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November 25, 2020

Legislative Budget Board and Governor's Office on Budget and Policy

Via Email: [jointbudgethearings@lbb.texas.gov](mailto:jointbudgethearings@lbb.texas.gov)

RE: Comments in Response to Public Budget Hearing – Article II Agencies

Dear Legislative Budget Board and Governor's Office on Budget and Policy Staff:

Every Body Texas (formerly the Women's Health and Family Planning Association of Texas) appreciates the opportunity to provide information and input on the Legislative Appropriations Request (LAR) prepared by the Texas Health and Human Services Commission (HHSC) for fiscal years 2022 and 2023 (September 1, 2021 – August 31, 2023), with a focus on the funding requested to support the women's health programs administered by HHSC: Healthy Texas Women, Family Planning Program, and Breast and Cervical Cancer Services.

Every Body Texas is a non-profit organization dedicated to ensuring that every person in Texas can access safe, unbiased, high-quality sexual and reproductive healthcare. As the statewide Title X Family Planning Program grantee for Texas, Every Body Texas funds a diverse network of 37 providers—including federally qualified health centers (FQHCs), public health departments, hospital-based clinics, and free-standing family planning clinics—that serves nearly 200,000 clients at more than 160 service sites throughout Texas.

Title X providers supported by Every Body Texas also participate in Texas Medicaid and the state-funded women's health programs administered by HHSC. Providers rely on these critical revenue sources to offer robust family planning services to their clients and communities.

As the rates of unemployed and uninsured Texans rise across the state as a result of the COVID-19 pandemic, it is critical for state leaders to both fund safety net healthcare services and to reduce the number of uninsured Texans to ensure that our health and economy recover. For the reasons outlined below, Every Body Texas advocates for fully funding the state-funded women's health programs during the 87th Legislature.

In its LAR, HHSC noted that it took a “restrained approach to developing its funding request” in light of the “economic challenges brought by COVID-19.” Specifically, HHSC states that it used the following principles to guide its decisions regarding exceptional items for the 2022-2023 biennium:



1. Maintain essential client services;
2. Request funding for only what is necessary to prevent agency operations from breaking; and
3. Scale request to the minimum necessary for effectiveness.

While Every Body Texas acknowledges the stark economic challenges facing our state, we believe that more funding for safety net healthcare services—not less—is needed to meet the needs of Texans at this critical time.

## Requested Funding for Women’s Health Programs

Strategy 4.1.1 of HHSC’s LAR outlines the funding for the women’s health programs administered by HHSC (also referenced as Section D.1.1 of the GAA). Summaries of HHSC’s baseline funding request and exceptional items for women’s health programs follow. Key takeaways and areas for additional inquiry are detailed throughout.

### Baseline Funding Request

HHSC’s LAR includes the following summary of funding expended and budgeted for the 2020-2021 biennium and baseline funding requested for the 2022-2023 biennium.

Strategy 4.1.1 Women’s Health Programs Sub-Strategy Level Detail		2020 \$ Expended	2021 \$ Budgeted	2022 Baseline \$	2023 Baseline \$	Biennial Difference	
						\$	%
Healthy Texas Women	Client Services	89,882,893	109,469,221	101,951,096	103,004,104	5,603,086	2.8%
	Cost Reimbursement	11,433,324	10,975,955	10,975,955	10,975,955	(457,369)	-2.0%
	Total	101,316,217	120,445,176	112,927,051	113,980,059	5,145,717	2.3%
Family Planning Program	Client Services	32,807,742	30,671,538	30,173,816	30,777,291	(2,528,173)	-4.0%
	Cost Reimbursement	9,321,287	9,457,498	9,457,498	9,457,498	136,211	0.7%
	Total	42,129,029	40,129,036	39,631,314	40,234,789	(2,391,962)	-3.0%
	Breast & Cervical Cancer Services	10,468,875	11,730,778	10,895,655	10,895,655	(408,343)	-1.9%
	Administrative Costs	9,628,749	6,559,885	6,919,596	6,923,626	(2,345,412)	-16.9%
<b>Strategy 4.1.1 Total</b>		<b>163,542,870</b>	<b>178,864,875</b>	<b>170,373,616</b>	<b>172,034,129</b>	-	-

A review of the overall funding for request Strategy 4.1.1 determines that although HHSC requests level-funding based on funds expended and budgeted in the 2020-2021 biennium, the 2022-2023 baseline funding request represents a **reduction of \$4,554,110 or 1.3% of the total funding appropriated for strategy D.1.1 in the GAA for the 2020-2021 biennium (\$346,961,855).**

While we appreciate HHSC’s efforts to safeguard these programs from cuts, it is both unclear why HHSC did not spend all the funds appropriated during the 2020-2021 biennium and why HHSC did not include the request for additional funding that was forecasted in its recently published Texas Women’s Health Programs Report Fiscal Year 2019.<sup>1</sup> As the appropriations process

<sup>1</sup> Texas Health and Human Services Commission (2020, May). [Women’s Health Programs Saving and Performance Report Fiscal Year 2019](#). Texas Health and Human Services. (Concluding that because of the success of the women’s health programs, HHSC forecasts an additional funding need for the 2022-2023 biennium for HTW, FPP, and BCCS.)



continues, we urge state leaders to seek information from HHSC about how and why these decisions were made.

Perhaps most alarming is the **reduction in baseline funding for the Family Planning Program by \$2.4M or 3%**. Providers and advocates have repeatedly alerted HHSC and state leaders to significant unmet need in the Family Planning Program.<sup>2</sup> HHSC's own output measures include an **increase in the average monthly number of family planning clients receiving services** (11.6% biennial difference); however, HHSC also estimates a **significant decrease in the average monthly cost per family planning client receiving services** (-27.4% biennial difference). Without an explanation for these changes, Every Body Texas is concerned that the decrease in the average monthly cost serves to offset the cost of projected caseload growth—which will destabilize providers participating in the program. It is our experience as a funder of substantially similar services that the cost has not decreased; in fact, the need for and complexity of these services are increasing as a result of COVID-19 and its impacts, including rising rates of uninsured Texans and documented delays in accessing routine and preventive healthcare. As the appropriations process continues, we urge state leaders to seek information from HHSC about the assumptions used to arrive at the baseline funding request for the Family Planning Program.

We are encouraged to see that **continued funding for cost reimbursement for both Healthy Texas Women and the Family Planning Program is included in the 2022-2023 baseline funding request**. A number of Every Body Texas-supported providers recently reported that if cost reimbursement funding in either the Healthy Texas Women or Family Planning Programs were reduced or eliminated during the 2022-2023 biennium, they would be forced to reduce hours for clinicians and other service providers, lay off staff, reduce operation hours at clinics, and close clinics. Maintaining cost reimbursement funding is critical to supporting the sexual and reproductive healthcare safety net.

## Exceptional Items

Based on HHSC's stated principle of maintaining essential client services, Every Body Texas hoped to see some level of acknowledgement that women's health programs require an additional investment to be effective and responsive to the needs of clients—especially during the COVID-19 pandemic.

**However, there is no exceptional item specifically addressing the cost growth of the women's health programs.** Nor does HHSC include the women's health programs in its

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<sup>2</sup> Nehme E, Patel D, Cortez D, Gulbas L, Lakey D. (2020). [Increasing Access to Healthcare Coverage for Uninsured, Postpartum Women in Texas: A Report from the Postpartum Access to Healthcare \(PATH\) Project](#). The University of Texas System/Texas Collaborative for Healthy Mothers and Babies. (Finding that one of the most pressing challenges to utilizing available women's health programs was the limited funding for the Family Planning Program which tends to result in funds being expended well before the end of the fiscal year.)



exceptional item request to fund cost growth for the Medicaid entitlement and non-entitlement, Children's Health Insurance Programs (CHIP), and Temporary Assistance for Needy Families (TANF) programs.

Although HHSC notes that the COVID-19 pandemic has “resulted in caseload growth among programs due to federal policies aimed at sustaining healthcare coverage as well as a larger potentially eligible population from increased unemployment and economic impact” in its justification for Exceptional Item #1 (Maintain Client Services Case Growth), it does not appear that HHSC considers the women's health programs to be impacted—despite projecting caseload growth for Healthy Texas Women and the Family Planning Program in the LAR and forecasting an additional funding need for the 2022-2023 biennium in its May 2020 report on women's health programs.<sup>3</sup> As the appropriations process continues, we urge state leaders to seek information from HHSC about why funding for women's health programs was not included as an exceptional item.

Every Body Texas appreciates the opportunity to provide these comments. If you require additional information about the issues raised in this letter, please contact me using the information provided in my cover email. Additionally, Every Body Texas has published an [issue brief](#) on HHSC's LAR for Fiscal Year 2022 + 2023 that includes additional analysis and may be of assistance.

Sincerely,

Kami Geoffray  
Chief Executive Officer

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<sup>3</sup> Texas Health and Human Services Commission (2020, May). [Women's Health Programs Saving and Performance Report Fiscal Year 2019](#). *Texas Health and Human Services*. (Concluding that because of the success of the women's health programs, HHSC forecasts an additional funding need for the 2022-2023 biennium for HTW, FPP, and BCCS.)