



How Much Does Texas Spend on Behavioral Health Care?

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Key Points

- Texas budgets \$3.6 billion biennially on behavioral health services distributed across 18 different state agencies and five articles.
- The public behavioral health system is complicated, as are its funding sources, and no one fully understands either.
- Legislators need to know how much Texas is spending on behavioral health before they can make meaningful and cost-effective changes to services or performance measures.

Texas' behavioral health system is opaque at best; another way to describe it is a convoluted mess. Texas budgets \$3.6 billion biennially on behavioral health services distributed across 18 different state agencies and five articles ([Legislative Budget Board 2015, 11](#)). This funding does not include federal or local dollars, so it is just the tip of the iceberg. Yet no one has a clear picture of exactly how the money is being spent, which inhibits legislators' ability to make wise decisions about how to change policy and allocate funds. The new Texas House of Representatives Select Committee on Mental Health has a challenge on its hands when it comes to identifying how much Texas is spending on its very complicated mental health system.

Texas is regularly criticized for budgeting less than almost every other state on mental health programs. This has led most mental health advocates to push for more spending. But this criticism could be based on inaccurate data if all budget amounts are not included. For example, the Kaiser Foundation ranked Texas 48th on state mental health agency expenditures per capita based on data from the National Association of State Mental Health Program Directors Research Institute (NRI) from fiscal year 2013 ([Henry J. Kaiser Family Foundation 2015](#)). According to NRI, Texas' total expenditures were about \$1.1 billion, or \$40.65 per capita annually ([NRI 2015](#)). NRI's numbers are based on funding for the state mental health agency, which for Texas is the Department of State Health Services (DSHS). NRI indicates that the Texas data on state-funded community based programs include funds for mental health services in jails or prisons ([NRI 2015](#)). The NRI data also seem to indicate that Medicaid

is included in its estimate, and although the DSHS's budget includes federal funds, Medicaid itself is administered through HHSC, so it is unclear whether the NRI data capture this nuance in Texas health care spending ([NRI 2015](#)). It is clear, however, that NRI's numbers do not capture the full scope of Texas' behavioral health funding at the federal, state, and local levels—especially the behavioral health spending across all 18 state agencies. And truly no single study or data show the whole picture.

The Commission described DSHS as “one of the most complex agencies in the Texas government” ([Sunset Advisory Commission 2015, Summary of Final Results, following the Table of Contents](#)). In recent years, the state has taken steps to improve information about available public behavioral health services and streamline duplicative or unnecessary services. The Sunset Advisory Commission highlighted some of the problems with gaps and overlaps in Texas' behavioral health system ([Sunset Advisory Commission 2015, 68](#)). SB 202 and the other Sunset bills did a lot to address the problems of this unruly system.

Also in 2015, Sonja Gaines, Associate Commissioner for Mental Health Coordination at the Texas Health and Human Service Commission (HHSC) has also taken steps to provide Texans with a more comprehensive inventory of services by launching mental-healthtx.org ([HHSC 2015](#)). The website was created to help Texans navigate the complex system ([HHSC 2015](#)).

The new reorganization of Texas' health and human services enterprise that came out of Texas' 84th legislative session along with the removal of superfluous licensure require-

ments and other reforms should help improve the system. But the system remains complex, difficult to navigate, and it may still be hard to identify gaps and overlaps. Much work remains. It is difficult to get a comprehensive view of what services are available and what services should be but are not—especially if you include private and charitable services. Given the recent troubles at HHSC with its statewide contracts, this is really no surprise ([Batheja 2015](#)). Funding transparency and accountability with these contracts are areas where state government consistently struggles ([Batheja 2015](#)). After committee members get a clear picture of how much money is being spent for behavioral health, it will be easier to see where the money is going and determine whether it is being used effectively.

As difficult as it is to understand the financial details and available services, it is even harder to determine whether taxpayers are getting a good deal, i.e., whether the services are working well. Many current performance measures are not effective and create perverse incentives.

The mental health system has been criticized for rewarding bad behavior. For example, funding for local mental health authorities (LMHAs) is not competitive ([Public Consulting Group, Inc. 2015, 162](#)). The lack of competition has created a stagnant system that remains unchanged regardless of outcomes. Until Rider 78 was passed during the 83rd Texas Legislature, which required DSHS to withhold 10 percent of quarterly allocations from the LMHAs for performance-based incentives, no funding for LMHAs was tied to performance measures ([Hogg Foundation for Mental Health 2014, 274](#)). In the context of its behavioral health system, Texas often pays for process rather than outcomes.

Texas has room for improvement in establishing effective performance measures and best practices for behavioral health. There may be enough money in the current system to cover the needs of Texans with behavioral health problems if we knew the money was being spent well. Before legislators can make the right changes in those areas, they must have a better picture of what is happening with taxpayer dollars and with private and charitable resources. The Select Committee provides an excellent opportunity for studying how much money is being spent on mental health from all sources—public and private, federal, state, and local. ★

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