



LEGISLATIVE BUDGET BOARD

Statewide Behavioral Health Services

Overview and Funding

**PRESENTED TO THE SENATE FINANCE COMMITTEE
LEGISLATIVE BUDGET BOARD STAFF**

June 2022

Statement of Interim Charge

Mental Health Delivery: Examine the state mental health service delivery system. Study the state's Comprehensive Plan for State-Funded Inpatient Mental Health Services and the Statewide Behavioral Health Strategic Plan and evaluate the existing state investments in mental health services and state hospital capacity. Review current forensic and civil mental health service waitlists, and recommend ways to improve coordination and outcomes to reduce waitlists. Explore and report on options for additional mental health service capacity, including building state hospitals in the Panhandle and Rio Grande Valley areas.

Presentation Overview

- Behavioral Health Funding Overview
- 2022-23 Biennium Behavioral Health Funding
- Historical Behavioral Health Appropriations
- Inpatient Mental Health Overview and Funding
- Other Behavioral Health Programs Funding

Behavioral Health Funding Tracking

Article IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures:

- First added in the 2016-17 General Appropriations Act (GAA).
- Provides an informational listing of appropriations for behavioral health and substance use services.
- Lists agencies that serve on the Statewide Behavioral Health Coordinating Council.
- Requires the council to submit the Coordinated Statewide Expenditure Proposal each fiscal year of the biennium.
- Requires the council to submit a report each fiscal year detailing progress made towards the Statewide Behavioral Health Strategic Plan. The first plan, submitted by the council in May 2016, provided the framework to address gaps and challenges in the behavioral health system and improve access to care and individual outcomes. A second plan is due this year.
- The section was amended in the 2022-23 GAA to require the council to update a report on suicide and suicide prevention by September 1, 2022, and to submit a report reviewing all behavioral health exceptional items by January 15, 2023.

Components of Behavioral Health Funding

- Appropriations included in the General Appropriations Act (GAA) are shown in Article IX, Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.
- Medicaid and the Children’s Health Insurance Program (CHIP) cover behavioral health services for enrollees through funding at the Health and Human Services Commission (HHSC) .
 - An estimate of the All Funds behavioral health expenditures in Medicaid and CHIP expected for the biennium, including cost growth not funded in the GAA, is included in Article IX, Sec. 10.04.
- Supplemental behavioral health appropriations can be provided in a supplemental funding bill, such as House Bill 2, 87th Legislature, 2021.
 - These funds are typically appropriated to the prior fiscal year but may be expended over a two-year period.
 - This funding is not shown in Article IX, Sec. 10.04, but is tracked by the Legislative Budget Board and the Statewide Behavioral Health Coordinating Council.

2022-23 General Appropriations Act and Senate Bill 8, 87(3), Behavioral Health Funding, excluding Medicaid and CHIP

Agency	2022-23 Biennium Appropriations	
	GR & GR-D	All Funds
Office of the Governor, Trusteed Programs	\$ 17,000,000	\$ 92,779,146
Texas Facilities Commission	\$ -	\$ 40,000,000
Veterans Commission	\$ -	\$ 13,431,282
Article I Subtotal	\$ 17,000,000	\$ 146,210,428
Health and Human Services Commission	\$ 2,501,827,354	\$ 3,546,099,924
Texas Civil Commitment Office	\$ 309,222	\$ 309,222
Department of Family and Protective Services	\$ 37,358,100	\$ 58,090,668
Department of State Health Services	\$ 1,878,984	\$ 3,478,674
Article II Subtotal	\$ 2,541,373,660	\$ 3,607,978,488
Texas Higher Education Coordinating Board	\$ 118,508,272	\$ 231,591,159
School for the Deaf	\$ 140,868	\$ 140,868
Texas Tech University Health Science Center	\$ 5,000,000	\$ 5,000,000
University of Texas - Health Science Center at Houston	\$ 16,000,000	\$ 16,000,000
University of Texas - Health Science Center at Tyler	\$ 13,460,000	\$ 13,460,000
Article III Subtotal	\$ 153,109,140	\$ 266,192,027
Supreme Court of Texas	\$ 2,500,000	\$ 2,500,000
Court of Criminal Appeals	\$ 1,137,000	\$ 1,137,000
Office of Court Administration	\$ 5,000,000	\$ 5,000,000
Article IV Subtotal	\$ 8,637,000	\$ 8,637,000
Military Department	\$ 1,999,100	\$ 1,999,100
Texas Commission on Law Enforcement	\$ 1,051,820	\$ 1,051,820
Commission on Jail Standards	\$ 373,866	\$ 373,866
Juvenile Justice Department	\$ 181,542,273	\$ 185,224,273
Department of Criminal Justice	\$ 523,132,663	\$ 528,221,705
Article V Subtotal	\$ 708,099,722	\$ 716,870,764
Medical Board	\$ 1,279,474	\$ 1,279,474
State Board of Dental Examiners	\$ 264,480	\$ 264,480
Board of Nursing	\$ 2,010,916	\$ 2,010,916
Optometry Board	\$ 94,000	\$ 94,000
State Board of Pharmacy	\$ 588,405	\$ 588,405
Board of Veterinary Medical Examiners	\$ 90,000	\$ 90,000
Article VIII Subtotal	\$ 4,327,275	\$ 4,327,275
Cross Article Total, Excluding Medicaid and CHIP	\$ 3,432,546,797	\$ 4,750,215,982

Estimated 2022-23 Medicaid and CHIP Behavioral Health Funding

Medicaid and CHIP Funding by Program	Estimated All Funds
Estimated Behavioral Health Related Medicaid Expenditures	\$ 3,677,116,110
Estimated Behavioral Health Related CHIP Expenditures	\$ 98,876,106
Medicaid and CHIP Subtotal	\$ 3,775,992,216
Cross Article Total with Medicaid and CHIP	\$ 8,526,208,198

- Funding for Medicaid and CHIP client services is provided at HHSC.
- Amounts reflect estimated expenditures including cost growth not funded in the 2022-23 GAA.

87th Legislature Supplemental Behavioral Health Funding

Agency	HB 2, 87(R) FY 2021	SB 8, 87(3) FY 2022	Total
	All Funds	All Funds	All Funds
Texas Facilities Commission	\$ -	\$ 40,000,000	\$ 40,000,000
Health and Human Services Commission	\$ 333,293,333	\$ 252,800,000	\$ 586,093,333
Texas Higher Education Coordinating Board	\$ -	\$ 113,082,887	\$ 113,082,887
Supplemental Appropriations Total	\$ 333,293,333	\$ 405,882,887	\$ 739,176,220

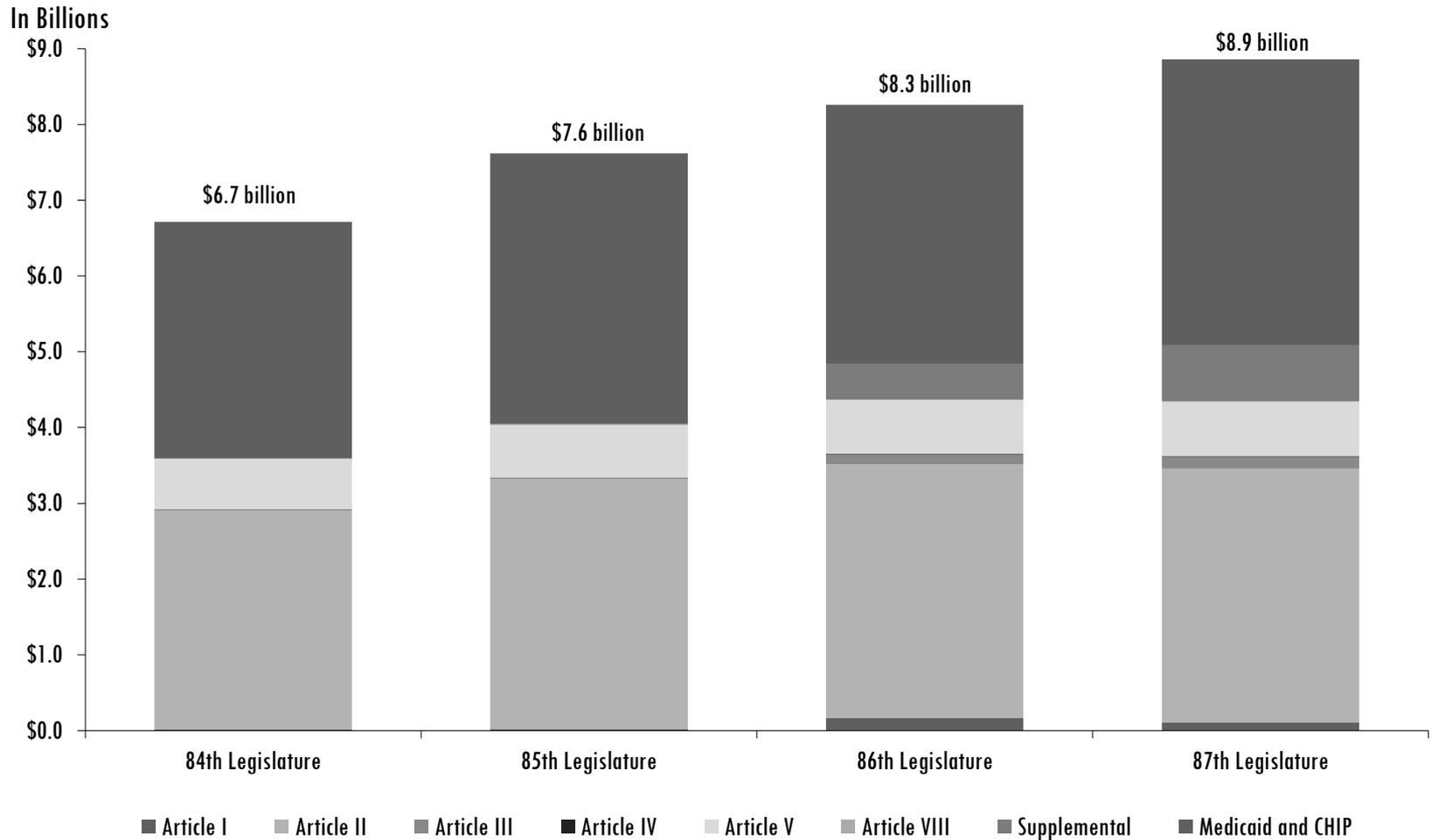
- House Bill 2, 87(R), includes \$333.3 million in All Funds for HHSC for state hospital information technology, vehicles, and construction projects.
 - Funding was appropriated by the 87th Legislature, Regular Session, in fiscal year 2021 for a two-year period. This funding is not included in the table on page 6.
- Senate Bill 8, 87(3), includes:
 - \$40.0 million in Federal Funds for the Texas Facilities Commission for the Permian Basin Behavioral Health Center;
 - \$237.8 million in Federal Funds for HHSC for construction of the Dallas State Hospital;
 - \$15.0 million in Federal Funds for HHSC for the Sunrise Canyon Hospital; and
 - \$113.1 million in Federal Funds for the Texas Higher Education Coordinating Board for the Texas Child Mental Health Care Consortium.
 - Funding was appropriated by the 87th Legislature, Third-called Session, in fiscal year 2022 and is included in the table on page 6.

Behavioral Health Funding by Legislature (All Funds)

Legislature	84th Legislature	85th Legislature	86th Legislature	87th Legislature
Art. IX, Sec. 10.04, Funding by Article	2016-17 GAA Appropriations	2018-19 GAA Appropriations	2020-21 GAA Appropriations	2022-23 GAA Appropriations
Article I	\$ 14,609,948	\$ 21,783,021	\$ 164,793,370	\$ 106,210,428
Article II	\$ 2,887,877,630	\$ 3,293,558,237	\$ 3,348,559,604	\$ 3,355,178,488
Article III	\$ 20,000,000	\$ 24,000,000	\$ 133,460,000	\$ 153,109,140
Article IV	\$ -	\$ 637,000	\$ 8,637,000	\$ 8,637,000
Article V	\$ 666,044,744	\$ 694,733,008	\$ 706,926,836	\$ 716,870,764
Article VIII	\$ 3,662,039	\$ 4,007,765	\$ 4,282,988	\$ 4,327,275
Cross-Article Total, Excluding Medicaid and CHIP	\$ 3,592,194,361	\$ 4,038,719,031	\$ 4,366,659,798	\$ 4,344,333,095
Supplemental Appropriations Funding by Agency	HB 2, 84(R)	HB 2, 85(R)	SB 500, 86(R)	HB 2, 87(R) SB 8, 87(3)
Texas Facilities Commission	\$ -	\$ -	\$ -	\$ 40,000,000
Health and Human Services Commission	\$ -	\$ 15,100,000	\$ 475,054,363	\$ 586,093,333
Texas Higher Education Coordinating Board	\$ -	\$ -	\$ -	\$ 113,082,887
Supplemental Appropriations Total	\$ -	\$ 15,100,000	\$ 475,054,363	\$ 739,176,220
Medicaid and CHIP Funding by Program	2016-17 Estimate	2018-19 Estimate	2020-21 Estimate	2022-23 Estimate
Estimated Behavioral Health Related Medicaid Expenditures	\$ 3,079,083,057	\$ 3,517,082,587	\$ 3,314,897,341	\$ 3,677,116,110
Estimated Behavioral Health Related CHIP Expenditures	\$ 41,992,150	\$ 48,739,681	\$ 101,491,597	\$ 98,876,106
Medicaid and CHIP Total	\$ 3,121,075,207	\$ 3,565,822,268	\$ 3,416,388,938	\$ 3,775,992,216
Total Funding by Legislature	\$ 6,713,269,568	\$ 7,619,641,299	\$ 8,258,103,099	\$ 8,859,501,531
Biennial Percent Increase		13.5%	8.4%	7.3%

Note: The total for the 87th Legislature is more than the cross article total for the 2022-23 biennium shown on slide 7 as the above table reflects total appropriations by Legislature and therefore includes funding for fiscal year 2021 from House Bill 2, 87(R).

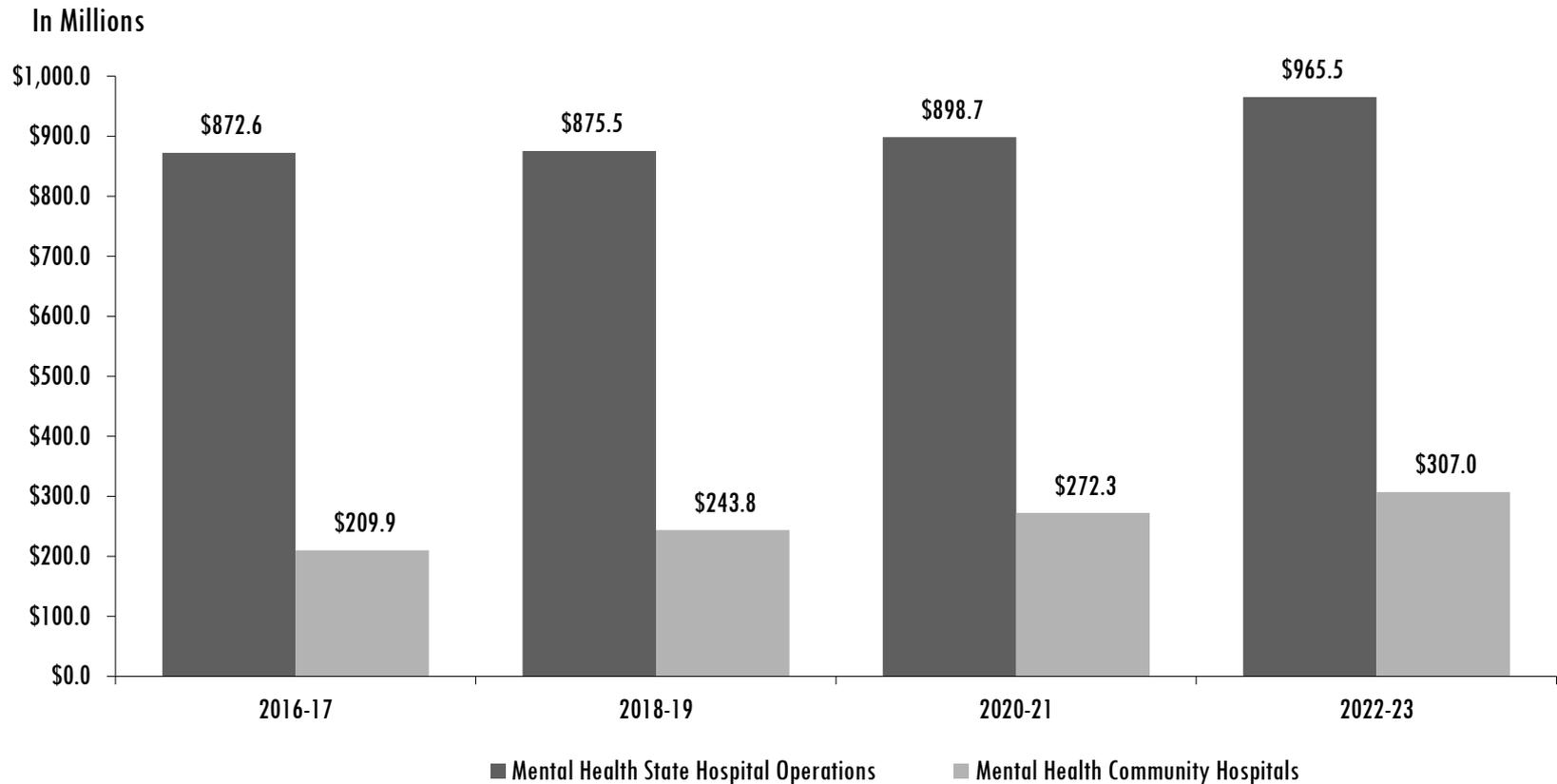
Behavioral Health Funding by Legislature (All Funds)



Inpatient Mental Health Hospital Capacity

- HHSC is responsible for ten state-owned mental health facilities and one state-owned inpatient residential treatment facility for adolescents.
 - Significant funding has been provided for state hospital construction to replace older facilities and build new capacity statewide.
 - HHSC has partnered with institutions of higher education on construction and operations of state hospitals:
 - UTHealth Houston has an operating agreement to run the John S. Dunn Behavioral Sciences Center in Houston.
 - University of Texas Southwestern Medical Center will operate the Dallas State Hospital through a similar agreement.
 - HHSC worked with the Dell Medical School in the redesign of the Austin State Hospital (ASH) and is collaborating on a research and academic unit at ASH.
- HHSC also provides funding for community mental health hospital beds that flows to the local mental health authorities (LMHA) and local behavioral health authorities (LBHA).
 - LMHAs and LBHAs can supplement funding from HHSC with local funding to purchase additional inpatient bed capacity.
 - Some LMHAs/LBHAs contract with institutions of higher education to purchase inpatient beds.

Mental Health State and Community Hospitals (All Funds)



Amounts reflect appropriations included in the GAA.

Construction at Mental Health State Hospitals

Eighty-fifth Legislature, 2017:

- \$300.0 million from the Economic Stabilization Funds (ESF) was appropriated at HHSC for new construction and significant repairs at state hospitals and other state-funded inpatient mental health facilities in the 2018-19 biennium;
- HHSC Rider 147, New Construction of State Hospitals, 2018-19 GAA, required HHSC to submit a comprehensive plan to expand inpatient bed capacity over the next three biennia, and required HHSC to receive approval for projects prior to expenditure of the funds;
- HHSC received approval to expend \$298.0 million from the ESF for the following projects:
 - \$125.0 million for construction of new facility in Harris County (John S. Dunn Behavioral Sciences Center; 264 beds);
 - \$91.5 million for construction of a 100-bed maximum security unit (MSU) and \$4.5 million for planning of a 100-bed non-MSU at Rusk State Hospital;
 - \$30.5 million for construction of a 70-bed MSU at Kerrville State Hospital;
 - \$30.0 million to begin planning efforts to replace current Austin State Hospital (\$15.5 million; 240-bed campus) and San Antonio State Hospital (\$14.5 million; 300-bed campus);
 - \$11.5 million for construction of a 40-bed unit at San Antonio State Hospital;
 - \$4.3 million to address fiber infrastructure and storm water run-off systems at the Harris County facility and Rusk State Hospital; and
 - \$0.7 million to hire 3.0 full-time equivalents (FTEs) for oversight of the construction projects.

Construction at Mental Health State Hospitals (continued)

Eighty-sixth Legislature, 2019:

- Senate Bill 500, Eighty-sixth Legislature, 2019, provided an additional \$445.4 million from the ESF in fiscal year 2019 for the following projects:
 - \$355.3 million to begin construction to replace current Austin State Hospital (\$165.0 million; 240-bed campus) and San Antonio State Hospital (\$190.3 million; 300-bed campus); and
 - \$90.1 million for construction of a 100-bed non-MSU at Rusk State Hospital.

Eighty-seventh Legislature, 2021:

- House Bill 2, Eighty-seventh Legislature, 2021, provided an additional \$321.3 million from the ESF in fiscal year 2021 for the following projects:
 - \$276.5 million to continue construction to replace current Austin State Hospital (\$152.4 million) and San Antonio State Hospital (\$124.1 million); and
 - \$44.8 million for pre-planning and planning for a new state hospital in the Dallas-Fort Worth area.
- 2022-23 GAA provided \$3.0 million for demolition at Rusk State Hospital.
- Senate Bill 8, Eighty-seventh Legislature, Third-called Session, 2021, provided \$237.8 million in Federal Funds for construction of a new state hospital in the Dallas-Fort Worth area.

Construction at Mental Health State Hospitals (continued)

Projects	Eighty-fifth Legislature, 2017 ¹	Eighty-sixth Legislature, 2019	Eighty-seventh Legislature, 2021 ²
San Antonio State Hospital - 40-Bed Unit	\$ 11,500,000	\$ -	\$ -
John S. Dunn Behavioral Sciences Center - 264-Bed Facility	\$ 125,000,000	\$ -	\$ -
Kerrville State Hospital - 70-Bed Maximum Security Unit (MSU)	\$ 30,500,000	\$ -	\$ -
Rusk State Hospital - 100-Bed MSU	\$ 91,500,000	\$ -	\$ -
Rusk State Hospital - 100-Bed non-MSU	\$ 4,500,000	\$ 90,054,363	\$ -
Austin State Hospital - 240-Bed Replacement	\$ 15,500,000	\$ 165,000,000	\$ 124,100,000
San Antonio State Hospital - 300-Bed Replacement	\$ 14,500,000	\$ 190,300,000	\$ 152,400,000
Dallas-Fort Worth Metropolitan Area - New State Hospital	\$ -	\$ -	\$ 282,550,000
Fiber Infrastructure at Rusk	\$ 500,000	\$ -	\$ -
Storm Water Run-off System at Rusk and Dunn Center	\$ 3,799,500	\$ -	\$ -
Demolition at Rusk State Hospital	\$ -	\$ -	\$ 3,000,000
Total Funding for Construction Projects	\$ 297,299,500	\$ 445,354,363	\$ 562,050,000

1. Does not include \$0.7 million approved for construction oversight FTEs.
2. Does not include \$0.1 million provided for a construction oversight FTE.

Mental Health Services for Adults

- In 2022-23, HHSC received \$818.5 million in All Funds for mental health services for adults, including:
 - \$785.7 million in All Funds for Community Mental Health Services for Adults, which HHSC provides through contracts with LMHAs and LBHAs.
 - \$32.8 million in All Funds for the Home and Community Based Services – Adult Mental Health, which provides community-based services to divert adults with a serious mental illness from inpatient psychiatric settings.
 - Appropriations for mental health services for adults in these programs increased by \$152.9 million or 23.0 percent from 2016-17 to 2022-23.
- In addition, \$145.0 million in General Revenue was provided at HHSC for five mental health grant programs, including:
 - \$20.0 million for the Texas Veterans and Family Alliance program;
 - \$50.0 million for the Mental Health Grant Program for Justice-Involved Individuals;
 - \$10.0 million for the state grant for Harris County jail diversion;
 - \$40.0 million for the Community Mental Health Grant Program; and
 - \$25.0 million for Healthy Community Collaboratives.

Mental Health Services for Adults

(continued)

- In 2022-23, funding at other state agencies to provide services for specific adult populations includes:
 - \$13.4 million in All Funds at the Texas Veterans Commission to provide mental health services for veterans and their families;
 - \$5.0 million in General Revenue-Dedicated Funds at the Office of Court Administration to provide grants to counties for mental health public defenders to serve individuals charged with criminal offenses who are experiencing mental illness;
 - \$528.2 million in All Funds at the Texas Department of Criminal Justice to provide services for offenders and parolees with mental health disorders, substance use disorders, and other special needs; and
 - \$4.3 million in All Funds at six agencies in Article VIII, Regulatory, to provide peer assistance programs to serve licensees with substance use disorders or mental health diagnoses.

Mental Health Services for Children

- In 2022-23, HHSC received \$214.0 million in All Funds for mental health services for children, including:
 - \$187.9 million in All Funds for Community Mental Health Services for Children, which HHSC provides through contracts with LMHAs and LBHAs.
 - \$26.1 million in All Funds for the Youth Empowerment Services (YES) Waiver, which provides home and community-based services to children ages 3 to 18 who exhibit symptoms of a serious emotional disturbance.
 - Appropriations for mental health services for children in these programs increased by \$9.3 million or 4.6 percent from 2016-17 to 2022-23.
- Funding at other state agencies to provide services for specific child and adolescent populations includes:
 - \$58.1 million in All Funds at the Department of Family and Protective Services for adults and children involved with Child Protective Services or Adult Protective Services;
 - \$231.6 million in All Funds at the Texas Higher Education Coordinating Board to provide services to children and adolescents with behavioral health needs; and
 - \$185.2 million in All Funds at the Juvenile Justice Department to provide mental health services to committed youth and youth on parole.

Texas Child Mental Health Care Consortium

- The Texas Child Mental Health Care Consortium (TCMHCC) was created by Senate Bill 11, 86th Regular Session, 2019.
- The consortium is administratively attached to the Texas Higher Education Coordinating Board.
- Its purpose is to leverage the expertise and capacity of the health-related institutions of higher education to improve the mental health care system for children and adolescents.
- \$99.0 million in General Revenue was provided for TCMHCC in 2020-21.
- \$118.5 million in General Revenue and \$113.1 million in Federal Funds was provided for TCMHCC in 2022-23.



LEGISLATIVE BUDGET BOARD

Contact the LBB

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512.463.1200