



**Senate Finance Public Hearing  
Senate Bill 1  
February 2, 2011**

Good morning, members. I am Lauren Dimitry, Policy Coordinator at Texans Care for Children, and I appreciate the opportunity to offer comments today on Senate Bill 1. Texans Care is a statewide nonpartisan, nonprofit organization dedicated exclusively to the children of Texas. We look to our broad base of community-based experts – our partners and 220 members throughout the state who together represent thousands of Texas children—to inform our work and help us in developing our legislative agenda. We co-convene various stakeholder groups that bring together a wide range of organizations, families, and advocates around our areas of focus—family economic security; infant, child and maternal health; children’s mental health; child welfare; and juvenile justice and at-risk youth.

With a \$27 billion deficit, Texas is facing difficult choices. In tight budget times, preventive health services are often the first area to be cut. Not all infant and child health challenges can be prevented, but many can, leading to long-term savings in our health system. These savings represent healthier students, more productive workers, and a more prosperous Texas. Prevention is not only a smart investment in the future; it is essential to keep Texas children healthy, and to put a stop to unnecessary health care costs. Unfortunately, when a newborn fails to get necessary health screening, or a child develops type II diabetes due to obesity, the financial, social, and economic costs only grow—while taxpayers and businesses foot the bill. What may look like cuts now, are really costs for later.

At Texans Care for Children we understand that the state is facing hard choices for the next biennium. There has been a lot of discussion about the provider reimbursement rate cuts, relevant to Medicaid and CHIP, because of their potential to undermine an eligible Texas child’s ability to receive essential health services. These rate reductions would be significant, with a wide-ranging impact on children, the elderly in nursing homes, hospitals, and providers. But these rate reductions do not tell the whole story. SB 1 further undermines the health of Texas children by cutting other critically important programs administered by the Department of State Health Services, several of which are outlined below.

These services include important newborn screenings, access to primary care, and programs that help Texas fight the obesity epidemic. These programs represent a broader approach by the state to proactively curb health care costs, invest in our children, and ensure that Texas is a place where future generations want to live. Before cutting into vital DSHS programs at the expense of Texas children and families, we ask you to identify all reasonable options for bringing state revenue into alignment with Texans' current and future health care needs.

**DSHS cuts that would hurt Texas Children:**

- 672 fewer Texas children with special health care needs will be able to receive services under SB 1. These are some of Texas’ most vulnerable children. The program provides vital healthcare, drugs, case management, and travel to appointments for children with physical health problems and people with cystic fibrosis with family income under 200% of poverty line.
- SB 1 would also cut women and children's health services, which include routine newborn screenings, hearing screenings, vision screenings, and basic health services for working Texas families who are not eligible for CHIP or Medicaid, by \$3.7million.
- SB 1 would further undermine maternal and child health by cutting family planning services by 11%. These programs support access to low-cost reproductive health services at over 300 clinics around the state.
- While providing quality health services for uninsured, underinsured, and indigent populations is already a major challenge for Texas communities, SB 1 proposes to cut by 25% the DSHS Primary care program, designed to improve the efficiency of these efforts.

- Amid a growing obesity epidemic that is costing Texas billions of dollars annually, SB 1 would cut community-based obesity prevention/chronic disease prevention programs by 53%. The Texas Department of Health projected the cost of obesity to be as much as \$39 billion for overweight and obesity by the year 2040. The DSHS community-based obesity prevention programs are responsible for the essential public health functions related to nutrition, physical activity, and obesity prevention. Cutting the program by 53% would chip away at essential public health accountability and funding for community-based obesity interventions.
- Research indicates that a lack of access to healthy foods is a significant contributor to child obesity. The Farmers' Market Nutrition Program helps improve access to healthy food by issuing coupons for fresh fruit and vegetables to WIC clients in areas where certified farmers' markets exist, and also helps promote locally grown produce of community-based farmers' markets. SB1 would cut \$33.5 million from WIC Nutrition Supplements and Farmer's Markets, which represents 25,500 fewer recipients on the monthly WIC Nutrition caseload and a major step backward for WIC clients.
- According to DSHS, tobacco use is the number one preventable cause of death, yet 3 million adults and over 400,000 youth in Texas use tobacco products. SB1 would all but eliminate the department's tobacco cessation funding, cutting it by 83%. Although cutting tobacco cessation programs may save money today, it really means shifting a higher cost to tomorrow. In Texas, costs directly linked to smoking amount to \$4.6 billion annually with Medicaid covering \$1.26 billion of that. The science is clear on this, failure to limit harmful substances and pollutants, like tobacco, can result in higher rates of Sudden Infant Death Syndrome (SIDS), asthma, low birth weight babies, and infant mortality.

### **Recommendations:**

Growing up healthy profoundly affects lifelong health. Unfortunately, children in Texas face unique barriers to a healthy start. Cuts to children's health services may look like savings now, but they represent immense future costs. **Before making any more cuts to vital services, Texas needs a balanced approach to balancing the state budget.** We urge the Legislature to identify all reasonable options for bringing state revenue into alignment with Texans' current and future needs. Here are three ways to meet today's needs in Texas and prepare for a better future:

1. **Use the Rainy Day Fund.** An estimated \$9.4 billion in savings will be available for the next budget from a fund whose constitutional mandate is shoring up state services during economic downturns.
2. **Take advantage of available federal funding.** Texas taxpayers need our state leaders to prioritize bringing our share of federal dollars back to Texas.
3. **Close wasteful tax loopholes, and develop new revenue sources.** The House Ways & Means Committee has been systematically reviewing tax exemptions in order to help the Legislature identify those that are outdated and that can be eliminated without hurting the average taxpayer.