

Supporting the Public Health Future of Texas Infrastructure Initiative

Sharon Shaw
TEXAS ASSOCIATION OF
CITY & COUNTY HEALTH OFFICIALS

Sara Mendez, DrPH
TEXAS A&M UNIVERSITY



Supporting the Public Health Future of Texas

Infrastructure Initiative

Executive Summary

The Texas Association of City & County Health Officials along with key stakeholders is embarking on a journey to explore strategies and implement actions for modernizing local public health systems that focuses on enhancing billing infrastructure and identifying sustainable models for public health to participate in, and be reimbursed through, the broader healthcare system.

Introduction

Texas local public health systems have identified the need to modernize their business model and billing infrastructure to improve their financial sustainability and long-term ability to be reimbursed for services. This initiative is vital to addressing the persistent underfunding of public health and enable local health departments (LHDs) to transform their current scope of traditional public health into billable opportunities and to expand their services to include aspects of clinical care, chronic disease management, and behavioral health.

Impact of 2025 Federal Funding Cuts

According to a recent report released by *Trust for America's Health* "Public Health Infrastructure in Crisis", current and proposed federal funding cuts, clawbacks of over \$12 billion in COVID-19 era grants – funding that was intended *to strengthen public health infrastructure*, layoffs and hiring freezes, and agency reorganizations across Health and Human Services will dramatically impact health departments across the country. These actions will significantly weaken the nation's public health system and emergency readiness and could endanger the country's health and economic security.

The 2025 federal public health funding reductions have had the following immediate impact on Texas LHDs; diminished vaccination capacity, reduction in disease investigation and intervention, terminated refugee health screenings, elimination of community outreach clinics/services, reduction in women's health services, core infrastructure operations, all capital projects ceased, and loss of emergency preparedness capacity. **TACCHO Member LHDs report that over three-hundred seventy staff members within their public health workforce have been terminated since January 2025.**

"The impact that is talked about less, but is equally concerning, is the loss of trust, security, and continuity. Looking at public health initiatives and funding over the last 20 years, there is an ebb and flow to the funds based on a reaction to a public health event = funding for public health workforce & infrastructure. With those funds, services are offered, and partnerships are made and/or strengthened, LHDs identify gaps and go out into the community and do the work. When the funds are cut, especially when it happens quickly, those bridges crumble – the work ceases

without sustainability plans or backup options – the trust in public health recedes or is lost again.”
Amy Fagan, MPA, Wichita Falls/Wichita County Public Health District.

In addition, a state-wide Academic Public Health initiative that strategically focused on strengthening, supporting, and enhancing activities between public health practice and academic institutions was terminated due to federal funding cuts, in March 2025. Six designated schools of public health within Texas were slated to receive \$2 million each. This would have culminated in a total dedicated investment of \$12 million to advance academic-practice partnerships to improve health in Texas communities.

Background

The Need for Business Infrastructure

Historically, local public health departments have been funded primarily through government grants and categorical funding. This model is often inadequate, inflexible, and does not account for the comprehensive nature of modern public health challenges. To become more resilient and effective, LHDs must develop the business infrastructure to successfully apply for and be credentialled by Medicaid and/or insurance products, bill for clinical and non-clinical services, similar to private healthcare providers. This requires:

- **Enhancing Billing and Coding Proficiency:** Many LHDs lack trained staff and systems to effectively code and bill for services, particularly for preventative care and chronic disease management.
- **Optimizing Revenue Cycle Management:** Efficiently managing claims, payments, and denials is crucial for maximizing revenue and ensuring the financial viability of public health programs.

LHD Fiscal Infrastructure Survey - Summary

This summary analyzes the current state of revenue generation and managed care organization (MCO) engagement among LHDs in Texas, based on a recent survey conducted on behalf of TACCHO by the Texas A&M School of Public Health. The survey, completed by 31 LHDs of varying size and location, suggests that while some LHDs have begun to build the necessary infrastructure to engage with MCOs and generate revenue from Medicaid, there remains a substantial gap in business development capacity across the state. There are significant opportunities for business development and financial sustainability within the Texas public health sector.

Key Findings

- **Managed Care Organization Utilization:** The survey indicates that the most utilized Medicaid Managed Care Organizations among respondent LHDs are Superior HealthPlan, Wellpoint, and Blue Cross Blue Shield. This suggests that these MCOs represent primary pathways for LHDs to participate in the broader healthcare reimbursement system.
- **Medicaid Revenue Share:** 70% of LHD’s surveyed say they are “slow to implement” or “struggling” with aspects of Medicaid. The majority of LHDs obtain a relatively small proportion of their total revenue from Medicaid, with 71% of the respondents receiving 10% or less of their total revenue from Medicaid dollars. There is no clear relationship related to the size of an LHD compared to the Medicaid revenue received. This finding underscores the limited financial integration of public health services into the healthcare system and the over-reliance on traditional, non-reimbursable funding streams.
- **Dedicated Billing Staff:** The data indicates that only 15 of the surveyed LHDs have dedicated staff for billing operations. Among these departments, the majority of billing staff

allocate a full-time equivalent of approximately 40 hours per week to billing-related tasks. There are no significant findings that larger LHDs have increased capacity in billing Medicaid services.

- Medicaid Credentialing: Only a small number of LHDs, specifically nine of the 31 respondents, employ dedicated personnel for Medicaid credentialing processes.
- Electronic Medical Records (EMRs): A majority of LHDs use an electronic medical record system, with Patagonia identified as the most prevalent software.
- EMR Utilization: The majority of LHDs use an Electronic Medical Record (EMR) system for Medicaid billing.
- Medicaid-Billable Services: Majority of LHDs offer a range of Medicaid-billable services, but do not necessarily bill for the services. Services are being provided but funding is not being secured.
 - 88% of LHDs provide Immunization service
 - 64% of LHDs provide HIV services
 - 40% of LHDs provide Hepatitis C services
 - 28% of LHDs provide Primary Health Care
- Additional billable services include sexually transmitted infection services, Tuberculosis (TB), family planning/women's health, Texas Health Steps.
- Other wrap around services provided by 64% of surveyed LHDs to Medicaid eligible populations include:
 - Medicaid Eligibility Assistance
 - Children with Special Healthcare Needs Eligibility and Coordination of Personal Care Services
 - Community Outreach and Education on Social Services Programs and Services
 - Community Resource Coordination

Training Needs in Local Health Departments: LHDs lack the appropriate resources, training, and tools to bill for Medicaid.

- Primary Training Needs: The most significant training needs reported by LHDs concern two key areas: Medicaid and/or insurance - *Initial Enrollment, Credentialing* (The process of becoming an approved Medicaid/and or insurance provider.) and *Denied Claims* (The procedures for processing claims that have been denied for payment.)
- Additional Training Requirements: Other essential training needs identified by LHDs include:
 - Medical coding practices
 - General claims processing
 - Billing procedures specific to their EMR system
 - Understanding reimbursement rules and payment timelines
 - Compliance with program guidelines and regulations
 - Managing appeals for denied claims
 - Contracting with Medicaid and other payers

Fiscal Training Needs for Local Health Departments: In addition to Medicaid billing, other fiscal training is essential for building a strong business infrastructure.

- Contracts: The most significant fiscal training need for LHDs is in the area of contracts, which includes negotiation, management, and compliance.
- Grants Management: Following contracts, a critical area for training is the effective management of grants.
- Budgeting: LHDs also require training in budgeting, which is essential for financial planning and resource allocation.

- Uncompensated Care Reporting: Reporting on uncompensated care is another key training need, ensuring accurate documentation of services provided to uninsured or underinsured clients.
- Software Proficiency: Training in the use of specific software, such as Workday, for tracking and managing grants is also a recognized need

Strategy

To address these needs, a comprehensive strategy is required. The Texas Association of City & County Health Officials – Infrastructure Initiative will focus on the following key objectives:

1. **Assess Business Development Needs:** Conduct an environmental scan of LHDs across Texas to identify their specific business development and billing infrastructure needs, including existing capabilities, knowledge gaps, and barriers to participation in the broader healthcare reimbursement system.
2. **Establish a Network of Partners:** Create a collaborative network that includes LHDs, academic institutions, philanthropic funding partners, managed care organizations, and the Texas Health & Human Services. This network will facilitate knowledge sharing, resource allocation, and the development of standardized best practices for billing and reimbursement.
3. **Develop an Action Plan:** Based on the environmental scan, create a detailed action plan. The plan should outline a series of educational and training opportunities, technical assistance, and capacity-building resources to address the identified business development needs. This could include workshops, webinars, and on-site consultations.
4. **Identify Credible Resources:** Secure funding and identify expert consultants with proven experience in healthcare billing, finance, and public health systems. These consultants will provide the specialized education and training needed to empower LHD staff.

This initiative will not only build the capacity of individual LHDs but also strengthen the entire public health system in Texas, making it more agile, sustainable, and better equipped to improve community health outcomes.

TACCHO – Current Work to Strengthen LHD Infrastructure

TACCHO is currently strengthening LHD infrastructure through a variety of initiatives.

- Building partnerships - successful partnership building with key national, state, and local partners.
- Texas 1115 Waiver – Charity Care Program - through the efforts of the TACCHO Charity Care Program Workgroup mentoring and guidance is available for all LHDs to understand and pursue funding opportunities through this program. A Workgroup developed Toolkit is available that provides training, education, and example policies and forms.
- Medicaid Managed Care Organization Convenings - participation in existing MCO workgroups, introduction to and ongoing meetings with MCO partners across Texas to align goals and provide opportunities to LHDs.
- One Big Beautiful Bill Act Public Comment request for inclusion - TACCHO and TACCHO Members provided written public comment to include public health entities within the scope of the Rural Health Transformation Grant Project.
- PHFPC - TACCHO was instrumental in the legislative creation of the Public Health Funding and Policy Committee in 2011. The purpose of the committee is to provide policy level advice and assistance to the Department of State Health Services in the organization and funding of local public health in Texas and the relationship between local public health entities and the department.

Action Plan:

Phase I

- Contract with Texas A&M School of Public Health to: Understand and assess the current Medicaid fiscal infrastructure and business development needs of local health departments across Texas. - *in progress*
- Continue to build partnerships and garner initiative buy-in with stakeholders to include Medicaid/MCO, philanthropy, academia, Texas HHSC, rural health coalitions, etc. - *in progress*
- Source credible consultants who can provide the specific education and training services per the LHD need. - *Fall 2025*
- Develop an initial training and education plan with a variety of flexible opportunities to address the business development needs of local health departments across Texas. - *Fall 2025*
- Secure adequate funding to operationalize the initiative. - *Fall 2025 / Winter 2026*

Phase II

- Funding Secured
- Begin training and education programs for LHD's on targeted topics.
- Kick-off Support the Public Health Future of Texas - initiative at the TACCHO Annual Public Health Conference - April 2026.
- Refine training and education plan based on input from consultants and expanded listening sessions with LHDs.
- Develop public health specific Medicaid/Insurance Toolkit
- Evaluation

Evaluation Plan

An evaluation plan is being developed to systematically assess the outputs and intermediate outcomes of the infrastructure initiative to demonstrate accountability to stakeholders and measure progress toward the goal of increased LHD financial capacity.

The following questions will guide the evaluation process for the infrastructure initiative.

- **Has LHD business and reimbursement capacity improved?**
- **Were networks and partnerships successfully established?**
- **Is there evidence of initial financial impact?**

Long-term Impact

Successful implementation of this initiative, which includes training, education and technical assistance, will provide all Texas local health departments the tools necessary to modernize their business and billing infrastructure, improve their long-term financial sustainability and enable local health departments to transform their current scope of traditional public health into reimbursable opportunities that will include aspects of clinical care, chronic disease management, and behavioral health.

Conclusion

Texas has a loosely formed and somewhat brittle public health system. It is critical that Texas local public health systems take definitive action to modernize their business and billing infrastructure to ensure financial sustainability.

The Texas Association of City & County Health Officials and its 50-member local health departments are committed to joining partners and stakeholders on this journey - to improve the public health infrastructure of Texas - for healthier communities and a healthier tomorrow.

For More information Contact:

Sharon Shaw

Executive Director

Texas Association of City & County Health Officials

sshaw@taccho.org

Written and submitted by:

Sharon Shaw

Executive Director

Texas Association of City & County Health Officials

Sara Mendez, DrPH

Assistant Director | Public Health Practice

Applied Practice Experience Coordinator | Dept. of Health Behavior

School of Public Health | Texas A&M University