SUBJECT: Studying public funding for children's mental health services

COMMITTEE: Select Committee on State Health Care Expenditures — favorable, without amendment

VOTE: 9 ayes — Delisi, Gutierrez, Berman, Crownover, Deshotel, Harper-Brown, Miller, Truitt, Uresti

0 nays

2 absent — Capelo, Wohlgemuth

WITNESSES: For — Melanie Gantt, Mental Health Association in Texas

Against — None

On — Monica Thyssen, Advocacy, Inc.

BACKGROUND: The state delivers health services for low-income children through two programs: Children's Health Insurance Program (CHIP) and Medicaid, both administered by the Health and Human Services Commission (HHSC). Under current law, both programs offer some behavioral health or mental health services. Other mental health services for children include community mental health services through the Texas Department of Mental Health and Mental Retardation (MHMR) and other services through the juvenile justice system, Department of Protective and Regulatory Services (PRS), Texas Education Agency (TEA), and Texas Commission on Alcohol and Drug Abuse (TCADA).

In 1999, SB 1234 by Nelson added Subchapter G to Chapter 531 of the Government Code, which established the Texas Integrated Funding Initiative (TIFI), a consortium under HHSC to study the delivery of mental health services for children. The consortium includes MHMR, PRS, TEA, Texas Youth Commission, Texas Juvenile Probation Commission, TCADA, and an equal number of family advocates.

Specific areas of study are best practices in the financing, administration, governance, and delivery of mental health services for children. The initiative was designed for six communities and charged with evaluating expansion possibilities. Rider 9 of the HHSC budget for fiscal 2002-03 included interagency transfer of funds from agency consortium members to TIFI, totaling $840,000 for the biennium.

DIGEST:

HB 1350 would direct HHSC to evaluate all sources of public funding for children's mental health services, including those offered by the juvenile justice system, PRS, the Texas Council on Offenders with Mental Impairments (TCOMI), and TEA.

The evaluation would include descriptions of each program, sources of funding, recommendations about future funding, and a determination about whether more effective methods exist for future funding of those services.

The report would be due by January 11, 2005.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

SUPPORTERS SAY:

HB 1350 would direct HHSC to make a systematic and comprehensive review of state mental health services to children to identify new ways to provide such services more effectively and efficiently. Texas is not making the best use of its children's mental health resources. The system is not working for many families — parents find it difficult to obtain services for their children because those services are far flung across agencies, some parents are forced to relinquish custody of their children to obtain services, and others find their children must be adjudicated before they have access to services. Specific problems exist among the state programs as well — rehabilitation resources at MHMR are not adequately used by the Medicaid program, TIFI is a very limited pilot program, and jail diversion occurs only after a crime is committed, not when at-risk kids are identified.

Texas' funding reflects the disorder in the system. Much of state funding for children's mental health services goes toward triage of problems after they have occurred. A single intervention for one child that requires inpatient

treatment and ongoing help can cost up to $50,000. With that amount of money, the state could fund case management, counseling, or skill training services for 30 children in the community.

The state's primary mental health agency serves a small fraction of its priority population. MHMR serves 26 percent of its eligible population of children with serious mental illness or emotional disorders. Some even say that the 26 percent estimate understates the problem because MHMR uses a lower prevalence rate to identify the priority population.

The first step forward is to perform a full evaluation of the state's services to identify exactly how and why it is not working. The work done in this area by TIFI is very limited because the pilot program has addressed only four communities to date. Texas needs a system-wide evaluation of the entire state.

OPPONENTS SAY:

The state already has enough information to know the problem with mental health services to children is a lack of funding. Instead of studying it further, the state should adequately fund children's mental health services at MHMR and expand TIFI to all counties across the state. Texas' funding of children's mental health services — before the budget cuts anticipated for fiscal 2004-05 — is among the lowest for all states. Studying the problem further while MHMR's budget is being cut only would reveal a worsening picture.

The information in this study would be of very limited value. One of the proposals in the appropriations process for funding CHIP is to eliminate the behavioral health program, so those children would not be eligible for state-funded services. The only information the study could gather is that rehabilitation resources at MHMR are not adequately used by the Medicaid program, which already is known.

Another study is not needed to show that the mental health system is in trouble. The state needs to focus on specific diseases and disease management programs rather than the current overly broad inclusion of all mental health issues. MHMR should identify children's diagnoses, including organic mental diseases and serious emotional disorders, but not all behavioral problems, such as attention deficit hyperactivity disorder. The state's mental illness system should be better aligned with the health system. Mental illnesses such

as bipolar disorder, schizophrenia, and depression are medical problems that should be treated through disease management, just like diabetes or asthma.

NOTES:

The companion bill, SB 492 by Shapleigh, is pending in the Senate Health and Human Services Committee.