

TEXAS STATE BUDGET

FY18-19 Supplemental Appropriations

Before the Legislature can complete work on the FY20-21 budget they must approve supplemental appropriations to cover any differences between what was appropriated in the FY18-19 budget and what additional spending needs remain. Gaps in the Medicaid program caused by not funding caseload growth in the FY18-19 budget over FY16-17, transferring \$1.7B from Medicaid to the Teacher's Retirement System and Texas Education Agency, and costs from Hurricane Harvey have led to an estimated \$4.7B overall funding shortfall; \$2.1B in Medicaid specifically, for FY18-19. The Legislative Budget Board has certified spending caps of \$10B over the originally appropriated levels of \$113B. Therefore, covering this shortfall should not be an issue.

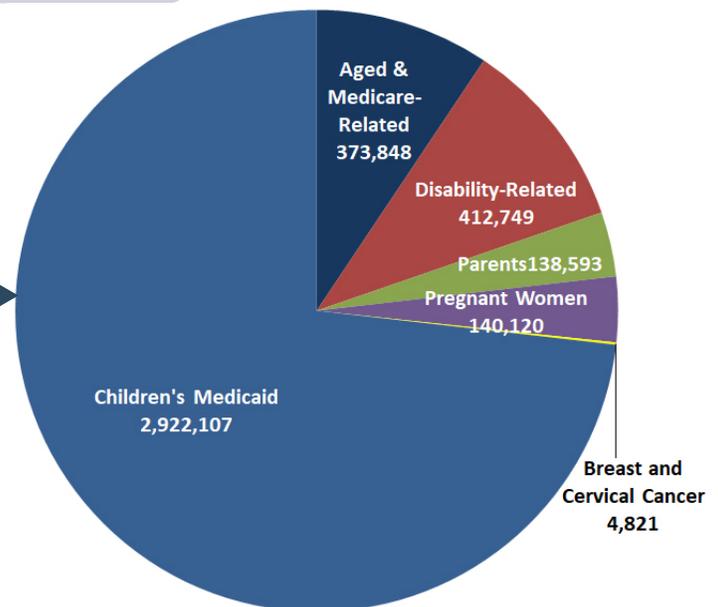
REQUEST:

Support the full supplemental appropriation for FY18-19.

About Medicaid/CHIP

Texas Medicaid and the Children's Health Insurance Program (CHIP) covers medical expenses primarily for children, disabled people who meet income requirements, some pregnant women, low income seniors, and some adults caring for children. In October 2018, nearly 4 million Texans (nearly 3 million children) were enrolled in Medicaid and almost 400,000 enrolled in CHIP.

In order for a 7 year-old child in a family of four to qualify for Medicaid the total annual household income cannot be more than \$33,383 (based on 2018 FPL). Over 92% of those in Texas Medicaid are children, elderly, or disabled.



Medicaid/CHIP Funding

The House and Senate proposals reflect a \$1.4B reduction to Medicaid in state GR that is attributed to a more favorable federal match rate for Texas (60.89% for FY20, up from 56.88% and 58.19% in FY18 and FY19 respectively). Even with the reduction in GR due to the more favorable federal match, the budget also assumes a 1.1% caseload growth rate over FY19, but does not include any increase in medical costs, or provide for any increase in reimbursement rates for private Medicaid providers. Enhanced federal match rates in CHIP that were part of the Affordable Care Act (ACA) will expire at the end of FY19. Current federal match for FY19 is 93.767%. Over the FY20-21 budget the match will reduce by 11.5 points each year to 82.267% in FY20 and 70.767% in FY21 – which was the original pre-ACA level. Both proposed budgets reflect increases in GR to compensate for reductions in the federal share.

REQUEST:

Fund Medicaid/CHIP to support increases in reimbursement rates to maintain a robust provider network.

Women's Healthcare

In the Senate's base budget, funding for Women's Health Programs includes \$284.6M in All Funds (\$146.9M GR Funds) for the FY20–21 biennium, reflecting an increase of \$5.6M in All Funds (a decrease of \$52.9 million in GR Funds) from FY18–19 spending levels.

In the House's base budget, funding for Women's Health Programs includes \$278.8M in All Funds, (\$141.1M GR

Funds) for the FY20–21 biennium. This amount is a decrease of \$0.2 million in All Funds, including \$58.8 million in GR Funds, from FY18–19 biennial spending levels.

Both budgets assume funding from the approval of the Healthy Texas Women Section 1115 Demonstration Waiver that is still pending with CMS – which is the reason for the reduction in GR in both budgets.

HTW: Rider 48 in the House base budget, (**Rider 45 in the Senate** base budget) requires HHSC to “seek an approval to transfer funds from other sources prior to making any reductions to services levels” should federal funds no be available or be reduced from the 1115 waiver.

BCC: Rider 49 in the House budget instructs HHSC to seek a transfer in the event that federal matching funds for the Breast and Cervical Cancer program are reduced or not approved.

While details on the full Women's Health Program have not been released yet, the following amounts in the House base budget can be calculated based on information in riders and program objectives. Funding appears largely flat relative to the FY18-19 budget, despite HHSC's request for a 20% increase in the Family Planning Program.

	FY2020	FY 2021
Women's Health Programs	\$139,402,008	\$ 139,402,008
PROGRAM DETAIL		
Healthy Texas Women GR (per Rider 45)	\$28,668,860	\$28,668,860
Healthy Texas Women FF (per Rider 45)	\$57,695,214	\$57,695,214
Breast and Cervical Cancer GR (per Rider 46)	\$1,938,809	\$1,938,809
Breast and Cervical Cancer FF (per Rider 46)	\$9,144,526	\$9,144,526
Family Planning Program (calculated from objectives)	\$40,398,604	\$40,398,604
Title V Women's Dental and Health Services	\$1,555,995	\$1,555,995

Community Primary Care Services

In both the House and Senate LBB recommendations, funding for the Community Primary Care Services under Article II remains \$24.3M for the biennium, the same as in FY18-19. This amount is down from \$26.8M in FY16-17.

REQUEST:

Maintain funding levels for Community Primary Care Services.