555,917	\$14,555,917

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$1,488,593	\$2,177,222	\$2,236,643	\$89,406	\$89,406
758 GR Match for Medicaid	\$3,379,301	\$3,624,585	\$3,697,671	\$3,605,270	\$3,605,270
8010 GR Match for Title XXI	\$28,594	\$212,545	\$222,432	\$229,372	\$229,755
8014 GR Match Food Stamp Adm	\$2,076,739	\$2,139,280	\$2,143,152	\$2,062,562	\$2,062,562
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$6,973,327	\$8,153,632	\$8,299,898	\$5,986,610	\$5,986,993

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 10.561.000 State Admin Match SNAP	\$2,076,739	\$2,139,248	\$2,143,120	\$2,062,648	\$2,062,648
555 Federal Funds 93.558.000 Temp Assist Needy Families	\$191,527	\$164,375	\$172,140	\$163,945	\$163,945
555 Federal Funds 93.566.00 Refugee and Entrant Assis	\$24,190	\$23,995	\$25,141	\$24,558	\$24,558
555 Federal Funds 93.667.000 Social Svcs Block Grans	\$1,901	\$3,677	\$3,849	\$3,817	\$3,817
555 Federal Funds 93.767.000 CHIP	\$70,795	\$522,291	\$546,588	\$538,014	\$537,631
555 Federal Funds 93.778.003 XIX 50%	\$3,379,117	\$3,623,944	\$3,697,030	\$3,604,629	\$3,604,629
CFDA Subtotal, Fund 555	\$5,744,269	\$6,477,530	\$6,587,868	\$6,397,611	\$6,397,228
SUBTOTAL MOF (FEDERAL FUNDS)	\$5,744,269	\$6,477,530	\$6,587,868	\$6,397,611	\$6,397,228

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
777 Interagency Contracts	\$2,466,710	\$2,153,535	\$2,231,559	\$2,171,696	\$2,171,696
SUBTOTAL MOF (OTHER FUNDS)	\$2,466,710	\$2,153,535	\$2,231,559	\$2,171,696	\$2,171,696

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$6,973,327	\$8,153,632	\$8,299,898	\$5,986,610	\$5,986,993
SUBTOTAL MOF (FEDERAL FUNDS)	\$5,744,269	\$6,477,530	\$6,587,868	\$6,397,611	\$6,397,228
SUBTOTAL MOF (OTHER FUNDS)	\$2,466,710	\$2,153,535	\$2,231,559	\$2,171,696	\$2,171,696
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$14,555,917	\$14,555,917
TOTAL METHOD OF FINANCIE (EXCLUDING RIDERS)	\$15,184,206	\$16,784,697	\$17,119,325	\$14,555,917	\$14,555,917
FULL TIME EQUIVALENT POSITIONS	189.7	192.5	194.3	194.3	194.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

The Central Program Support strategy includes expenditures required to support the internal administrative functions of the agency, impacting the business and fiscal operations of the agency. Services include accounting, budget, contract and grant administration, internal audit, external relations and legal. These areas support, guide, and assist HHSC program areas. These functions support HHSC which supports the entire HHS enterprise and funding is dependent upon all five agencies.

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors, which would impact this strategy, result from increases in Medicaid and CHIP caseloads and the corresponding need to provide oversight and develop policies that are client focused.

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The primary internal factor impacting this strategy is continued focus on transition and transformation of the HHS system to achieve cost savings that can be directed toward consumer service delivery.

Functions within this strategy must focus on balancing oversight and operations, consolidating administrative services, and strengthening contract management.

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GOAL: 5 Program Support
 OBJECTIVE: 1 Program Support
 STRATEGY: 2 Information Technology Program Support
 Statewide Goal/Benchmark: 3 0
 Service Categories:
 Service: 09
 Income: A.2
 Age: B.3

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$2,938,730	\$3,320,546	\$3,737,087	\$3,737,087	\$3,737,087
1002 OTHER PERSONNEL COSTS	\$141,098	\$116,228	\$126,515	\$126,515	\$126,515
2001 PROFESSIONAL FEES AND SERVICES	\$6,738,979	\$6,399,823	\$8,915,911	\$1,229,457	\$1,229,457
2002 FUELS AND LUBRICANTS	\$325	\$186	\$195	\$195	\$195
2003 CONSUMABLE SUPPLIES	\$2,303	\$3,173	\$3,176	\$3,176	\$3,176
2004 UTILITIES	\$132,067	\$156,535	\$159,690	\$112,502	\$112,502
2005 TRAVEL	\$8,512	\$4,182	\$4,181	\$4,181	\$4,181
2006 RENT - BUILDING	\$76,610	\$46,241	\$1,126,345	\$967,456	\$967,456
2007 RENT - MACHINE AND OTHER	\$49,580	\$29,644	\$35,688	\$5,108	\$5,108
2009 OTHER OPERATING EXPENSE	\$1,097,067	\$896,372	\$3,044,931	\$1,347,055	\$1,347,055
5000 CAPITAL EXPENDITURES	\$2,323	\$270	\$270	\$0	\$0
TOTAL OBJECT OF EXPENSE	\$11,187,594	\$10,973,200	\$17,153,989	\$7,541,732	\$7,541,732

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$80,245	\$161,110	\$175,084	\$160,857	\$160,857
758 GR Match for Medicaid	\$2,936,297	\$2,837,785	\$3,770,873	\$1,938,699	\$1,938,699
8010 GR Match for Title XXI	\$57,125	\$180,519	\$223,326	\$112,519	\$112,707
8014 GR Match Food Stamp Adm	\$1,693,763	\$1,564,090	\$2,200,916	\$1,159,356	\$1,159,356
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$4,767,430	\$4,743,504	\$6,370,19	\$3,371,431	\$3,371,619

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 00.000.001 Comptroller Miscellaneous Claims Federal Fund Payment	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 10.561.100 State Admin Match SNAP	\$1,693,763	\$1,563,806	\$3,010,953	\$1,159,408	\$1,159,408
555 Federal Funds 93.558.000 Tamp Assist Needy Families	\$150,081	\$122,282	\$193,037	\$73,697	\$73,697
555 Federal Funds 93.566.00 Refugee and Entrant Assis	\$25,121	\$20,267	\$24,856	\$12,007	\$12,007
555 Federal Funds 93.667.000 Social Services Block Grants	\$1,772	\$2,876	\$3,588	\$1,653	\$1,653
555 Federal Funds 93.767.000 CHIP	\$140,748	\$443,573	\$548,762	\$263,925	\$263,737
555 Federal Funds 93.778.003 XIX 50%	\$2,918,623	\$2,835,684	\$3,768,772	\$1,936,598	\$1,936,598
555 Federal Funds 93.778.004 XIX ADM @ 75%	\$70,110	\$0	\$0	\$0	\$0
CFDA Subtotal, Fund 555	\$5,000,218	\$4,988,488	\$7,549,968	\$3,447,288	\$3,447,100
SUBTOTAL MOF (FEDERAL FUNDS)	\$5,000,218	\$4,988,488	\$7,549,968	\$3,447,288	\$3,447,100

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
777 Interagency Contracts	\$1,419,946	\$1,241,208	\$3,233,822	\$723,013	\$723,013
SUBTOTAL MOF (OTHER FUNDS)	\$1,419,946	\$1,241,208	\$3,233,822	\$723,013	\$723,013

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$4,767,430	\$4,743,504	\$6,370,19	\$3,371,431	\$3,371,619
SUBTOTAL MOF (FEDERAL FUNDS)	\$5,000,218	\$4,988,488	\$7,549,968	\$3,447,288	\$3,447,100
SUBTOTAL MOF (OTHER FUNDS)	\$1,419,946	\$1,241,208	\$3,233,822	\$723,013	\$723,013
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$7,541,732	\$7,541,732
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$11,187,594	\$10,973,200	\$17,153,989	\$7,541,732	\$7,541,732
FULL TIME EQUIVALENT POSITIONS	51.9	53.7	58.8	58.8	58.8

STRATEGY DESCRIPTION AND JUSTIFICATION:

HHSC Information Technology (IT) provides information resource management services that include application systems development and maintenance; project management; HIPAA compliance coordination and project implementation; network, security, desk-side and telecommunications support services at central and regional locations. This strategy includes staff costs, professional services, contracted staff costs and computer equipment maintenance related to the support of HHSC programs. These IT functions support HHSC which supports the entire HHS enterprise, and funding is dependent upon all five agencies.

HHSC IT supports the daily information technology needs of all HHSC.

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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External impacts on Information Technology include the Data Center Consolidation functions and support at the Department of Information Resources (DIR). Technology upgrades and state-wide efforts such as the Comptroller's Centralized Accounting and Payroll/Personnel System (CAPPS) will continue to change the requirements of IT program support. State and federal statutory and regulatory changes often impact technology systems resulting in required system/application modifications to implement the new law and/or regulations.

The agency continues to upgrade and modernize the Eligibility automated Systems and the Supporting Technologies to implement the interoperability needed to exchange information.

Internal impacts include continuing programmatic and/or policy changes that may require new IT systems and/or other application modifications.

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GOAL: 5 Program Support
 OBJECTIVE: 1 Program Support
 STRATEGY: 3 Regional Program Support
 Statewide Goal/Benchmark: 3 0
 Service Categories:
 Service: 09
 Income: A.2
 Age: B.3

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AND WAGES	\$13,169,927	\$15,771,736	\$17,241,448	\$17,241,448	\$17,241,448
1002 OTHER PERSONNEL COSTS	\$2,344,638	\$730,516	\$498,838	\$498,838	\$498,838
2001 PROFESSIONAL FEES AND SERVICES	\$784,437	\$1,509,815	\$2,356,217	\$469,966	\$469,966
2002 FUELS AND LUBRICANTS	\$121,119	\$135,377	\$132,001	\$132,001	\$132,001
2003 CONSUMABLE SUPPLIES	\$3,393,795	\$3,994,487	\$3,945,235	\$3,945,235	\$3,945,235
2004 UTILITIES	\$16,823,670	\$16,151,917	\$16,567,507	\$8,880,426	\$8,880,426
2005 TRAVEL	\$608,523	\$660,408	\$880,949	\$880,949	\$880,949
2006 RENT - BUILDING	\$46,164,161	\$50,073,144	\$50,799,320	\$50,799,320	\$50,799,320
2007 RENT - MACHINE AND OTHER	\$8,490,824	\$6,789,154	\$6,969,751	\$6,540,182	\$6,540,182
2009 OTHER OPERATING EXPENSE	\$20,312,233	\$23,665,552	\$23,831,801	\$23,675,321	\$23,675,321
5000 CAPITAL EXPENDITURES	\$160,042	\$97,408	\$43,940	\$0	\$0
TOTAL OBJECT OF EXPENSE	\$112,373,369	\$119,579,514	\$123,267,007	\$113,063,686	\$113,063,686

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$6,379	\$4,642	\$5,048	\$4,920	\$4,920
758 GR Match for Medicaid	\$2,157,875	\$2,031,383	\$2,073,385	\$1,992,164	\$1,992,164
8010 GR Match for Title XXI	\$5,402	\$86,891	\$99,623	\$102,718	\$102,890
8014 GR Match Food Stamp Adm	\$1,635,098	\$1,450,945	\$1,410,433	\$1,332,289	\$1,332,289
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$3,804,754	\$3,573,861	\$3,588,489	\$3,432,091	\$3,432,263

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 10.561.000 State Admin Match SNAP	\$1,635,098	\$1,450,906	\$1,410,394	\$1,332,289	\$1,332,289
555 Federal Funds 93.558.000 Temp Assist Needy Families	\$158,089	\$135,494	\$145,985	\$138,050	\$138,050
555 Federal Funds 93.566.000 Refugee and entrant Assis	\$8,161	\$7,686	\$8,537	\$8,336	\$8,336
555 Federal Funds 93.667.000 Social Services Block Grant	\$803	\$1,433	\$1,623	\$1,607	\$1,607
555 Federal Funds 93.767.000 CHIP	\$13,038	\$213,195	\$244,466	\$240,935	\$240,763
555 Federal Funds 93.778.003 XIX 50%	\$2,157,858	\$2,031,175	\$2,073,177	\$1,991,955	\$1,991,955
CFDA Subtotal, Fund 555	\$3,973,047	\$3,839,889	\$3,884,182	\$3,713,172	\$3,713,000
SUBTOTAL MOF (FEDERAL FUNDS)	\$3,973,047	\$3,839,889	\$3,884,182	\$3,713,172	\$3,713,000

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Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
777 Interagency Contracts	\$104,595,568	\$112,165,764	\$115,794,336	\$105,918,423	\$105,918,423
SUBTOTAL MOF (OTHER FUNDS)	\$104,595,568	\$112,165,764	\$115,794,336	\$105,918,423	\$105,918,423

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$3,804,754	\$3,573,861	\$3,588,489	\$3,432,091	\$3,432,263
SUBTOTAL MOF (FEDERAL FUNDS)	\$3,973,047	\$3,839,889	\$3,884,182	\$3,713,172	\$3,713,000
SUBTOTAL MOF (OTHER FUNDS)	\$104,595,568	\$112,165,764	\$115,794,336	\$105,918,423	\$105,918,423
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$113,063,686	\$113,063,686
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$112,373,369	\$119,579,514	\$123,267,007	\$113,063,686	\$113,063,686
FULL TIME EQUIVALENT POSITIONS	272.4	307.9	320.4	320.4	320.4

STRATEGY DESCRIPTION AND JUSTIFICATION:

The regional program support service provides region-specific support services including; business services such as accounts payable, building and property management, and budget management. The purpose is to provide consolidated administrative support and infrastructure support to all HHS Enterprise employees working in local and regional offices. These functions support the entire HHS enterprise and funding is dependent upon all five agencies.

Legal Base: Human Resources Code, Chapter 21 and 22

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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External Factors: Staffing increases at HHS agencies increases demand for regional services. As consolidation, optimization, and reorganizations continue, the regional program support structure will change to meet the needs and requirements of any new program delivery model. Coordination with the Texas Facilities Commission on the acquisition of property is necessary as well as the coordination of all five HHS agencies in determining local office needs.

Intern Factors: Changes in cost allocation factors affect the distribution of shared costs across the five agencies and the demand for general revenue. Internal efforts to reduce the office space footprint will require changes in policies, procedures, and cost allocation to promote a telework and mobile office environment.

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GOAL: 6 Information Technology Projects
 OBJECTIVE: 1 Information Technology Projects
 STRATEGY: 1 Texas Integrated Eligibility Redesign System & Supporting Tech
 Statewide Goal/Benchmark: 3 10
 Service Categories:
 Service: 08
 Income: A.2
 Age: B.3

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
2001 PROFESSIONAL FEES AND SERVICES	\$33,166,839	\$23,296,368	\$51,566,168	\$5,224,947	\$3,631,068
2007 RENT - MACHINE AND OTHER	\$33,584	\$0	\$0	\$0	\$0
2009 OTHER OPERATING EXPENSE	\$32,988,583	\$28,902,884	\$30,174,71	\$31,748,826	\$31,211,127
5000 CAPITAL EXPENDITURES	\$30,731,721	\$18,728,942	\$28,513,325	\$16,974,301	\$26,207,427
TOTAL OBJECT OF EXPENSE	\$96,920,727	\$70,928,194	\$110,254,204	\$53,948,074	\$61,049,622

Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$3,803,304	\$4,901,341	\$2,460,792	\$579,063	\$26,163
758 GR Match for Medicaid	\$13,723,300	\$14,047,038	\$11,399,097	\$11,716,013	\$13,396,381
8010 GR Match for Title XXI	\$2,672,843	\$2,929,008	\$1,042,812	\$1,071,804	\$1,225,527
8014 GR Match Food Stamp Adm	\$8,951,244	\$13,344,358	\$12,486,065	\$12,833,198	\$14,673,800
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$29,150,691	\$35,221,745	\$27,388,766	\$26,200,078	\$29,321,871

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Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 10.561.000 State Admin Match SNAP	\$8,951,244	\$13,344,358	\$12,486,065	\$12,833,198	\$14,673,800
555 Federal Funds 93.558.000 Temp Assist Needy Families	\$412,774	\$878,021	\$505,376	\$519,427	\$593,925
555 Federal Funds 93.566.000 Refugee and Entrant Assis	\$28,765	\$36,958	\$44,527	\$45,765	\$52,329
555 Federal Funds 93.767.000 CHIP	\$6,693,672	\$7,400,074	\$2,562,355	\$2,633,593	\$3,011,316
555 Federal Funds 93.778.003 XIX 50%	\$7,902,484	\$14,047,038	\$16,573,256	\$11,716,013	\$13,396,381
555 Federal Funds 93.778.004 XIX ADM @ 75%	\$,301,155	\$0	\$0	\$0	\$0
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$39,479,942	\$0	\$50,693,859	\$0	\$0
CFDA Subtotal, Funds 555	\$67,770,036	\$35,706,449	\$82,865,438	\$27,747,996	\$31,727,751
SUBTOTAL MOF (FEDERAL FUNDS)	\$67,770,036	\$35,706,449	\$82,865,438	\$27,747,996	\$31,727,751

Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
777 Interagency Contracts	\$0	\$0	\$0	\$0	\$0
SUBTOTAL MOF (OTHER FUNDS)	\$0	\$0	\$0	\$0	\$0

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$29,150,691	\$35,221,745	\$27,388,766	\$26,200,078	\$29,321,871
SUBTOTAL MOF (FEDERAL FUNDS)	\$67,770,036	\$35,706,449	\$82,865,438	\$27,747,996	\$31,727,751
SUBTOTAL MOF (OTHER FUNDS)	\$0	\$0	\$0	\$0	\$0

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$53,948,074	\$61,049,622
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$96,920,727	\$70,928,194	\$110,254,204	\$53,948,074	\$61,049,622
FULL TIME EQUIVALENT POSITIONS	N/A	N/A	N/A	N/A	N/A

STRATEGY DESCRIPTION AND JUSTIFICATION:

HHSC deliver eligibility services to clients for the state and federal programs administered by HHSC including Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Children's Health Insurance Program (CHIP), the Texas Women's Health Program, Medicaid for children and adults, and Medicaid for the elderly and People with Disabilities (MEPD). Eligibility services are provided through a network of HHSC local offices. Consumers access the eligibility services in face-to-face interviews conducted at local offices, by self-service terminals in the lobby of local offices, by phone, mail, fax, internet, or through hand-held devices. This strategy includes the capital project expense for implementing the Enhanced Eligibility System to increase access to services, implement efficient and simplified business processes, reduce fraud, and ensure compliance with federal law. The project scope for the enhanced Eligibility System includes capital project expenses for the following areas: TIERS and Eligibility Supporting Technologies (TIERS application enhancement, Self Service Portal, Task List Manager, CHIP into TIERS, and TIERS Training); and Telephony - Voice over Internet Protocol (VOIP).

Legal Base: Federal - TANF 42 United States Code (USC) Section 601 et seq., SNAP 7 USC Section 2011 et seq., Medicaid 42 USC Section 1396 et seq., CHIP 42 USC Section 1397aa et seq.; State - Human Resources Code Chapters 22, 31, 32, 33, 34 and 44, and Health and Safety Code Chapters 62 and 63.

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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

External factors affecting eligibility and enrollment include: 1) caseload/workload growth and caseload mix changes; 2) laws and standards for case decision timeliness and benefit determination accuracy, including state compliance with federal standards that determine receipts of bonuses or imposition of sanctions and financial penalties; 3) re-procurements of contracted services; 4) Federal programs and policy changes; 5) implementation of program and policy changes from state legislation; 6) disasters; and 7) federal and state review and oversight.

Internal factors affecting eligibility and enrollment include 1) staff retention and recruitment; 2) cost allocation factor changes impacted by the number and type of cases affecting the demand for general revenue; and 3) streamlining internal processes and procedures with technology to reduce administrative costs and improve productivity and efficiencies.

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GOAL: 7 Office of Inspector General
OBJECTIVE: 1 Client and Provider Accountability
STRATEGY: 1 Office of Inspector General
Statewide Goal/Benchmark: 3 2
Service Categories:
Service: 17
Income: A.2
Age: B.3

Output Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Number of Completed Provider and Recipient Investigations (KEY)	98,808.00	97,991.00	102,678.00	107,761.00	112,795.00
2 Number of Audits and Reviews Performed (KEY)	3,135.00	2,923.0	3,163.00	3,448.00	3,841.00
3 Number of Nursing Facility Review	255.00	651.00	650.00	325.00	100.00
4 Number of Hospital Utilization Reviews	687.00	533.00	625.00	625.00	625.00
5 Total Dollars Recovered (Millions) (KEY)	273.52	260.39	250.92	254.75	266.35
6 Total Dollars Saved (Millions)	424.14	386.30	342.87	329.60	330.34
7 Referrals to OAG Fraud Control Unit	48.00	97.00	151.00	156.00	162.00
8 Cases: Fraud and Abuse System	3,60.00	2,500.00	3,500.00	4,500.00	5,500.00

Efficiency Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Average \$ Recovered and Saved/Completed Investigation, Review and Audit	6,781.01	6,334.03	5,543.42	5,210.00	5,084.22

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Explanatory/Input Measures

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 Medicaid Providers Excluded	309.00	348.00	329.00	338.00	333.00

Objects of Expense

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1001 SALARIES AN DWAGES	\$30,610,532	\$40,613,474	\$40,324,275	\$39,988,929	\$39,988,931
1002 OTHER PERSONNEL COSTS	\$1,494,661	\$1,520,725	\$1,395,706	\$1,550,708	\$1,550,708
2001 PROFESSINAL FEES AND SERVICES	\$19,633,381	\$11,228,962	\$10,070,752	\$22,483,957	\$12,708,957
2002 FUELS AN DLUBRICANTS	\$9,858	\$22,199	\$13,244	\$13,244	\$13,244
2003 CONSUMABLE SUPPLIES	\$259,999	\$473,608	\$414,559	\$414,559	\$414,559
2004 UTLITIES	\$1,351,244	\$1,661,414	\$1,726,234	\$1,001,724	\$1,001,724
2005 TRAVEL	\$928,413	\$1,191,906	\$1,162,143	\$1,162,143	\$1,162,143
2006 RENT - BUILDING	\$2,955,503	\$3,962,043	\$4,138,904	\$4,138,904	\$4,138,904
2007 RENT - MACHINE AND OTHER	\$795,640	\$878,177	\$977,739	\$508,221	\$508,221
2009 OTHER OPERATING EXPENSE	\$2,945,228	\$53,850,200	\$41,314,049	\$5,839,523	\$5,839,523
5000 CAPITAL EXPENDITURES	\$39,608	\$164,054	\$118,191	\$114,050	\$114,050
TOTAL OBJECT OF EXPENSE	\$61,024,067	\$115,566,762	\$101,655,796	\$77,215,962	\$67,440,964

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Method of Financing - General Revenue Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
1 General Revenue Fund	\$3,944	\$62,526	\$9,566	\$9,476	\$7,806
758 GR Match for Medicaid	\$11,589,188	\$17,684,420	\$19,071,205	\$16,927,364	\$14,946,532
8010 GR Match for Title XXI	\$24,361	\$70,523	\$77,157	\$79,530	\$79,663
8014 GR Match Food Stamp Adm	\$4,895,200	\$14,971,236	\$8,488,231	\$8,326,068	\$7,419,386
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$16,512,693	\$32,788,705	\$27,646,159	\$25,342,435	\$22,453,387

Method of Financing - Federal Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
555 Federal Funds 00.000.001 Comptroller Miscellaneous Claims Federal Fund Payment	\$0	\$0	\$0	\$0	\$0
555 Federal Funds 10.561.000 State Admin Match SNAP	\$5,013,138	\$15,600,716	\$8,744,970	\$8,582,838	\$7,676,156
555 Federal Funds 93.558.000 Temp Assist Needy Families	\$311,074	\$790,864	\$512,346	\$487,477	\$450,841
555 Federal Funds 93.566.000 Refugee and Entrant Assis	\$4,570	\$5,373	\$5,491	\$5,358	\$5,358
555 Federal Funds 93.667.000 Social Services Block Grants	\$16	\$809	\$822	\$822	\$822
555 Federal Funds 93.767.000 CHIP	\$60,590	\$183,808	\$189,350	\$186,546	\$186,413
555 Federal Funds 93.778.003 XIX 50%	\$8,348,307	\$11,111,801	\$11,170,103	\$10,650,730	\$10,650,731
555 Federal Funds 93.778.004 XIX ADM @ 75%	\$6,958,945	\$11,496,238	\$15,870,817	\$19,055,257	\$13,112,757
555 Federal Funds 93.778.005 XIX FMAP @ 90%	\$13,046,451	\$30,790,010	\$24,173,503	\$0	\$0
CFDA Subtotal, Funds 555	\$33,743,091	\$69,979,619	\$60,667,402	\$38,969,028	\$32,083,078

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CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (FEDERAL FUNDS)	\$33,743,091	\$69,979,619	\$60,667,402	\$38,969,028	\$32,083,078

Method of Financing - Other Funds

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
777 Interagency Contracts	\$10,768,283	\$12,798,438	\$13,342,235	\$12,904,499	\$12,904,499
SUBTOTAL MOF (OTHER FUNDS)	\$10,768,283	\$12,798,438	\$13,342,235	\$12,904,499	\$12,904,499

Totals

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
SUBTOTAL MOF (GENERAL REVENUE FUNDS)	\$16,512,693	\$32,788,705	\$27,646,159	\$25,342,435	\$22,453,387
SUBTOTAL MOF (FEDERAL FUNDS)	\$33,743,091	\$69,979,619	\$60,667,402	\$38,969,028	\$32,083,078
SUBTOTAL MOF (OTHER FUNDS)	\$10,768,283	\$12,798,438	\$13,342,235	\$12,904,499	\$12,904,499
TOTAL METHOD OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$77,215,962	\$67,440,964
TOTAL METHOD OF FINANCE (EXCLUDING RIDERS)	\$61,024,067	\$115,566,762	\$101,655,796	\$77,215,962	\$67,440,964
FULL TIME EQUIVALENT POSITIONS	607.9	799.3	799.3	799.3	799.3

STRATEGY DESCRIPTION AND JUSTIFICATION:

OIG is responsible for investigation of fraud, waste and abuse in the provision of HHS programs. OIG is responsible for 1) issuing sanctions and performing corrective actions against program providers/recipients, as appropriate; 2) auditing and reviewing the use of state or federal funds including contract and grant funds administered by a person or state entity receiving the funds from an HHS agency; 3) researching, detecting, and identifying events of fraud, waster, and abuse to ensure accountability and responsible use of resources; 4) conducting investigations, reviews, and monitoring cases internally, with appropriate referral to outside agencies for further action; 5) recommending policies that enhance

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prevention and detection of fraud, waste, and abuse, and 6) providing education, technical assistance, and training to promote cost avoidance activities and sustain improved relationships with providers.

OIG is a modern investigative arm with extensive expertise and diverse resources capable of rapidly and objectively responding to current and emerging HHS issues. To ensure quality, OIG operates in accordance with the Association of Inspectors General's (Green Book) and audits are performed in accordance with U.S. General Accountability Office (Yellow Book).

Functional sections include: Medicaid Provider Integrity; General Investigations; Data Analytics and Fraud Detection; Internal Affairs; Quality Review; Audit; Third Party Liability; Legal; Sanctions; Technology Analysis Development and Support; Policy and Outreach, and Business Operations.

Legal Base: Government Code, Section 531.102

EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

The following factors combine to potentially impact OIG's ability to accomplish its mission:

- Ever expanding oversight, coordination, investigation, audit, legal, sanctions, and other downstream impacts of federal mandates arising from recent healthcare reform legislation
- State Hospital, SSLC and Residential Facility investigation mandates
- Increased focus on border activities impacting number of questionable document (birth, death, paternity) investigations conducted.
- Expanded statutory responsibility for auditing, reviewing, or investigation of Long Term Care Facilities, Outpatient Hospitals, managed Care Organizations, and additional HHS programs
- Increased call volume on the OIG hotline
- Transition into managed Care from fee-For-Service requiring higher investigative skill techniques

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- Agency's continued reorganization efforts to allocate staff resources to functional sections that would yield the highest recovery of Medicaid Dollars
- Requirements to audit areas for which the return is not high
- Limited access to necessary data sets to increase identification of fraud, waste and abuse
- Inability to attract employees for technical and nursing positions due to pay disparity with private industry
- Compliance monitoring changes as a result of new IC vendor agreements
- Inability of Lock-In nurses to access law enforcement databases that provide information regarding crimes involving the use or misuse of prescription medications

SUMMARY TOTALS

CODE/DESCRIPTION	Exp 2013	Est 2014	Bud 2015	BL 2016	BL 2017
OBJECTS OF EXPENSE	\$23,417,414,952	\$25,344,622,396	\$27,707,363,594	\$28,876,385,986	\$29,885,985,167
METHODS OF FINANCE (INCLUDING RIDERS)	N/A	N/A	N/A	\$28,876,385,986	\$29,885,985,167
METHODS OF FINANCE (EXCLUDING RIDERS)	\$23,417,414,952	\$25,344,622,396	\$27,707,363,594	\$28,876,385,986	\$29,885,985,167
FULL TIME EQUIVALENT POSITIONS	12,015.3	12,720.7	12,773.5	12,733.5	12,773.5