

Children's Health and Human Services Priorities in the Next State Budget

Testimony to the Legislative Budget Board and Office of the Governor on the Health and Human Services Commission's 2020-2021 Legislative Appropriations Request

As the Legislative Budget Board and the Office of the Governor consider the FY 2020-2021 Legislative Appropriations Request (LAR) submitted by HHSC, we respectfully offer the following recommendations regarding funding for critical children's policy priorities.

Medicaid and CHIP

Strong investment in Medicaid and CHIP is vital for Texas' efforts to improve maternal and child health. Three out of four enrollees in Texas Medicaid are children. Medicaid and CHIP insurance help children get check-ups, eyeglasses, dental care, speech and physical therapies, and other health services to make sure they stay healthy and are ready to learn in school. Costs are reduced in the health care system and other programs like special education if children get needed services and interventions early on.

Likewise, Medicaid and CHIP Perinatal is a cost effective tool that helps avoid bad outcomes, such as premature birth and maternal death, by identifying and managing potential complications early. For instance, smoking cessation interventions and treating diabetes and high blood pressure during pregnancy help prevent pregnancy complications, premature births, infant death, and birth defects.¹ While progress has been made, still 1 in 10 babies is born too early and 1 in 12 Texas babies is born too small.² About 70 percent of Medicaid costs for hospitalized newborns are related to prematurity.³ The average cost to Medicaid for premature infants is 200 times higher than the cost of healthy, full-term births.⁴ Investing in prenatal and postpartum care leads to substantial cost savings and ensures healthier moms and children.

Medicaid and CHIP are a lifeline for many Texans – programs that deserve to be protected, adequately funded, and effectively managed.

Texans Care for Children is a statewide, non-profit, non-partisan, multi-issue children's policy organization. We drive policy change to improve the lives of Texas children today for a stronger Texas tomorrow. We envision a Texas in which all children grow up to be healthy, safe, successful, and on a path to fulfill their promise.

Fund HHSC Exceptional Items:

- **EI-1: Exceptional Items to Account for Cost Trends in Medicaid.** We agree with HHSC's recommendation that additional funding is needed to account for projected cost trends, an action that is crucial to ensure a sufficient number of health care providers continue to participate in Medicaid and serve pregnant women, infants, and children across the state.
- **EI-2: Exceptional Item to Account for Cost Trends in CHIP and CHIP Perinatal Services.** We support HHSC's recommendation that additional funding is needed to account for current and projected cost trends, a step that is essential to ensure an adequate network of providers participate in CHIP.
- **E1-49: Exceptional Item for Pediatric Telemedicine Grant Program for Rural Texas.** Funding continuation of the pediatric tele-psychiatry program will help ensure high quality behavioral health services reach children in rural areas of Texas.

Further, we appreciate that the Administrator's Statement recognizes HHSC's critically important role in oversight of Medicaid managed care. While steps have been taken to bolster operational reviews and other monitoring functions, many more improvements are needed to ensure vulnerable Texas children, seniors, pregnant women, and people with disabilities can get the medical and behavioral health care they need to thrive. While HHSC did not request a specific funding amount at this time, we appreciate HHSC's statement that it will work with the legislature to identify specific funding that may be needed to improve oversight, contract management, and ongoing operation of the Medicaid program.

Early Childhood Intervention (ECI)

Early Childhood Intervention (ECI) is one of the state's main programs for influencing children's trajectory during the developmentally critical years of early childhood and ensuring that more students start kindergarten ready to succeed. Past budget cuts to ECI contributed to multiple state ECI contractors dropping out of the ECI program and reduced enrollments of young children with disabilities and developmental delays.

Fund HHSC Exceptional Items:

- **EI-6: Exceptional Item to Maintain ECI Services:** HHSC's Exceptional Item of more than \$70 million is a critical step forward in strengthening ECI.

Women's Health

The Legislature's continued commitment to Texas' women's health programs is critical for the state's fiscal health and for ensuring more Texas mothers and babies are healthy. Access to preventive and preconception care—including health screenings and contraception—means healthy, planned

pregnancies, reducing the risk of maternal and infant complications. Planning pregnancy also allows for healthy spacing between pregnancies, which means lower chances of preterm birth, low birthweight, and infant mortality. Screenings for conditions like hypertension, diabetes, cervical cancer, and postpartum depression are essential for helping women identify and address health issues early – before they result in complications and become more expensive to treat. Improving access to preventive and preconception care is a good investment because it reduces health risks and Medicaid costs associated with unintended pregnancy and poor birth outcomes. Unplanned Texas births cost \$1.34 billion annually.⁵ Every \$1 spent on contraceptive care leads to savings of over \$7.⁶

In fiscal year 2017, Healthy Texas Women (HTW) and the Family Planning Program (FPP) provided women's preventive care, including family planning services and contraception, to 219,400 Texas women.⁷ This is up 29 percent from FY 2016. General revenue savings due to HTW are estimated at \$4.3 million and \$8.5 million for FPP for FY2017-FY2020.

While progress has been made, more work is needed. Texas still has a large unmet need for women's preventive care: roughly 1.8 million Texas women need publicly funded family planning,⁸ and in 2017, HTW and FPP served 219,400 Texas women. Increased funding for HTW and FPP will help the state realize even more cost savings and ensure a stronger provider network in both rural and urban areas of Texas.

Fund HHSC Exceptional Items:

- **EI-9: Exceptional Item for Women's Health Funding:** While the state has made important investments in women's healthcare in recent years, Texas continues to struggle to ensure an adequate provider network to serve the hundreds of thousands of women in Texas in need of preventive health services.

Substance Use Treatment

Substance use disorder is a chronic illness affecting nearly one in ten Texans.⁹ When not addressed, substance use disorders have devastating effects on families and communities and are responsible for costs to our state budget related to health care, public safety, foster care, and criminal justice, among others. Tragically, overdose is the leading cause of maternal death among Texas mothers during pregnancy and one year after birth of a child. Also, the effect on Texas children and our state's foster care system is clear – concerns about caregiver substance use, including alcohol, was a primary reason for removal in 66 percent of child removals.¹⁰ In fiscal year 2017, 52 percent of child fatalities caused by abuse or neglect included a caregiver using and/or under the influence of a substance that affected their ability to care for the child.¹¹

There is a significant unmet need for substance use intervention, treatment, and recovery services for both Texas children and adults. Only 5.8 percent of low-income Texas adults with a substance use disorder (and only 8 percent of low-income Texas youth ages 12-17)¹² receive services through a community-based treatment provider.¹³ This has real-life impacts for youth and adults in need of substance use treatment. Based on HHSC data:

- In 2017, there were 13,177 low-income Texas adults and 163 Texas youth on a waitlist for a spot at a community-based substance use treatment provider;
- Texas youth waited an average of 45 days on a waitlist to receive outpatient substance use treatment services;
- Texas youth with mental and behavioral health challenges waited an average of 80 days on a waitlist to be part of Co-Occurring Psychiatric and Substance Abuse Disorders (COPSD) services, which provide case management and integrated mental health and substance use services;
- Texas adults waited more than two weeks (on average) for intensive residential treatment, four weeks for outpatient treatment, and four weeks for Medication Assisted Therapy (MAT). In 2017 alone, there were over 6,600 Texas adults on a waitlist for intensive residential treatment.
- There are only ten Women and Children residential treatment providers in Texas that contract with HHSC and allow pregnant women/mothers and their children to stay together during the course of recovery. In 2017 there were over 100 mothers on a waitlist for a spot at a Women and Children residential treatment center – waiting an average of 18 days before a spot became available.¹⁴

Community-based substance use treatment and recovery supports are a lifeline for many Texans. Yet, resources and provider capacity for substance use services lag behind the need in Texas. These programs deserve increased investment so Texas can tackle the opioid epidemic, avoid costs to foster care and criminal justice, and so that youth and families can recover successfully.

Fund HHSC Exceptional Item:

- **EI-21: Exception Item for Substance Use Treatment:** The LAR indicates this exceptional item will fund rate increases for substance use disorder treatment and recovery services for indigent and Medicaid clients at HHSC-contracted providers. This is a positive step to address geographic gaps in the provider network and ensure more youth and adults can access treatment and recovery supports. It is not clear how this funding would be allocated for youth and adults. It would be helpful to have an estimate of the number of youth and the number of adults expected to be served as the Legislature considers this exceptional item.

Include Additional Item:

- **Provide additional funding for youth substance abuse prevention programs and services.** One of the best and most economical ways to reduce the burden of substance use disorder is to prevent it from occurring in the first place. School-based substance abuse prevention programs are extremely effective, yet only reach about half of the school districts in Texas. HHSC contracts with community-based youth prevention providers to implement strategies targeting risk and protective factors associated with substance use, including school-based programs that have demonstrated their effectiveness in reducing and delaying substance use in youth. The heavy reliance on federal funding (76 percent)¹⁵ for these effective substance abuse prevention programs means the majority of students in Texas do not benefit from the broad range of positive outcomes the programs offer.

Children's Mental Health

Half of all cases of chronic mental illness across the lifespan begin to emerge by age 14, yet identification and treatment often does not occur until many years later – often a decade – when interventions tend to be less effective and costlier.¹⁶ National surveillance efforts show that the prevalence of behavioral disorders in children is increasing.¹⁷ **One out of eight (12 percent) of high school students in Texas attempted suicide in the last year, exceeding the national prevalence rate.**¹⁸

About one in ten children experience a serious emotional disturbance (SED), which is when a mental disorder severely interferes with a child's ability to function successfully at home, in school, or in the community. Children with SED are at high risk of negative personal and societal outcomes, including dropping out of school, being unemployed, living in correctional facilities, engaging in substance abuse, or experiencing homelessness.¹⁹ Access to quality family partner supports can be instrumental in engaging families as active participants in the child or youth's care and treatment teams and enabling youth with SED to remain in their homes, schools and communities.

Much attention has been given to the mental health of school-aged children by legislators, the Governor, school districts, and others during policy discussions about school safety, youth suicide, and the trauma of Hurricane Harvey. So we are surprised the HHSC request does not reference the public mental health system's role in addressing student mental health or offer targeted opportunities to help improve student access to services, either in school or in the community. Some of HHSC's Exceptional Items can play a role in keeping students mentally well and safe, such as the requests to increase access to community-based behavioral health services for children (and adults), increase access to psychiatric residential treatment services for children at risk of entering the foster care system, and continue funding for community mental health grants that were established last session. Yet, the requests do not appear to address the importance of collaborating with schools or beefing up youth substance abuse prevention or youth suicide prevention efforts to address the current crisis in Texas.

Fund HHSC Exceptional Items:

- **EI 11 – Enhance Mental Health Capacity:** The LAR indicates approximately \$11.8 million of this exceptional item would go towards community-based mental health services for children.
- **EI 19 – Services for Early Psychosis:** The median age of onset for early psychosis is in the mid-twenties, however early psychosis can appear in adolescence.
- **EI 20 – Ensure RTC Beds for Children:** Psychiatric residential treatment is necessary for some children. Families should not have to relinquish their parental rights in order for their children to access necessary treatment and should be able to be actively involved in their child’s treatment.
- **EI 21 – Substance Use Disorder Treatment:** It is not clear how many more youth would receive treatment under this request, which also includes funding for adult treatment.
- **EI 37 – Maintain Mental Health Grant Programs:** Communities are able to utilize funding from community mental health grants to help innovative practices to address children’s mental health, including providing school-based mental health services to children and youth and providing family peer support services to parents and caregivers of children with serious emotional disturbance as part of the child’s treatment plan.

Include Additional Items:

- **Provide additional funding for youth suicide prevention efforts.** There is only one FTE at HHSC to lead state efforts and assist communities in addressing suicide, which is the second leading cause of death for youth in Texas. This is inadequate. HHSC (formerly the Department of State Health Services) partnered with the Texas Suicide Prevention Council to support the development of *Suicide Safer Schools* toolkit that was released in 2015. However, a lack of funding to support its dissemination and implementation means children and youth are not benefiting from this innovative, Texas-developed resource.
- **Provide additional funding for youth substance abuse prevention programs and services.** School-based substance abuse prevention programs only reach about half of the school districts in Texas. HSHC contracts with community-based youth prevention providers to implement strategies targeting risk and protective factors associated with substance use, including school-based programs that have demonstrated their effectiveness in reducing and delaying substance use in youth. The heavy reliance on federal funding (76 percent)²⁰ for these effective substance abuse prevention programs means the majority of students in Texas do not benefit from the broad range of positive outcomes the programs offer.
- **Budget rider directing HHSC to include family peer services provided by Certified Family Partners in the scope of services provider under Medicaid for children with serious emotional disturbance (SED).** The Centers for Medicare & Medicaid Services (CMS) recognizes family and youth peer

support as approved services that can be included in states' Medicaid plans as part of children's behavioral health treatment.²¹ Family peer support services are not currently included in the Texas Medicaid plan, even though state health and human services agencies have noted that family peer support services "*can be essential to parents considering parental relinquishment*"²² and family peer support services were rated among the most useful services in Texas for addressing children with SED (second only to having mental health professionals in schools).²³ A U.S General Accountability Office (GAO) report found it is not uncommon for families, across all financial levels, to place a child with SED in the child welfare or juvenile justice system because of unmet mental health needs.²⁴

- **Budget rider directing HHSC to evaluate psychiatric residential treatment services contracted by state agencies**, including the use of evidence-based and trauma-informed treatments and practices, linkages to community-based services, rates of family reunification, and rates of readmission. Several agencies (DFPS, HHSC, TJJD) purchase residential psychiatric treatment services for children with serious mental illness. When kids do require this more restrictive and costly residential treatment, the state should be assured the services are effective and promote successful transitions back into homes and communities. Some families have expressed concerns about the quality of care in these facilities.

-
- ¹ Centers for Disease Control and Prevention, *Type 1 and Type 2 Diabetes and Pregnancy*. <http://www.cdc.gov/pregnancy/diabetes-types.html>. National Institutes of Health, National Heart, Lung, and Blood Institute. High Blood Pressure in Pregnancy. <https://www.nhlbi.nih.gov/health/resources/heart/hbp-pregnancy>. See *2017 Healthy Texas Babies Data Book*. Johnson, Kay. et. al., *Recommendations to Improve Preconception Health and Health Care: A Report of the CDC/ATSDR Preconception Care Work Group and the Select Panel on Preconception Care*. Centers for Disease Control and Prevention. 55 (RR06); 1-23 (Apr. 2006) <http://www.cdc.gov/mmwr/preview/mmwrhtml/rr5506a1.htm>. Roland JM, et. al. *The pregnancies of women with Type 2 diabetes: poor outcomes but opportunities for improvement*. *Diabet Med* 22:1774-7 (2005).
- ² Texas Department of State Health Services. *Healthy Texas Babies: 2017*.
- ³ Lesley French and Evelyn Delgado. "Presentation to the House Committee on Public Health: Better Birth Outcomes." Health and Human Services Commission and Department of State Health Services. May 19, 2016.
- ⁴ Ibid.
- ⁵ Sonfield, A., & Kost, K. "Public Costs from Unintended Pregnancies and the Role of Public Insurance Programs in Paying for Pregnancy and Infant Care: Estimates for 2008." New York, NY: Guttmacher Institute, 2013. Retrieved from <http://www.guttmacher.org/pubs/public-costs-of-UP.pdf>.
- ⁶ Frost J, et al. *Return on Investment: A Fuller Assessment of the Benefits and Cost Savings of the US Publicly Funded Family Planning Program*. New York, Guttmacher Institute, 2014.
- ⁷ Texas Health and Human Services Commission. "Texas Women's Health Programs Report Fiscal Year 2017: As Required by Senate Bill 1, 85th Legislature, Regular Session, 2017 (Article II, Health and Human Services Commission, Rider 97)." May 2018.
- ⁸ Frost et al., "Contraceptive Needs and Services, 2014 Update," New York: Guttmacher Institute, 2016.
- ⁹ Substance Abuse and Mental Health Services Administration, "2015 – 2016 NSDUH State Estimates of Substance Use and Mental Disorders," Dec. 2017. <https://www.samhsa.gov/data/population-data-nsduh/reports>.
- ¹⁰ Texas Department of Family Protective Services. (2015). CPS Families with Substance Abuse Issues.
- ¹¹ Texas Department of Family and Protective Services. "Fiscal Year 2017 Child Maltreatment Fatalities and Near Fatalities Annual Report," Figure 11, Table 5, 2017.
- ¹² Includes adults with income under 200% of the federal poverty level (\$24,280/year for an individual).
- ¹³ Includes services funded through Texas' substance abuse and prevention block grant, which helps fund treatment services for individuals who do not have insurance and make income of less than 200% FPL. Texas Health and Human Services, Behavioral Health Services, Office of Decision Support, Jan. 2018.
- ¹⁴ Analysis of substance use treatment waitlist data provided by the Texas Health and Human Services Commission via data request. Numbers used refer to the total unduplicated number of people on a waitlist during the course of fiscal year 2017. Note: data includes Substance Abuse Prevention and Treatment block grant-funded providers.
- ¹⁵ Health and Human Services Commission. (March 22, 2018). Presentation to the Senate Health and Human Services Committee: Substance Use Disorder in TX.
- ¹⁶ Kessler, R.C. et al. (2005). "Lifetime prevalence and age-of-onset distributions of DSM-IV disorders in the National Comorbidity Survey Replication." *Archives of General Psychiatry*. 62(6):593-602
- ¹⁷ Centers for Disease Control and Prevention. (2013). *Mental Health Surveillance Among Children — United States, 2005–2011*
- ¹⁸ Centers for Disease Control and Prevention. *Texas High School Youth Risk Behavior Survey 2017*. <https://nccd.cdc.gov/Youthonline/App/Results.aspx?LID=TX>
- ¹⁹ Wagner, M. (1995). "Outcomes for Youth with Serious Emotional Disturbance in Secondary School and Early Adulthood." *Critical Issues for Children & Youth*. 5(2).
- ²⁰ Health and Human Services Commission. (March 22, 2018). Presentation to the Senate Health and Human Services Committee: Substance Use Disorder in TX.
- ²¹ CMS and SAMHSA Joint Bulletin (2013). *Coverage of Behavioral Health Services for Children, Youth, and Young Adults with Significant Mental Health Conditions*. <https://www.medicaid.gov/federal-policy-guidance/downloads/cib-05-07-2013.pdf>
- ²² Dept. of Family and Protective Services & Dept. of State Health Services Joint Report on Senate Bill 44 (2014)
- ²³ SB 44 Needs Assessment: Examining The Relinquishment of Children with Serious Emotional Disturbances
- ²⁴ U.S. General Accounting Office. (2003). *CHILD WELFARE AND JUVENILE JUSTICE: Federal Agencies Could Play a Stronger Role in Helping States Reduce the Number of Children Placed Solely to Obtain Mental Health Services*. <http://www.gao.gov/new.items/d03397.pdf>