

HIGH LEVEL SUMMARY OF MEDICAID FUNDING

1. Funds Appropriated: \$62.4 billion in All Funds, including \$25.6 billion in GR and \$0.2 billion in GR–Dedicated Funds. This is a biennial reduction of \$1.9 billion in All Funds, including \$0.4 billion in GR.

The above funds include:

- \$57.4 billion in All Funds for Medicaid client services,
- \$1.7 billion in All Funds for programs supported by Medicaid funding, and
- \$3.3 billion in All Funds for administration of the Medicaid program and other programs supported by Medicaid funding.

The reduction in funding is due to decreases of \$1.3 billion All Funds in Medicaid client services, \$0.6 billion All Funds in administrative funding, and \$0.1 billion All Funds for other programs supported by Medicaid funding.

2. Funding Levels for Client Services: Funds support caseload growth at FY 2017 average costs for most services in FY 2018. FY 2019 funding is maintained at FY 2018 level for each method of financing. **The only exception is for long-term-care waivers**, which are maintained at the August 2017 level throughout the 2018–19 biennium except for TxHmL and HCS [rate cuts].

Funding levels also include or assume the following:

- **TxHmL:** Slots’ are assumed to continue declining throughout the 2018–19 biennium.
- **Therapy Rates:** Funding levels restore approximately 25% of cuts made to therapy rates last session, and phase in reductions associated with reimbursement policy for therapy assistants.
- **Cost Containment Initiatives:** Funding levels assume approximately \$1 billion All Funds in Medicaid cost containment which includes reducing risk margin premiums for MCOs from 2% to 1.5%, and direction for HHSC to contain costs and execute savings. The reduction in the risk margin premiums is estimated to save about \$77.1 million GR.
- **Promoting Independence (PI):** HHSC requested 2,596 HCS ‘slots’ - **only 735 funded**.

PI Groups	Requested	Funded
People Moving from Large ICFs & SSLCs	500	325
Youth Aging out of Foster Care (CPS)	236	110
Persons at Imminent Risk of Entering an ICF/IID	400	0
People with IDD Moving from State Hospitals	120	0
People with IDD at risk of entering a NH	600	150
People with IDD moving from NHs	700	150
Children Moving from General Residence Operations (GRO) facility (CPS)	40	0

3. Supplemental: Funding amounts for FY 2016–17 for Medicaid include supplemental funding for FY 2017 provided in [HB 2](#).

HIGH LEVEL SUMMARY OF BEHAVIORAL HEALTH (BH) SERVICES

1. Funds Appropriated: \$4.0 billion All Funds (\$2.9 billion GR and GR–Dedicated) for non-Medicaid BH services and related expenditures. Funding supports programs at 18 agencies and includes funds for: a) inpatient client services at state and community hospitals; b) outpatient services provided via Local MHAs; c) substance abuse prevention, intervention, and treatment services for adults and children; d) MH care and substance abuse treatment for incarcerated offenders; e) MH care services for veterans; and f) other services.

Funds for Medicaid and Behavioral Health Services & Services Covered via Rainy Day Fund Rider

2. MH Wait Lists, Peer Supports & Increase in Forensic Bed Capacity:

- \$62.6 million All Funds for current and projected community MH wait list for adults and children,
- \$69.0 million GR contingency funds for grants to community entities for BH services and to expand access to peer supports,
- \$10.3 million to increase maximum security forensic bed capacity at the North Texas State Hospital – Vernon Campus, and
- \$24.8 million to maintain purchased inpatient bed capacity and state hospital bed capacity.

3. New Construction & Repairs (Rainy Day Funds): \$300.0 million for new construction and repair projects at the state hospitals and other inpatient MH facilities, and approximately \$66.3 million for immediate maintenance needs at the state hospitals.

4. Medicaid BH Services Expenditures: Estimated Medicaid total is \$3.5 billion in All Funds; estimated CHIP expenditures total \$48.7 million All Funds. These amounts include cost growth for both programs that is not funded and Medicaid caseload growth in FY 2019, also not funded. Total BH funding including estimated Medicaid and CHIP expenditures is estimated to be \$7.6 billion All Funds for FY 2018-2019.

ECONOMIC STABILIZATION FUND (ESF) - aka, RAINY DAY FUNDS

Includes \$988.9 million from the ESF as authorized in Article IX. After appropriations, the fund's cash balance plus total asset value of investments are estimated to be \$10.9 billion at end of FY 2019.

Sec. 17.16 Informational Listing of Certain Appropriations. The following is an informational listing of appropriations made in Articles I-VIII in this Act from the Economic Stabilization Fund.

One-time Grants to Local Entities

Disaster grants	\$110,000,000
Bullet Proof Vests	\$25,000,000
Alamo	\$75,008,961
E-Rate grants to schools and libraries	\$26,000,000
Courthouse preservation	\$19,200,000
Historical museums	\$5,100,000
Defense Economic Adjustment Assistance Grants	\$20,000,000

Health and Safety Repair

State Hospitals	\$300,000,000
State Supported Living Centers/State Hospital Critical Repairs	\$160,000,000
Facilities Commission - Deferred Maintenance	\$90,000,000
TJJD	\$12,100,000
TDCJ - Deferred Maintenance	\$40,000,000
Well plugging - Railroad Commission	\$38,200,000

Other State Facilities Construction Needs

Military Department - including armories	\$16,300,000
DPS, including training facility	\$15,000,000
State office buildings - LBJ Renovations	\$13,600,000
State office buildings - GJ Sutton	\$4,800,000
TDCJ Infirmaries	\$2,000,000
Facilities Construction at TSBVI	\$2,000,000
TFC Master Plan at TSD (Central Service Center)	\$10,400,000
School For Deaf - Toddler Center	\$4,200,000

TOTAL	\$988,908,961
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