



Recommendations for Use of American Rescue Plan Act Federal Funds to Help Texas Infants and Toddlers

September 2021

The following recommendations are submitted by Texans Care for Children, TexProtects, Children at Risk, and United Ways of Texas. Our organizations spearhead the **Texas Prenatal to Three Collaborative**, which is a statewide coalition dedicated to promoting state policies that support infants, toddlers, and their parents during the critical period of early brain development. Over 100 organizations statewide have joined the Texas PN3 Collaborative in our mission to ensure that all Texas children are born healthy and have equitable access to health and early learning supports in their homes and their communities. **We envision a state where all Texas infants and toddlers are healthy, supported, and arrive at school ready to learn.**

For additional information on these recommendations, please contact David Feigen, Early Childhood Policy Associate at Texans Care for Children, at dfeigen@txchildren.org, or Adriana Kohler, Policy Director at Texans Care for Children, at akohler@txchildren.org.

Strengthening the Essential Child Care Workforce

- 1. Recommendation:** Texas should dedicate sufficient resources from ARPA State Fiscal relief funds to provide premium pay to child care educators through wage increases, bonuses, or stipends. Guidance from the Administration for Children and Families is unequivocally supportive of increasing compensation through the stabilization grants and the emergency supplemental Child Care and Development (CCDF) funds. Funding should be passed through the Texas Workforce Commission, which has been the state agency responsible for allocating existing child care relief funds.

Reason for Funding: Federal funds have been essential in keeping child care providers from closing their doors due to lost enrollment and increased costs during the pandemic. However, providers remain under threat because of an increasing challenge recruiting and retaining effective educators. These workers are grossly underpaid, generally don't receive benefits, and have a weak professional development system.

According to the National Association for the Education of Young Children's recent survey of Texas child care providers, 79% of survey respondents identify wages as the main recruitment challenge, and 67% of respondents say that low wages are the most common reason that educators leave the field.

This shortage means fewer providers can keep their doors open, classrooms are forced to adopt ineffective and unsafe teacher-child ratios, and ultimately, fewer families have access to quality care. **79%** of early childhood educators say they would want their compensation to increase temporarily (for 1-2 years), even if they knew it would eventually revert to what they receive now. (“August 2021”).

Expected outcome of funding: Increased pay, even via temporary increases or bonuses, is an essential tool to keep educators in the field, which is critical for children’s brain development and for Texas families to return to work.

2. Recommendation: Texas should dedicate resources from ARPA State Fiscal relief funds to support the development of new child care businesses in child care deserts.

Reason for Funding: Texas has lost approximately 24% of child care providers across the state since the beginning of the pandemic. In many locations throughout the state, child care deserts have grown and families are unable to return to work due to the lack of child care. Communities of color were twice as likely to have extended or permanent closures during the pandemic. Even before COVID-19, the supply of quality child care was decreasing. (“Transforming Child Care”) Results from Child Care Aware of America’s 2019 survey show that between 2018 and 2019, **53%** of states reported a decline in the number of child care centers. **79%** of states reported a decline in the number of family child care (FCC) providers. (“Transforming Child Care”)

With the adoption of HB 2607 in the 87th (R) Legislative Session, Texas has made a commitment to ensure all children have access to high-quality child care through the Texas Rising Star program. While Texas has received COVID-19 federal funding through CCDBG, those dollars are not allowed to be spent on new child care programs. The ARPA State Fiscal dollars could fill the need in support of new small business development as well as meet a need for working families where there is currently a lack of high-quality child care.

Expected outcome of funding: Available funding would support new small business development in the creation of child care programs, meeting the needs of thousands of working families across the state.

Promoting Healthy Mothers and Babies

3. Recommendation: Texas should use \$10.5 million from ARPA State Fiscal relief funds to invest in the expansion of the Family Connects program.

Reason for Funding: Family Connects is a universal, voluntary, nurse home visitation program for infant caregivers that has effectively reduced pediatric emergency department visits by 33 percent and Child Protective Services (CPS) investigations by 39

percent through the first five years of the child's life. Six counties in Texas operate Family Connects programs, which collectively have served 1,800 families in 2020 alone.

Texas currently lacks a streamlined system of care and services to support mothers and infants postpartum, resulting in families navigating multiple disconnected systems to access services including healthcare, childcare, early childhood intervention, and developmental needs, parent education, behavioral health, and access to basic needs support. This results in increased adverse child experiences, maternal mortality and morbidity, unnecessary emergency room visits, and inefficient use of available resources.

Family Connects ensures infant caregivers are connected to the resources they need at the right time and acts as a critical lifeline for families. This evidence-based model uses short-term nurse home visiting to bring together families, healthcare providers, and community agencies to give babies the best start possible. Additional one-time funding is needed to help with sustainability and scale-up of the Family Connects program throughout Texas, particularly as the six operating counties engage in additional Medicaid managed care health plan contracts and develop diversified revenue streams.

Expected Outcome of Funding: At an average of \$600/birth, an investment of \$10.5 million could scale the program in existing counties. Family Connects has a strong return on investment and has been demonstrated to save \$3.17 for every \$1 spent in reduced Emergency Room costs alone. Expansion of this program will allow additional families and children to receive the support they need and will give more babies in Texas the healthy and stable start they deserve.

- 4. Recommendation: Texas should allot one-time funds for the Texas Child Mental Health Care Consortium to leverage its existing infrastructure and build on the Child Psychiatric Access Network to serve pregnant women and new mothers facing maternal mental health challenges. Key stakeholders at the Consortium have indicated \$31 million is needed for this scale-up.**

Rationale for Funding: Created by SB 11 in the 86th legislative session, the Child Mental Health Care Consortium leverages the expertise of the health-related institutions of higher education to improve mental health care and systems of care for the children and adolescents of Texas. One of its initiatives, the Child Psychiatric Access Network (CPAN), has had tremendous success by connecting primary care providers with a psychiatrist in CPAN (via telephonic or telehealth-based consultation) to assist doctors with behavioral health care for their child patients.

The COVID-19 pandemic has exacerbated postpartum depression among new mothers, driven by increased isolation when a newborn and family need their social supports the most. Untreated postpartum depression directly impacts children's mental health. In fact, if postpartum depression is untreated, children are more likely to grow up with health, emotional, or behavioral challenges, such as attention deficit hyperactivity disorder,

depression, anxiety, and behavioral or conduct disorders. A [report by Mathematica](#) found that, for one year of childbirths in Texas, failure to treat postpartum depression creates an estimated \$556 million in costs due to increased incidence of child behavioral and developmental disorders.

Both HHSC and the Child Mental Health Care Consortium have recommended using the existing infrastructure of CPAN to help train and connect psychiatrists in CPAN with health providers serving pregnant and postpartum women (See [TCHMCC's Biennial Report to the Legislature](#); and [HHSC 2021 Maternal Depression Strategic Plan for FY 2021-2025](#)). Stakeholders involved with Texas' CPAN program have indicated that expanding this service to include new moms is feasible. Fourteen other states have expanded their CPAN to include perinatal psychiatric access, which has allowed health professionals to do teleconsultations with trained psychiatrists and ask questions about postpartum depression screenings, medications, and referrals to local mental health services. Studies on perinatal psychiatric access programs in other states have shown that training plus the ability to talk to a psychiatrist via teleconsult increased health providers' knowledge, willingness, and self-efficacy to screen and manage clients and allow them to incorporate postpartum depression care into their practice.

Expected Outcomes of Funding: With support for start-up costs, Texas could build a cohort of psychiatrists trained in perinatal mental health; and implement training and teleconsultation so that more Texas health professionals feel comfortable -- and have the knowledge they need -- to screen and manage pregnant women and mothers facing maternal mental health challenges.

Technology Upgrades and System Efficiencies for Texas 211 and State Systems that Help Families with Children Find and Enroll in Services

5. **Recommendation:** Texas should use \$750,000 from ARPA State Fiscal relief funds to support 211 call centers with temporary, additional staffing and operational needs (\$250,000) and to make system-wide technology upgrades to the 211 Texas network (\$500,000).

Reason for Funding: 211 serves as a front door, connector, and data resource to communities and Texans in need, including families with young children and those impacted by disasters. 211 Call volume has surged up to 40% in some areas of the state, which has increased wait times and placed a strain on existing and contracted call center staff. \$250,000 in short-term, non-recurring funding for contracted staff and other operational supports, allocated to the 25 AICs in Texas, is critical to supporting operations and continuing to connect Texans, especially our most vulnerable Texans to resources that will support the recovery of communities.

Additionally, HHSC needs \$500,000 to make one-time investments in 211 system-wide technology improvement to ensure our state's 211 infrastructure is resilient for this and

future disasters. This funding will support HHSC's efforts to upgrade technology and ensure that the 211 system is able to be flexible and adaptive to the increasing need to connect Texans to public and private services and resources, including programs funded by ARPA dollars being allocated at the state and local levels to assist their recovery.

Expected Outcome of Funding: With this support, Texas will continue to build a strong information and referral system capable of meeting the needs of our communities and expand infrastructure to ensure our state is able to respond effectively and efficiently to future challenges. Modernizing this technology will also increase the ability of HHSC to partner with state and local partners to maximize these critical non-recurring investments and to connect the 211 database with other information and referral systems, such as those that serve families with young children (i.e. Help Me Grow).

- 6. Recommendation: Texas should allocate one-time funds for capital enhancements and technology updates needed to upgrade key systems – such as Texas Integrated Eligibility Redesign System (TIERS) and YourTexasBenefits.com – used by HHSC and families to apply for programs like Medicaid, CHIP, SNAP, and Healthy Texas Women. HHSC would be in the best position to offer a dollar amount for these one-time technology upgrades.**

Rationale for Funding: The need for programs administered by Texas HHSC, such as Medicaid, CHIP, and SNAP significantly grew during the COVID-19 pandemic as household incomes dropped and people lost access to job-based health insurance. Even as the Texas economy rebounds and kids get back to school, the stress on the system made clear there is a dire need to upgrade technology platforms and increase efficiencies in systems used by HHSC and Texas families to sign-up for and enroll in programs, like Medicaid and CHIP.

- **Texas should use ARPA funds to cover the one-time costs of updating TIERS to reinstate auto-enrollment of new mothers to Healthy Texas Women when Medicaid coverage ends.** Pregnant women and new mothers have been able to keep Medicaid coverage during the COVID-19 Public Health Emergency (PHE). When the PHE ends, thousands of new mothers will likely miss out on getting connected to HTW. Since 2016, Texas has had a popular policy of auto-enrolling new mothers into HTW after Medicaid coverage ends – a policy that state leaders recognize “ reduces the burden of re-enrollment for services and facilitates access to postpartum care.”¹ In March 2021, Texas ended auto-enrollment as a result of the implementation of the 1115 HTW Waiver and replaced it with the “administrative renewal” process. As noted below, Texas’ current system of administrative renewals is one of the least effective systems in the country, with fewer than 9% of Medicaid or CHIP clients renewed administratively.² As a result, when the PHE ends, the vast majority of new mothers (about 9 out of 10) will be

¹ Texas Health and Human Services. [Women’s Health Programs Report Fiscal Year 2019](#). May 2020.

² According to a 50-state survey from the Kaiser Family Foundation, Texas is one of only eight states with an administrative renewal rate of less than 25%. Brooks T, Roygardner L, Artiga S, Pham O, Dolan R. (2020, March) Medicaid and CHIP Eligibility, Enrollment, and Cost Sharing Policies as of January 2020: Findings from a 50-State Survey. Kaiser Family Foundation Report.

asked to submit some number of verification documents within 10 days of request – and it is very likely many Texas mothers will fall through the cracks and not be enrolled into HTW. Upon federal approval, Texas should reinstate auto-enrollment for new moms and use ARPA funds to cover the one-time costs of updating TIERS technology to reinstate this policy.

- **Texas should use funds to make one-time updates to the TIERS system that are needed to fix the inefficient administrative renewal process.** Federal rules require state Medicaid agencies to first attempt to renew Medicaid eligibility using available electronic data before requiring the client to provide updated information. Texas' current system of automated administrative renewals is one of the least effective systems in the country, with fewer than 9% of Medicaid or CHIP clients renewed administratively. This low rate means HHSC staff must spend extra time processing Medicaid and CHIP applications manually instead of leveraging electronic data. One-time updates to TIERS are needed to improve the administrative renewal process. For example, HHSC should reinstate the use of the Work Number System data (ended in October 2019) to improve the quality of available electronic data on earned income. This was the most detailed data available to verify income electronically without reaching out to the client. If Work Number System data is used again, a TIERS technology update is needed to update the system. Now is the time to make these investments. Medicaid clients have been able to keep coverage during the COVID Public Health Emergency (PHE). But once the PHE ends, Texas will have to recertify eligibility for most clients – adding a huge burden on HHSC staff and the TIERS system. With the end of the PHE and huge workload ahead, access to data from the Work Number System, for example, would help reduce the time state eligibility workers must spend chasing down income verification. One-time system improvements to fix the ineffective administrative renewal process will ensure fewer children and postpartum moms churn off of coverage at renewal or at the end of the Public Health Emergency.
- **Texas should use funds to improve YourTexasBenefits site upload functions.** Federally qualified health centers across Texas help families complete applications to enroll their kids in Medicaid and CHIP if they are eligible. Yet, health centers face challenges in simply uploading required documents because there is no confirmation message or email. Staff and families spend time submitting paperwork through the YourTexasBenefits.com site or app to find out the application never went through. A one-time, system-wide technology upgrade would reduce the amount of time families, health providers, and HHSC staff spend locating an application and/or re-processing applications manually.

Expected Outcome of Funding: With this support, one-time technology upgrades can be made to the systems used by state agency staff, health plans, families, and health providers to enroll children in critical health programs. In particular, with specific one-time TIERS updates, many children won't lose Medicaid or CHIP they are eligible for and thousands of new mothers will be less likely to lose coverage in HTW when the COVID-19 Public Health Emergency ends.