



**Department of State Health Services  
Joint Hearing of the Governor's Office  
and  
the Legislative Budget Board**

**November 5, 2020**

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# Presentation Outline

- ◆ Agency Overview
- ◆ COVID Response by the Numbers
- ◆ Fiscal Years 2020-2021 Public Health Accomplishments
- ◆ Fiscal Years 2020-2021 Budget Makeup and Issues
- ◆ Fiscal Years 2022-2023 Five Percent Reductions
- ◆ Exceptional Items Summary Table
- ◆ Exceptional Items Details



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# Agency Overview

**DSHS Mission:** To improve the health, safety, and well-being of Texans through good stewardship of public resources, and a focus on core public health functions.

**DSHS Vision:** A Healthy Texas

## DSHS Goals:

- ◆ Improve health outcomes through public and population health strategies, including prevention and intervention.
- ◆ Optimize public health response to disasters, disease threats, and outbreaks.
- ◆ Improve and optimize business functions and processes to support delivery of public health services in communities.
- ◆ Enhance operational structures to support public health functions of the state.
- ◆ Improve recognition and support for a highly skilled and dedicated workforce.
- ◆ Foster effective partnership and collaboration to achieve public health goals.
- ◆ Promote the use of science and data to drive decision-making and best practices.



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# Agency Overview: Divisions and Functions

## Assistant Deputy Commissioner

- ◆ Academic affairs
- ◆ Health statistics
- ◆ Public health policy
- ◆ State epidemiologist

## Laboratory and Infectious Disease

- ◆ State public health laboratory
- ◆ Infectious disease

## Consumer Protection

- ◆ Emergency Medical Services and trauma care system
- ◆ Environmental health
- ◆ Food and drug safety
- ◆ Radiation control

## Community Health Improvement

- ◆ Environmental epidemiology and disease registries
- ◆ Maternal and Child Health
- ◆ Health promotion and chronic disease prevention
- ◆ Vital statistics

## Regional and Local Health Operations

- ◆ Healthcare emergency preparedness and response
- ◆ Regional public health clinics
- ◆ Texas Center for Infectious Disease
- ◆ Border health



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# COVID Response by the Numbers

287

days of emergency response activation

1,567

DSHS staff working on COVID response

193,000

COVID data points collected and processed daily

1,900

vaccinators registered to administer COVID vaccine

5,800

medical surge staff deployed to ensure hospital ability to care for patients

190

hospitals supported with medical surge staff

800

deployed staff supporting nursing homes

285

epidemiologists deployed to local jurisdictions

1,100

public health follow up staff supporting local health departments

71,000

COVID tests performed by the state public health laboratory

553,000

vials of remdesivir allocated to treat COVID patients

285

ventilators deployed by DSHS to ensure ICU capabilities

*Data as of 10/30/2020, numbers are rounded*



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# Fiscal Years 2020-2021 Public Health Accomplishments

## State Public Health Laboratory

- Implemented newborn screening for X-linked adrenoleukodystrophy (X-ALD).
- Rapidly stood up COVID-19 and influenza-COVID multiplex testing to support the pandemic response.

## Vital Statistics

- Reduced the backlog of applications from 26,400 to less than 100.
- This was possible by improving work process efficiencies, leveraging new technologies, and targeting performance improvements

## Consumable Hemp Program

- Created and implemented the consumable hemp program in alignment with statute.
- To date, the program has processed nearly 1,300 licenses and registrations.



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# Fiscal Years 2020-2021 Public Health Accomplishments

## Restoration of the Asthma Control Program

- DSHS received a competitive CDC award of \$800,000 per year for five years to reduce emergency department visits and hospitalizations due to uncontrolled asthma.
- DSHS is working with local health departments in Dallas County, Harris County, and City of San Antonio.
- The program anticipates a reach of 408,000 persons living with asthma by 2024.

## Texas AIM

- 219 of 223 hospitals are now enrolled in Texas AIM, accounting for 99% of all Texas births and 10% of all births in the US.
- 1,200 health care workers from 220 hospitals have participated in Texas AIM Obstetric Care and COVID-19 learning collaborative.
- Faculty recruitment for the Severe Hypertension in Pregnancy Learning Collaborative is now underway.

## Meat Safety Regulation

- Secured from US Food and Drug Administration permissions to reduce the regulatory sampling burden for small state-inspected meat processors.
- This has led to a 40% reduction in the sampling burden on these small businesses.

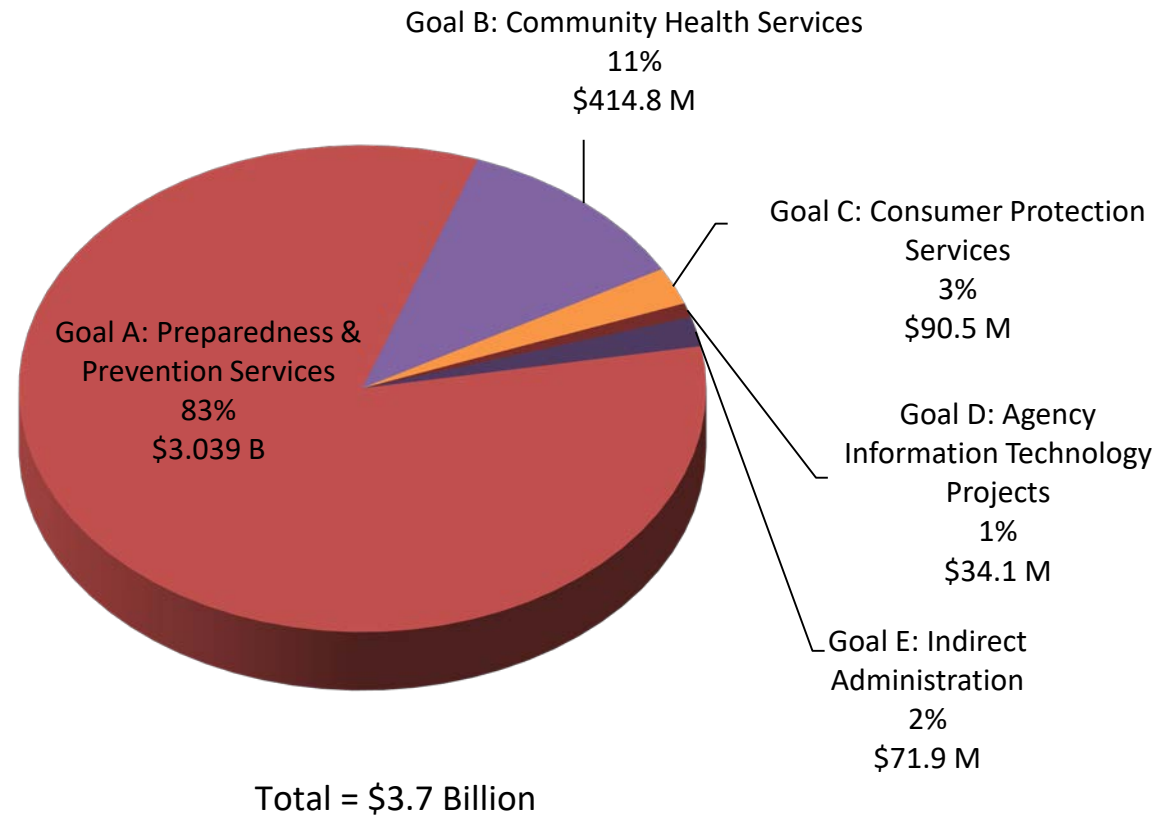


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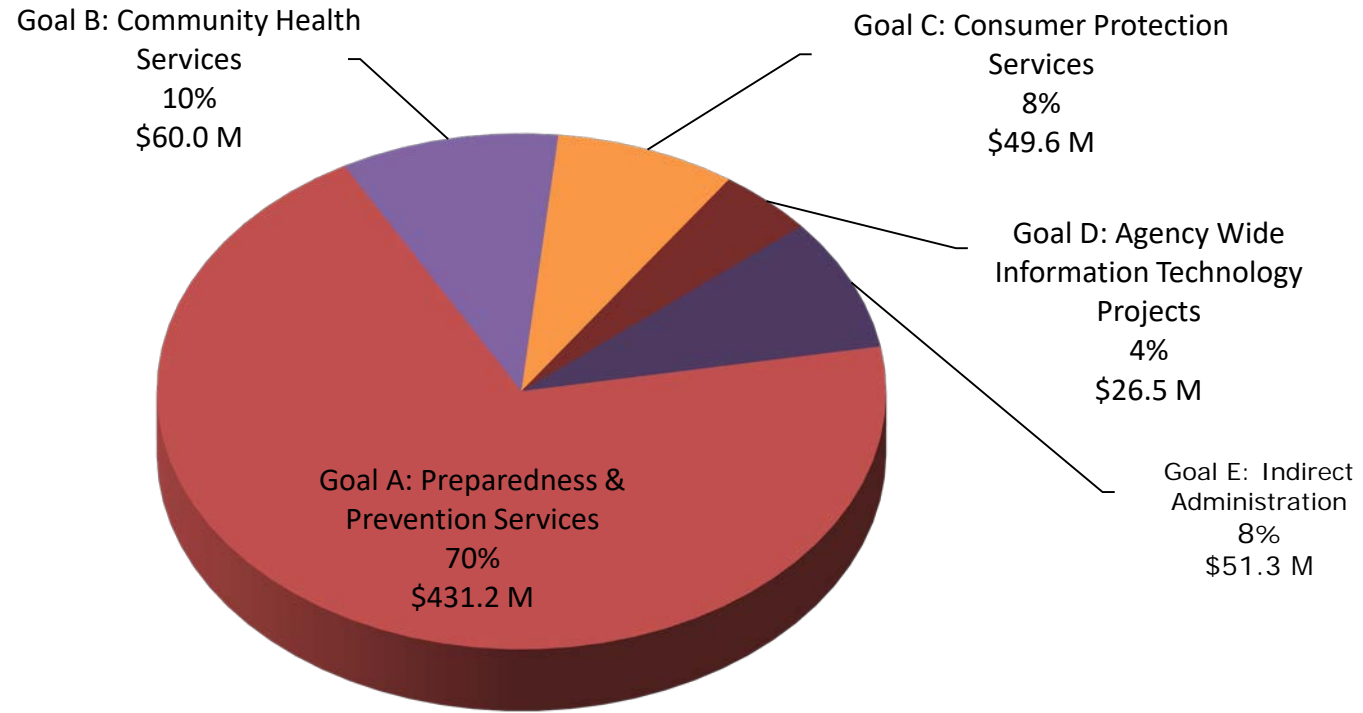
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# 2020-2021 Biennial Budget: All Funds by Goal





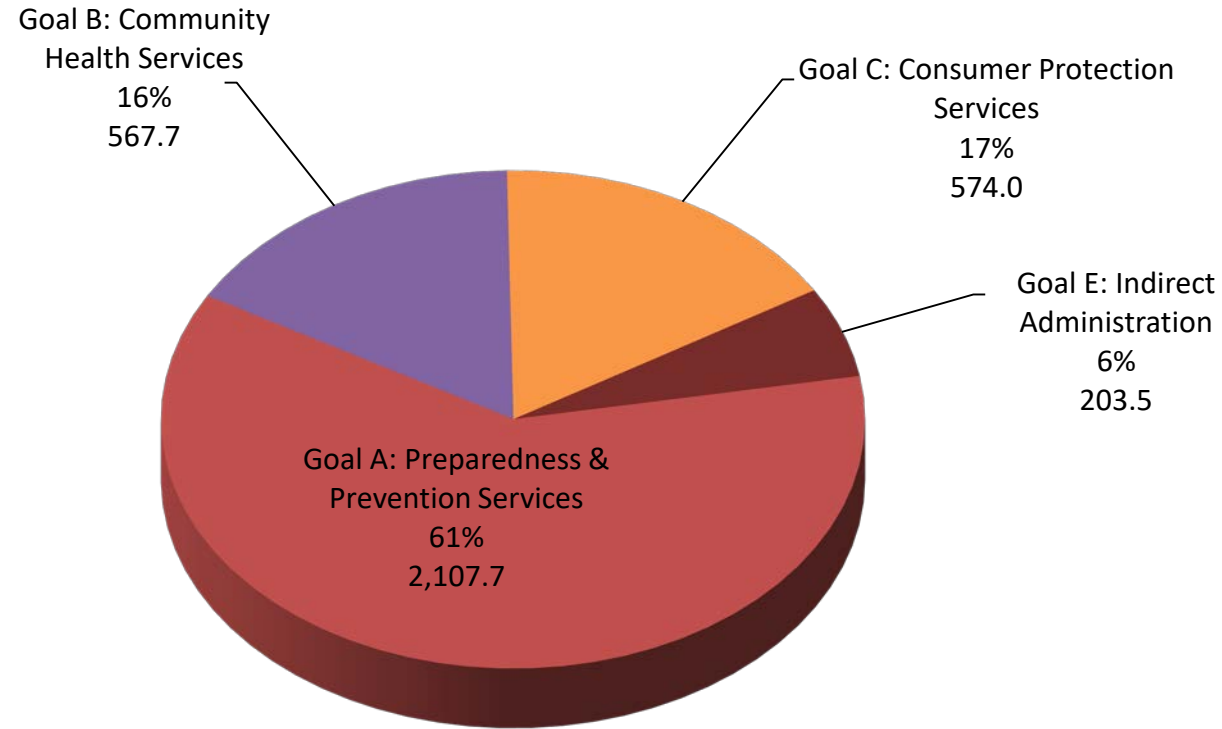
# 2020-2021 Biennial Budget: General Revenue by Goal



Total = \$618,568,341



# 2020-2021 Biennial Budget: FTEs by Goal



Total = 3,452.9 FTEs

\*Goal D does not have FTEs



# FY 2020-2021: Top Ten Federal Funding Sources

Federal Funding Source	Total in Millions	FY 2020-2021 Biennial Amount
COVID19 Public Assistance Category B (EPM)	Public Health Preparedness and Prevention	\$1,039,154,149
COVID19 Epidemiology and Laboratory Capacity (ELC)	Infectious Disease, Epidemiology, Surveillance and Control	\$379,816,440
COVID19 Coronavirus Relief Fund	Public Health Preparedness and Prevention	\$305,815,915
HIV Care Formula Grants	HIV/STD Prevention	\$236,684,233
Public Health Emergency Preparedness	Public Health Preparedness and Prevention	\$70,657,530
COVID19 Public Health Emergency Response	Public Health Preparedness and Prevention	\$55,066,699
Maternal and Child Health Service Block Grants to the States	Women and Children and Children with Special Health Care Needs	\$52,856,511
Immunizations Grants	Immunize Children and Adults in Texas	\$42,330,578
HIV Prevention Program Category A: HIV Prevention Core	HIV/STD Prevention	\$35,019,621
National Bioterrorism Hospital Preparedness Program	Public Health Preparedness and Prevention	\$26,955,841



# COVID-19 Pandemic Expenditures (Estimated)

Category	How much we spent
Medical Surge Staffing	\$1.29 Billion
Local Response	\$301.1 Million
Disease Surveillance	\$243.9 Million
Local Contracts	\$76.5 Million
Lab Costs	\$37.4 Million
Repatriation	\$7.2 Million
Other Costs	\$463,000
Total	\$1.96 Billion

*\*as of October 26, 2020*



# Federal Grants to Support COVID Expenses

Grantor	Description	Total in Millions	Uses
Dept of Treasury	Coronavirus Relief Fund (CRF)- CARES Act	\$550.0	Various uses, funds allocated to DSHS for direct care medical staffing needs.
CDC	Paycheck Protection Program and Health Care Enhancement Act/Epi & Lab Capacity for Testing (PPPHEA-ELC)	\$473.6	Develop, purchase, administer, process, and analyze COVID-19 tests, conduct surveillance, and related activities.
CDC	Coronavirus Preparedness and Response Supplemental Appropriations (Crisis CoAg)	\$55.1	Crisis response and recovery, information and surge management, surveillance
CDC	CARES Act/Epi & Lab Capacity to Reopen America. (ELC)	\$39.1	Surveillance, epidemiology, lab capacity, data surveillance and analytics infrastructure, disseminating information about testing, and workforce support necessary to expand and improve COVID-19 testing.
FEMA	Public Assistance - FEMA Category B	\$20.7	General disaster public assistance. The funds require a 25% state match. Additional funds can be requested.
CDC	COVID-19 Supplemental via 2020 CARES ACT	\$14.4	Plan and implement COVID-19 vaccination services
CDC	PPPHEA National Center for Immunization and Respiratory Diseases	\$10.1	Enhanced Influenza-COVID19 response for staffing, communication, preparedness and vaccination, with emphasis on enrolling new vaccinators. Funds may not be used to purchase vaccines.
ASPR	CARES Act - Hospital Preparedness Program Supplemental Award for COVID-19 (CARES HPP)	\$8.7	Urgent preparedness and response needs of hospitals, health systems, and health care workers on the front lines.





# Federal Grants to Support COVID Expenses

Grantor	Description	Total in Millions	Uses
CDC	ELC /Healthcare-associated Infections/ Antimicrobial Resistance Program (ELC-HAI)	\$3.7	Funds support Project Firstline, a CDC training collaborative for health care infection prevention and control.
HRSA	CARES Act - Ryan White HIV/AIDS	\$1.5	Infrastructure and practice improvement needed to prevent, prepare, and respond to COVID-19 for Texans living with HIV.
HUD	CARES Act - Housing Opportunities for Persons With AIDS COVID-19 Supplemental (CARES HOPWA)	\$0.7	Allowable activities authorized by the AIDS Housing Opportunity Act to maintain housing for low-income persons living with HIV (PLWH) and their households.
ASPR	CARES Act - Hospital Preparedness Program Ebola (CARES HPP Ebola)	\$0.7	Funds dedicated for Special Pathogen Hospital to increase the capability of health care systems to safely manage individuals with suspected and confirmed COVID-19.
CDC	Rape Prevention & Education: Using the Best Available Evidence for Sexual Violence Prevention - COVID-19	\$0.3	The OAG will interagency cooperation contracts with Texas Association Against Sexual Violence and Texas A&M University Health Science Center to enhance existing activities that address the most pressing COVID-19 related violence issues including Intimate Partner Violence
HHS	ATSDR's Partnership to Promote Local Efforts to Reduce Environmental Exposure – COVID-19	\$0.1	Development of a training and educational module on safe ways to disinfect for COVID-19 at home-based child care facilities.
USDA	Cooperative State Meat and Poultry Inspection – COVID-19	\$0.01	COVID-19 specific prevention and safety activities.



# Current Budget Issues

- ◆ Delayed receipt of reimbursement for COVID pandemic response activities from Federal Emergency Management Agency
- ◆ Decreasing HIV rebate funds
- ◆ Ongoing management of budget issues for the Texas Center for Infectious Disease



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# FY 2022-2023 LAR Five Percent Reductions

- ◆ In FY 2020 and FY 2021, most agencies had to take a 5% reduction and implement hiring freezes. DSHS was exempt due to its role in the COVID pandemic emergency response.
- ◆ DSHS is required to include a 5% reduction in its FY 2022-2023 LAR, with a target of \$32,929,840.
  - ◆ Funds used for maintenance of effort or federal match were not exempt.
- ◆ DSHS goals through this process were to:
  - ◆ Harness federal funds where possible
  - ◆ Protect core public health programs
  - ◆ Protect programs that serve large groups of people
  - ◆ Reduce programs when the outcomes could be achieved through other means



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# FY 2022-2023 LAR: Full Reductions

Activity	Strategy	FY 2022	FY 2023	Biennial Total	FTEs
Audiovisual Library	A.1.5: Health Data and Statistics	\$17,251	\$17,250	\$34,501	1.0
Health Providers Resource Center	A.1.5: Health Data and Statistics	\$201,373	\$201,373	\$402,746	5.0
Alzheimer's Disease Activities	A.3.1: Health Promotion and Chronic Disease Prevention	\$500,000	\$500,000	\$1,000,000	-
Tobacco Enforcement	A.3.2: Reducing the Use of Tobacco Products Statewide	\$424,993	\$424,993	\$849,986	-
Fluoridation Program	B.1.1: Maternal and Child Health	\$19,197	\$19,197	\$38,394	1.8
Medical Child Abuse Resource Education Systems (MedCARES)	B.1.1: Maternal and Child Health	\$2,980,803	\$2,980,803	\$5,961,606	-
Animal Control Officer Training and Training Course Approval	A.2.3: Infectious Disease Prevention, Epidemiology and Surveillance	\$35,808	\$35,807	\$71,615	1.0
Animal Euthanasia Technician Training Course Approval	A.2.3: Infectious Disease Prevention, Epidemiology and Surveillance	\$35,808	\$35,807	\$71,615	1.0



# FY 2022-2023 LAR: Partial Reductions, FTE Impact

Activity	Strategy	FY 2022	FY 2023	Biennial Total	FTEs
Texas Primary Care Office (TPCO)	B.2.2: Texas Primary Care Office	\$14,753	\$14,752	\$29,505	1.0
Diabetes Prevention and Control	A.3.1: Health Promotion & Chronic Disease Prevention	\$112,497	\$112,497	\$224,994	1.0
Heart Attack and Stroke Data Collection	A.3.1: Health Promotion & Chronic Disease Prevention	\$160,919	\$160,919	\$321,838	2.0
Heart Disease and Stroke Activities	A.3.1: Health Promotion & Chronic Disease Prevention	\$136,856	\$136,856	\$273,712	2.5
Tattoo and Body Piercing	C.1.2: Environmental Health	\$34,012	\$34,012	\$68,024	1.0
Community Sanitation	C.1.1: Food (Meat) and Drug Safety	\$34,232	\$34,231	\$68,463	1.0
EMS and Trauma System Development, Implementation, and Evaluation	B.2.1: EMS and Trauma Care Systems	\$1,032,953	\$1,032,953	\$2,065,906	1.7
Food Service Establishments	C.1.1: Food (Meat) and Drug Safety	\$83,619	\$83,618	\$167,237	2.0
Radiation Control	C.1.3: Radiation Control	\$218,499	\$218,499	\$436,998	5.0
Public Health Preparedness and Coordinated Services	A.1.1: Public Health Preparedness and Coordinated Services	\$369,388	\$369,388	\$738,776	5.0





# FY 2022-2023 LAR: Partial Reductions, No FTE Impact

Activity	Strategy	FY 2022	FY 2023	Biennial Total	FTEs
Data Analytics- Health Improvement	various	\$64,274	\$64,272	\$128,546	-
Workforce Training	various	\$14,396	14,396	\$28,792	-
School-based Health Centers and Advisory	B.1.1: Maternal and Child Health	\$500,000	\$500,000	\$1,000,000	-
Community assessment activities	A.3.1: Health Promotion & Chronic Disease Prevention	\$120,038	\$120,038	\$240,076	-
Tobacco prevention	A.3.2: Reducing the Use of Tobacco Products Statewide	\$95,983	\$95,982	\$191,965	-
Vital Statistics - Strategy Reduction	A.1.2: Vital Statistics	\$308,751	\$308,751	\$617,502	-
Health Registries - Strategy Reduction	A.1.3: Health Registries	\$221,988	\$221,988	\$443,975	-
Texas.GOV	C.1.4: Texas.Gov. Estimated and Nontransferable	\$37,394	\$37,393	\$74,787	-
Consumable Hemp Products	C.1.1: Food (Meat) and Drug Safety	\$9,751	\$9,750	\$19,501	-
Meat Safety	C.1.1: Food (Meat) and Drug Safety	\$97,531	\$97,530	\$195,061	-
Youth Camps	C.1.2: Environmental Health	\$3,711	\$3,710	\$7,421	-
School Cafeteria Inspections	C.1.1: Food (Meat) and Drug Safety	\$10,009	\$10,009	\$20,018	-
HIV Reduction	A.2.2: HIV/STD Prevention	\$2,485,539	\$2,485,539	\$4,971,078	-
Rabies biologicals distribution	A.2.1: Immunize Children and Adults in Texas	\$186,464	\$186,463	\$372,927	-



# FY 2022-2023 LAR: Partial Reductions, No FTE Impact

Activity	Strategy	FY 2022	FY 2023	Biennial Total	FTEs
Prevent and control the spread of TB and Hansen's disease	A.2.4: TB Surveillance and Prevention	\$60,000	\$60,000	\$120,000	-
Oral Rabies Vaccination Program	A.2.3: Infectious Disease Prevention, Epidemiology and Surveillance	\$46,614	\$46,614	\$93,228	-
Animal Friendly grants for low- to no-cost dog and cat sterilization	A.2.3: Infectious Disease Prevention, Epidemiology and Surveillance	\$2,597	\$2,596	\$5,193	-
Conduct surveillance; investigate and control infectious diseases	A.2.3: Infectious Disease Prevention, Epidemiology and Surveillance	\$2,745	\$2,744	\$5,489	-
Report health care-associated infections and preventable adverse events	A.2.3: Infectious Disease Prevention, Epidemiology and Surveillance	\$2,773	\$2,772	\$5,545	-
Laboratory Testing	A.4.1: Laboratory Services	\$29,739	\$29,737	\$59,476	-
Texas-Mexico Binational Health Councils; United States-Mexico Border Health Commission; Border Health Activities	A.1.4: Border Health and Colonias	\$61,046	\$61,046	\$122,092	-
Inpatient treatment of TB disease; Outpatient treatment of Hansen's	A.2.5: Texas Center for Infectious Disease (TCID)	\$615,541	\$615,541	\$1,231,082	-
Adult Safety Net Program	A.2.1: Immunize Children and Adults in Texas	\$2,000,000	\$2,000,000	\$4,000,000	-
Texas Primary Care Office Fund 0524	B.2.2: Texas Primary Care Office	\$782,562	\$782,562	\$1,565,124	-
Administrative Reductions (HHS shared and DSHS)	various	\$2,292,525	\$2,292,521	\$4,585,046	-
<b>Total, 5% Reductions</b>		<b>\$16,464,932</b>	<b>\$16,464,909</b>	<b>\$32,929,840</b>	<b>32.0</b>



# Exceptional Item Objectives

DSHS exceptional item objectives are tightly limited:

- ◆ Maintain critical public health infrastructure essential to the ongoing COVID response
- ◆ Address unsustainable operational gaps
- ◆ Meet current legislative requirements and direction
- ◆ Address audit findings and security risks



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# Summary of FY 2022-2023 Exceptional Items

Exceptional Item		Biennial GR/GRD	Biennial All Funds	2022 FTEs	2023 FTEs
<b>DSHS FY 2022-2023 Base Request</b>		<b>\$827,580,323</b>	<b>\$1,764,805,261</b>	<b>3,389.9</b>	<b>3,347.9</b>
<b>1.</b>	Infectious Disease Response and Laboratory Capabilities	\$32,638,203	\$32,638,203	29	102
<b>2.</b>	Rural and Frontier Public Health Services	\$18,736,451	\$18,736,451	39	39
<b>3.</b>	Consumer Protection and Safety	\$7,664,749	\$7,664,749	29.4	28.4
<b>4.</b>	Effective Business Operations	\$29,733,199	\$29,733,199	26	26
<b>Total, Exceptional Items</b>		<b>\$88,772,602</b>	<b>\$88,772,602</b>	<b>123.4</b>	<b>195.4</b>
<b>Total, DSHS Base + Exceptional Items</b>		<b>\$916,352,925</b>	<b>\$1,853,577,863</b>	<b>3,513.3</b>	<b>3,543.3</b>



# EI 1: Infectious Disease Response and Laboratory Capabilities

- ◆ **Infectious Disease Infrastructure, \$21.7 M:** Support critical infrastructure needed to maintain public health testing – including reagents and staff, infectious disease surveillance, and local health department support.
- ◆ **Lab Capacity – Spinal Muscular Atrophy Newborn Screening, \$4.2 M:** Support complete implementation of screening Texas newborns for SMA.
- ◆ **Texas Center for Infectious Disease Shortfall, \$6.7 M:** Support the operation of TCID following depletion of federal DSRIP revenue.

Method of Finance	FY 2022	FY 2023	Biennium
General Revenue	\$7.6 M	\$22.8 M	\$30.5 M
All Funds	\$7.6 M	\$25.0 M	\$32.6 M

FTEs	
FY 2022: 29	FY 2023: 102

Program Data	Annual
Confirmed COVID Cases	Over 900,000
Newborn Screens	800,000
TCID Annual Inpatient Days	12,400



# EI 2: Rural and Frontier Public Health Services

- ◆ **Rural and Frontier Clinic Services, \$13.3 M:** Provide essential public health services to underserved rural communities that lack adequate access through new mobile clinic and satellite office capacity that would serve approximately 600,000 Texans.
- ◆ **Electronic Health Records, \$5.4 M:** Establish and maintain an electronic health record system for DSHS public health regional offices, which provide essential services like vaccinations and disease screening.

Method of Finance	FY 2022	FY 2023	Biennium
General Revenue	\$11.9 M	\$6.8 M	\$18.7 M
All Funds	\$11.9 M	\$6.8 M	\$18.7 M

FTEs	
FY 2022: 39	FY 2023: 39

Program Data	
Counties with DSHS as the Main Public Health Provider	194
Percentage of Frontier Counties Covered by DSHS	100%
Annual DSHS Clinic Clients	60,000

# EI 3: Consumer Protection and Product Safety

- ◆ **Food Safety FTEs, \$5.9 M:** Increase the number of food safety inspectors operating in DSHS regions in response to audit findings and provide targeted equity adjustments to prevent costly turnovers.
- ◆ **Consumable Hemp Program, \$0.6 M:** Better align the program based on anticipated license and registrations, as well as product testing and enforcement activities required by statute.
  - ◆ The revenue generated by the license and registration fees are expected to cover the cost of the additional FTEs.
- ◆ **Customer Service Efficiency, \$1.2 M:** Increase the functionality of the existing online licensure and registration system (RAS) to streamline processes, increase security, and improve inspection processes.

Method of Finance	FY 2022	FY 2023	Biennium
General Revenue	\$1.1 M	\$1.1 M	\$2.2 M
All Funds	\$3.8 M	\$3.9 M	\$7.7 M

FTEs	
FY 2022: 29.4	FY 2023: 28.4

Program Data	
Food Safety Licenses Overseen by DSHS	38,700
Estimated Hemp Licenses and Registrations	5,000
RAS Customers	439,000

# EI 4: Effective Business Operations and IT Security

- ◆ **Business Infrastructure, \$24.4 M:** Increase the number of fiscal management FTEs to 25 in response to State Auditor Office findings, provide targeted equity adjustments to prevent costly turnovers. Cover increasing Data Center Services costs.
- ◆ **Registry System Viability Assessment, \$5.3 M:** Obtain a third-party vendor to conduct an assessment of long-term IT needs of critical public health registries: EMS/Trauma, Birth Defects, Blood Lead, and TB/HIV/STD registries.

Method of Finance	FY 2022	FY 2023	Biennium
General Revenue	\$14.6 M	\$15.1 M	\$29.7 M
All Funds	\$14.6 M	\$15.1 M	\$29.7 M

<b>FTEs</b>	<b>26</b>
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Program Data	
Applications in DCS	82
Records in Registry System	40.4 M