

FISCAL YEAR 2027 BUDGET

Fund Summary

Fund Name : Essential Public Health Services Fund
Business Area : Houston Health Department
Fund No./Bus. Area No. : 2010 / 3800

	FY2026 Current Budget	FY2026 Estimate	FY2027 Budget
Beginning Fund Balance	44,646,398	44,646,398	32,452,660
Current Revenues	9,030,000	9,360,790	9,038,000
Total Available Resources	<u>53,676,398</u>	<u>54,007,188</u>	41,490,660
Maintenance and Operations	23,498,933	21,554,528	37,419,499
Total Expenditures	<u>23,498,933</u>	<u>21,554,528</u>	37,419,499
Planned Ending Fund Balance	<u>30,177,465</u>	<u>32,452,660</u>	4,071,161
Total Budget	<u><u>53,676,398</u></u>	<u><u>54,007,188</u></u>	<u><u>41,490,660</u></u>

Fund Balance Distribution

Non-Spendable	0	0	0
Restricted	30,177,465	32,452,660	4,071,161
Committed	0	0	0
Assigned	0	0	0
Unassigned	0	0	0

The above summarizes the FY2026 Budget, the FY2026 Estimate and the FY2027 Budget for the Essential Public Health Services Fund. Also included are the beginning and ending fund balances, total revenues and total expenditures.

The Essential Public Health Services Fund was created in FY2013 for the purpose of offsetting costs associated with the administration of Medicaid Transformation Waiver projects and to perform other essential public health services as defined in Chapter 121 of the Texas Health and Safety Code. This fund will capture the costs and reimbursement of the expenses for the projects. The expected reimbursements are for costs that are incurred for the expansion of health and human services.

The Centers for Medicare and Medicaid Services (CMS) approved Texas' request for a new Medicaid Demonstration Waiver in accordance with section 1115 of the Social Security Act. The waiver was approved through September 30, 2016. The waiver allows the state to expand Medicaid managed care while preserving hospital funding and provides incentive payments for health care improvements. Participants who implement the projects will earn payments by meeting performance targets.

As a participant, the City of Houston submitted a plan that identifies projects to carry out as well as the performance targets to be met semi-annually for each project. The Houston Health Department (HHD) will proceed with each project, meet the performance targets, report the progress, and simultaneously request payment for reimbursement. CMS will review reports submitted by the City of Houston and reimburse an assigned value for the project based upon achievement of specific objectives. The assigned value includes 100% reimbursement of the program costs and the required 42% local match for the project.