Estimated Texas State Revenue Collections 2002–03 Biennium

Total = $109,354.1 Million

- Sales Tax: 28.3%
- Other Receipts: 15.4%
- Interest and Investment Income: 3.8%
- Federal Funds: 31.3%
- Motor Fuel Taxes: 5.3%
- Motor Vehicle Sales and Rental Tax: 5.5%
- Severance Taxes: 2.2%
- Other Taxes: 8.3%

Source: Legislative Budget Board, 2002–03 Fiscal Size-up.
Texas All Funds Budget 2002–03 Biennium

In Millions

Total = $114,119.8 Million

General Government $2,745.5 (2.4%)
Health and Human Services $35,070.9 (30.7%)
Agencies of Education $48,697.5 (42.7%)
Natural Resources $2,244.5 (2.0%)
Business and Economic Development $13,893.8 (12.2%)
Public Safety and Criminal Justice $8,298.0 (7.3%)
The Judiciary $430.8 (0.4%)
The Legislature $294.4 (0.3%)
General Provisions  $569.5 (0.5%)
Regulatory $795.7 (0.7%)
Tobacco Settlement $1,079.3 (0.9%)

Source: Legislative Budget Board, 2002–03 Fiscal Size-up.
Texas General Revenue Funds Budget 2002–03 biennium

Total = $61,487.1 Million

IN MILLIONS

General Government $1,518.3 (2.5%)
Health and Human Services $13,225.9 (21.5%)
Agencies of Education $36,521.1 (59.4%)
Natural Resources $592.0 (1.0%)
Business and Economic Development $380.7 (0.6%)
The Legislature $291.0 (0.5%)
General Provisions $253.3 (0.4%)
Regulatory $373.3 (0.6%)
Public Safety and Criminal Justice $7,035.7 (11.4%)
The Judiciary $350.9 (0.6%)
Tobacco Settlement $945.0 (1.5%)
Total = $61,487.1 Million

SOURCE: Legislative Budget Board, 2002–03 Fiscal Size-up.
Texas General Revenue and
General Revenue—Dedicated Funds Budget

Total = $66,871.9 Million

IN MILLIONS

General Government $1,987.4 (3.0%)
Health and Human Services $13,808.9 (20.6%)
Natural Resources $1,847.7 (2.8%)
Business and Economic Development $777.7 (1.2%)
The Legislature $291.0 (0.4%)
General Provisions $348.0 (0.5%)
Regulatory $489.9 (0.7%)

Tobacco Settlement $987.7 (1.5%)
The Judiciary $353.1 (0.5%)
Public Safety and Criminal Justice $7,153.8 (10.7%)

Agencies of Education $38,826.7 (58.1%)

SOURCE: Legislative Budget Board, 2002–03 Fiscal Size-up.
Texas Comptroller’s $5.2 billion Imbalance Estimate for 2004-2005

- Start with 2002-2003 base $114 billion budget
  - $3.8 billion decrease in revenue due to loss of one time revenue sources

- $1.4 billion additional funds needed for:
  - Teacher Health Insurance
    $1.2 billion
  - Non-payment of 25th month of Medicaid
    $161 million
Additional Health Care Budget Needs for 2004-2005

- Medicaid - $3.029 billion
- CHIP - $136 million
- State Employees - $528 million
- Teacher Retirement System-$772 million

*includes cost and caseload growth*
Average Monthly Medicaid Caseload

FY 98 | FY 99 | FY 00 | FY 01 | FY 02 | FY 03 | FY 04* | FY 05*
---|---|---|---|---|---|---|---
1,758,712 | 1,824,756 | 2,072,718 | 2,297,875 | 2,592,270 | 2,724,897 |
CHIP Caseload

FY 00: 28,300
FY 01: 251,476
FY 02: 499,332
FY 03: 535,615
FY 04*: 542,398
FY 05*: 547,509
Texas Medicaid Program
Cost Containment Initiatives
FY 2002-2003

• Administrative
  - Trust Fund Balance reduction
  - $89 million General Revenue savings

• Hospital Payments
  - Targeted reductions in hospital reimbursements
  - $48.5 million General Revenue savings
Medicaid Cost Containment, cont.

- Pharmaceutical savings
  - $70 million General Revenue savings
    - Audit related pricing reductions and reimbursement formula changes
    - Maximum daily dosages
    - Age and gender limits for certain drugs
    - Clinical pathways
    - Pharmacy data management
    - CHIP rebates/cost savings
    - Co-payments for pharmaceuticals
    - Four brand/34 day supply limits
Medicaid Cost Containment, cont.

• Competitive contracting for medical equipment and supplies
  – $8.3 million General Revenue savings

• Implement case management for high cost/high need individuals
  – $3.0 million General Revenue savings
Texas Medicaid Income Eligibility Levels and Categories

Federal Poverty Limit

- Pregnant Women and Infants
- Children ages 1-5
- Children ages 6-18
- Parent with TANF children
- SSI, Aged & Disabled
- Long Term Care
- Medically Needy

Optional Services
Mandatory
Medicaid and CHIP Budget Considerations for 2004-2005

- Eliminating optional Medicaid services (pharmaceuticals, x-ray, etc.)
- Closed formulary for pharmaceuticals
- Un-simplify Medicaid eligibility for children
- Reduce provider reimbursements
- FMAP adjustment
- Waiting list for CHIP
- Reduce CHIP benefit package