

Texas Leaders Must Help Parents Seeking Mental Health Support for Their Children

Executive Summary

Parents in Texas are worried about their children’s mental health. Children today are more anxious, less connected, and more likely to have experienced trauma than they were before the pandemic. Yet mental health disorders were alarmingly common – and increasing – in the years leading up to the pandemic. Over the past two decades, the rates of children and youth in Texas who felt hopelessness, struggled with anxiety or depression, and had thoughts of suicide have risen.

Parents are seeking help for their children’s mental health, but the type of services their children need is often beyond their family’s financial reach or simply unavailable. The children’s mental health crisis won’t be solved by any single program, agency, approach, or legislative session. It requires implementation of a range of strategies across multiple systems for years to come. Families, schools, and communities need state leaders to start now by making children’s mental health a priority in the 2023 legislative session.

Part I of this policy brief describes the children’s mental health crisis in Texas before and during the COVID-19 pandemic; how the challenges will endure without a concerted effort by policymakers, parents, and communities; and the pressures that will continue to build within schools, communities, and the state if meaningful action isn’t taken. We point out, for example, that **in the decade prior to the pandemic, from 2009 to 2019, there was a 35 percent increase in the number of Texas high school students who reported that they attempted suicide.**

Part II examines the progress Texas has made in supporting children’s mental health and some of the critical service gaps that remain. For example, since 2019, the Legislature has provided funding for school-based tele-mental health options for students through Texas Child Health Access Through Telemedicine (TCHAT), a project of the Texas Child Mental Health Care Consortium. However, the program only reaches 40 percent of school districts, and expansion to more schools currently relies on federal pandemic relief funds that will lapse in 2023.

Recognizing the importance of reaching students before they are in a mental health crisis, the

Legislature also passed comprehensive student mental health legislation in 2019. But school districts are not able to implement and sustain comprehensive mental health strategies because the state does not provide a reliable or sufficient source of funding for them. Instead, districts receive school safety funding from the state that is unpredictable, limited to approximately \$10 per student, and intended to cover everything from building security to school counselors.

Part II's exploration of gaps also looks beyond schools to community-based services for children with intensive mental health needs. From April 2021 to March 2022, for example, **2,656 children statewide were on inquiry lists – essentially waiting lists – for mental health services provided through the state's YES Waiver Program.** The number of children on inquiry lists is nearly double the number of children who were enrolled in the YES program in any given quarter during those twelve months. Meanwhile, there are barriers to peer support services, delays in implementing mental health treatment options envisioned in SB 117 from the 2019 legislative session, hundreds of Texas children who are considered “underserved” by Local Mental Health Authorities, and ongoing concerns about Residential Treatment Centers (RTCs). **Many of these challenges are exacerbated by mental health workforce shortages.**

Part II also provides policy recommendations for state leaders to address these gaps. For example, our recommendations urge state leaders to provide dedicated, reliable mental health funding to Texas schools. Building on the steps that the Lieutenant Governor and Speaker of the House are considering this summer in response to the school massacre in Uvalde, our recommendations also call for providing funding to expand the state's TCHAT tele-mental health program statewide. Additionally, several recommendations address the gaps in community-based services, such as increasing funding for Local Mental Health Authorities and considering the forthcoming recommendations from the SB 1575 workgroup on improving RTCs. Our recommendations also urge quick, efficient implementation of SB 1177 (2019) so families with children in Medicaid have cost-effective mental health options, such as crisis stabilization, Multisystemic Therapy (MST), and coordinated specialty care. This recommendation builds on the proposal that legislative leaders are currently considering to fund Multisystemic Therapy (MST) teams in its response to the Uvalde school shooting.

By pursuing these strategies, Texas leaders will ensure that parents and caregivers who are desperately looking for mental health support for their children have a better chance of helping their children grow up healthy and successful.

Part I: Children’s Mental Health Before, During, And After the Pandemic

Before the Pandemic: Children’s Mental Health Concerns Were Common and Rising

Mental illness most often begins in childhood. Among adults with mental illness, about half started to develop symptoms by the time they were 14 years old, and three-quarters by the time they were 24.¹ In any given year, about 1 in 5 children has some type of mental health disorder,² and about 1 in 10 children has a disorder that substantially interferes with his or her daily life.³ When a mental disorder significantly disrupts a child’s ability to function at home, in school, or in their community, it is considered a serious emotional disturbance (SED) and requires more intensive services. An estimated 350,000 Texas kids and adolescents experience severe mental health needs in a given year.⁴

Children's Mental Health Challenges Were Common in Texas Before the Pandemic ⁵ CDC: Mental Health Surveillance Among Children, Texas Data, 2013–2019	
Attention-deficit/hyperactivity disorder	1 in 10 kids
Behavioral or conduct problems	1 in 11 kids
Anxiety	1 in 12 kids
Depression	1 in 20 kids

Feelings of hopelessness, depression, and thoughts of suicide among Texas youth have risen at an alarming pace over the past decade.⁶ The Texas Department of State Health Services regularly surveys high school students to monitor health-risk behaviors among youth that contribute to the leading causes of death, disability, and social problems among youth and adults. The Texas High School Youth Risk Behavior Survey tells us two important things about the mental wellness of Texas youth: **Mental health concerns are common and they are rising.**

Youth Mental Health Deteriorated in Texas in the Decade Prior to the Pandemic Data from Texas High School Youth Risk Behavior Survey ⁷ Texas Department of State Health Services and Centers for Disease Control and Prevention			
	2009	2019	Change
Felt sad or hopeless for more than two weeks	28%	38%	38% ▲
Seriously considered attempting suicide	14%	19%	38% ▲
Made a plan about how they would attempt suicide	10 %	15%	46% ▲
Actually attempted suicide during the past 12 months	7%	10%	35 % ▲

During the Pandemic: Children’s Mental Health Has Worsened

The pandemic has taken a heavy toll on children’s mental well-being. More than 14,000 Texas children lost a parent or caregiver to COVID-19 in the first 15 months of the pandemic alone.⁸ Nearly all kids were kept away from many of the people, places, experiences, and services that are important to them and their social and emotional development. Being separated from their friends, enduring the challenges of remote schooling, and missing out on volleyball games and school dances were the reality of kids in every part of the state. Many kids faced added challenges as their parents lost wages and jobs and struggled to put food on their families’ tables and roofs over their heads. Brain science tells us that many of the things children have faced during the pandemic can have short- and long-term consequences on their physical and mental well-being and outcomes in life.⁹

Parents are worried about their children’s mental well-being. About half of families in Texas are concerned about their children’s mental health amid the pandemic.¹⁰ Many of them are reaching out to their children’s schools for help. The U.S. Department of Education indicates that 74 percent of school districts in the southern region of the nation, including Texas, report parents are expressing concerns about their children’s social, emotional, and mental health.¹¹

All kids have been affected, but some kids have been affected more than others. Groups most at risk for struggling during the pandemic include those with pre-existing mental health concerns, youth living in poverty, youth of color, LGBTQ youth, and those with a prior history of trauma like children in foster care.¹²

Early data on the impacts of the pandemic on children’s mental wellness are sobering. Children are showing higher rates of symptoms of anxiety, depression, sleep disorders, suicidal behavior, and substance use disorders since the pandemic began.¹³ Studies indicate:

- **More students are seeking mental health services from their schools.** In April 2022, 65 percent of public schools located in the U.S. South reported an increase in students who have sought mental health services since the start of the COVID-19 pandemic.¹⁴
- **More kids in Texas are struggling with major depression.** Rates of major depression among youth in Texas increased by 73 percent between 2015 and 2022.¹⁵
- **Suicide attempts among children in Texas have increased.** Calls to the Texas Poison Control Network for suspected suicide among teenage girls jumped nearly 50 percent between 2019 and 2021.¹⁶ This mirrors national data showing that hospital admissions for teenage girls who may have attempted suicide increased 50 percent during the same time period.¹⁷
- **Emergency departments are seeing higher rates of children for mental health concerns during the pandemic.** Data collected by the Centers for Disease Control and Prevention from hospitals in Texas and other states during the first months of 2020 show the proportion of children’s hospital visits for mental health emergencies increased by 24 percent for elementary school aged children (aged 5-11) and by 31 percent for middle and high school-aged youth (ages 12-17) compared with the same time period in 2019.¹⁸
- **The adults who care for children in Texas are struggling with their mental health, too.** Texas adult rates of anxiety, depression, and substance use have increased during the pandemic, too. In 2019, 17 percent of adults in Texas reported having **any** mental illness,¹⁹ compared to 35 percent of adult Texans reporting symptoms of **anxiety or depressive disorders** in 2021.²⁰ When parents have mental health concerns, their children are twice as likely to have a mental, behavioral, or developmental disorder compared to children with mentally healthy caregivers.²¹

National, state, and local experts are ringing the alarm over the surge of children’s mental health concerns. In October 2021, the American Academy of Pediatrics, American Academy of Child and Adolescent Psychiatry, and Children’s Hospital Association issued a joint Declaration of a National Emergency in Child and Adolescent Mental Health.²² They cite the steady rise of rates of childhood mental health concerns and suicide between 2010 and 2020 and a worsening crisis tied to the stress brought on by COVID-19.

The pandemic is not the only threat to children’s mental health. Nearly one in five children in Texas had experienced multiple hardships and adversity prior to the pandemic that increased their risk for negative health, mental health, and social outcomes.²³ Some children experience community-wide trauma, such as natural disasters like Hurricane Harvey and wildfires that displaced many children from their homes, and mass violence that has traumatized children and

families in Santa Fe, El Paso, Sutherland Springs, and most recently in Uvalde. The disruption and distress caused by traumatic circumstances in a child's life – which can be experienced by an individual child or by an entire community – compounds the risks to children's mental well-being and ability to thrive. The more adversities a child faces, the greater the likelihood they struggle both now in and into adulthood.

After the Pandemic: Brain Science and Past Examples of Trauma Indicate the Mental Health Impact Will Continue for Children

For some kids, the pandemic will continue to affect the way they think, feel, and respond to future challenges even after their lives have “returned to normal.” Many of the disruptions caused by the pandemic have largely subsided, even as Texas continues to experience periodic surges of the COVID-19 virus. However, children's experiences during the pandemic will leave a social, emotional, and physiological imprint on their development that can have long-lasting effects on their future learning, behavior, and well-being.

Stress is a normal part of everyday life, even for kids. Learning how to manage stress in healthy and productive ways is a key life skill for both children and adults.

Too much stress can harm a child's long term health and development. Brain science shows that when children are exposed to challenges that are intense, prolonged, or come from multiple sources – their bodies release high or continuous levels of stress hormones like cortisol that can physiologically disrupt typical brain development.²⁴ Young children are especially vulnerable. Their rapidly developing brains are more sensitive to hormones released in their body when under intense or chronic stress and they have not had the opportunity to learn healthy coping skills that older youth and adults have that help them manage challenges in their lives.

Widespread trauma events lead to spikes in children's mental health concerns. Three years after Hurricane Katrina, over 37 percent of children in impacted regions received a diagnosis of depression, anxiety, or behavioral disorder.²⁵ Children exposed to Hurricane Katrina were nearly five times as likely to exhibit serious emotional disturbance when compared to children who were not affected by the hurricane.²⁶

The rising wave of children's mental health concerns creates ripple effects that put pressure on schools, communities, and the state.

- Nearly \$250 billion is the estimated annual cost of children's behavioral health disorders nationally.²⁷ More than one-quarter of total costs for children with mental health disorders may be incurred in the school and juvenile justice systems.²⁸

- Nearly 45 percent of children in special education with emotional disturbances drop out of school – the highest of any category of disability.²⁹
- In 2021, nearly 40 percent of the youth referred to Texas juvenile probation departments had identified mental health needs.³⁰
- In 2020, 60 percent of youth entering state juvenile justice facilities had moderate to severe mental health issues at the point of intake.³¹
- The state’s foster care system continues to struggle providing safe, appropriate placements to children with complex needs. A disproportionately high number of children without placement entered foster care because of their own mental health needs, **not** because of abuse or neglect.³²

Part II: Texas Policy Progress, Gaps, and Recommendations: School-Based Approaches and Intensive Community-Based Services

Today, families in Texas have more options when seeking mental health care for their children than they did 10 years ago. With bipartisan support, Texas lawmakers have passed laws and provided funding to make it easier for parents and caregivers to obtain mental health services for their children in school settings, in their pediatrician’s office, from community mental health providers, and in psychiatric facilities.

While progress has been made, significant gaps remain. Leading experts in children’s mental health recommend providing families with access to a range of effective, high-quality treatment, services, and supports that are individualized based on children’s level of need.³³ A shortage of appropriate programs and services³⁴ – and the shortage qualified people who can deliver them³⁵ – prevents many families from accessing the help their children need.

The Texas Legislature must continue making children’s mental health a priority. Addressing children’s mental health is not a “job done.” It will take more than a single innovative program, state agency, legislative session, or budget cycle to close these gaps. Texas leaders must commit to building out a range of children’s mental health services that meet the needs of families.

Below are some examples of:

- **Progress** the state has made to help parents and caregivers access the right type of services delivered in the right places that meet their children and families’ needs;
- **Gaps** in services available to families who are seeking help for their children’s mental health concerns;
- **Key steps** the Texas Legislature can take in 2023 to help families access the care their children need and to reduce the pressure that unmet children’s mental health needs place on families, schools, communities, and state systems.

The Texas Legislature must re-commit to providing students with safe and supportive schools and ensuring parents have school-based mental health options for their children.

Schools have become an increasingly important place for children to access services and support to address their mental health with the approval of their parents. Providing mental health services in schools has multiple benefits: improving access to care; improving participation in treatment; identifying problems early and curbing the effects of mental health concerns among children; and improving children's ability to be successful in school and at home.³⁶

Progress Made

In 2019, the Texas Legislature passed bipartisan legislation that created a valuable framework school districts can use to provide students and families with a continuum of services and supports to prevent and address mental health concerns that can interfere with students' education and well-being.

For example, legislators passed HB 18, the comprehensive student mental health bill. Under HB 18, school districts are required to have a range of **prevention and early intervention practices and procedures** in place that can help boost key protective factors in students' lives and reduce their risk of developing mental health-related concerns. These protective factors include feeling connected to their schools, teachers, and peers; having healthy coping skills and skills needed to make responsible decisions; having clear expectations for behavior; and avoiding the use of drugs and alcohol.³⁷ Districts are also required to implement a comprehensive school counseling program that supports the personal and social development of students.

Additionally, in 2019, the Legislature passed a comprehensive school safety bill, SB 11, that included several provisions to address the mental health needs of students. Under the bill, TEA must adopt rules for school districts to implement a **safe and supportive school program (SSSP)** at each school campus. The SSSP is intended to address both physical and psychological safety; provide for multi-tiered support systems that address school climate and student social and emotional development and mental health; and address how district multidisciplinary SSSP teams should provide appropriate interventions for students identified by behavior threat assessments as being in need of services. The law also requires TEA to maintain an **inventory of regional and statewide student mental health resources** that can make it easier for districts to identify programs, services, or training and technical assistance that can help them in building out their multi-tiered systems of support for students.

To assist districts implementing the provisions included in SB 11, the Legislature created a

School Safety Allotment (SSA). The funding appropriated by the Legislature for the SSA provided districts about \$9.72 per student annually in both the 2019 and 2021 legislative sessions. This funding must be used to offset costs related to improving school safety, which can include activities related to student mental health in addition to activities focused on addressing the physical safety of campuses. Funding for the SSA is dependent upon discretionary appropriations each budget cycle.

SB 11 also established the **Texas Child Mental Health Care Consortium** (Consortium) to leverage the expertise of the health-related institutions of higher education to help address challenges in meeting the mental health needs of children and youth in Texas. One of the Consortium's projects, Texas Child Health Access Through Telemedicine (TCHAT), partners with schools to enable families to access tele-health based mental health care for their children in their schools.

Gaps That Remain

The state's delay in adopting rules to guide implementation of campus-based safe and supportive school programs (SSSPs) leaves school districts without critical guidance on how to provide multi-tiered systems of support to both prevent and address mental health concerns. TEA published draft rules in October 2020 that outline a strong framework to guide schools in implementing SSSPs in a way that integrates components of SB 11 and HB 18 and would reinforce school efforts to support student learning, well-being, and safety. However, as of June 2022, TEA has not finalized SSSP rules.

The School Safety Allotment is not a reliable or sufficient source of funding for districts to implement and sustain comprehensive mental health strategies. The majority of allowable activities within the School Safety Allotment (SSA) relate to improving the physical security of a school, such as the purchase and maintenance of security cameras, hiring school police or private security officers, and security training and planning. Districts can also use their SSA to hire a school counselor or school social worker, a key strategy to supporting student mental health, especially in Texas where ratios of students to school counselor or social worker are well above what is recommended. However, since funding for the SSA is at the discretion of state budget writers every two years, school districts may be reluctant to hire school counselors or social workers without a dedicated funding source. Additionally, the per-student allotment provided to smaller districts with lower student enrollments may not be enough for the districts to hire staff to help support the mental wellness of students. In Texas, the minimum annual salary for a school counselor with no experience is \$33,660.³⁸ A district serving up to 1,000 students would receive an annual allotment of \$9,720 that is to be used to support school security **and** student mental health strategies. There are 628 school districts in Texas (more than half of all districts) that serve fewer than 1,000 students and receive an annual SSA amount less than \$9,720.³⁹

The federal funding that the Texas Education Agency and school districts have relied on to address the student mental health challenges will end, but the need to address the trauma, grief, anxiety and despair students experience will continue. Federal COVID relief funds and other federal discretionary grants – such as Project AWARE grants from the federal Substance Abuse and Mental Health Services Administration (SAMHSA) – have provided vital funding for school districts and TEA efforts to support the implementation of school-based practices outlined in both HB 18 and the safe and supportive school program outlined in SB 11. However, federal funds will lapse, but students will continue to struggle. In particular, the Elementary and Secondary School Emergency Relief (ESSER) funds will lapse in 2023 and Project AWARE funding is expected to end in 2026. Schools must be prepared to support the social, emotional, and academic development of students while they are in their classrooms.

While the Texas Child Mental Health Care Consortium has expanded its reach, access to school-based tele-mental health is still limited, and federal COVID relief funds used to expand TCHAT will lapse in 2023. In 2021, the Legislature appropriated federal COVID relief funds to the Consortium to enhance its innovative projects, including funding to expand the TCHAT program to more school districts.⁴⁰ As of May 2022, 40 percent of school campuses in Texas participate in the TCHAT program; these campuses represent about two million of the more than five million students enrolled in Texas public schools.⁴¹ Federal relief funds are projected to enhance the reach of TCHAT to additional school campuses representing another 500,000 students; but these federal relief dollars will lapse in 2023. Sustained funding and growth are needed to reach statewide and help the majority of school campuses and students in need.

Steps the Texas Legislature Can Take to Close Gaps

1. Provide school districts with dedicated, consistent funding to support school-based mental health prevention and early intervention practices. Schools need dedicated investments to implement campus-based safe and supportive school programs envisioned under SB 11 (2019) and to continue prevention practices that support student wellbeing as envisioned under HB 18. One first step is to increase appropriations for the School Safety Allotment **and** direct a portion of SSA funds to be used to support mental health, substance abuse prevention, and suicide prevention strategies identified by TEA and the Texas Health and Human Services Commission.
2. Continue to expand families' access to school-based tele-mental health options for their children by increasing funding for the Texas Child Mental Health Care Consortium's TCHAT project. Lt. Governor Patrick and House Speaker Phelan have each called for additional funds to be redirected within the current state budget for TCHAT to expand statewide. Since the federal funding allocated to TCHAT during the 2021 legislative sessions will lapse in 2023, the Legislature should explore sustainable funding strategies

that will enable TCHAT to reach more schools and students in areas where children’s mental health services are limited.

The Legislature must improve families’ access to intensive services that help kids with serious emotional disturbance be successful in their home, school, and communities.

An estimated 350,000 Texas kids and adolescents experience severe mental health challenges in any given year.⁴² The Texas Health and Human Services Commission (HHSC) estimates that there are 107,550 Texas children with a serious emotional disturbance who live in households making less than 200 percent of the federal poverty level, making them eligible for children’s mental health services through the state’s public mental health system.⁴³ Children who have complex mental health needs often require a range of intensive services that “wrap around” their families to help them remain in their homes while they receive treatment. This requires different service providers to work together and in partnership with families to create a service plan that meets the needs of the youth and the adults who care for them. These more intensive services can include:⁴⁴

- Intensive case management that brings together a team of service providers to partner with the family in developing a treatment plan;
- Family peer support services that help parents and caregivers navigate the myriad of challenges they face in caring for their child;
- Children’s mobile crisis and respite care services to help de-escalate situations that may otherwise lead to a child being admitted to a hospital or residential treatment center or enter into the foster care or juvenile justice systems.

Progress Made

Texas leaders across the political spectrum have shown a commitment to providing children with access to community mental health services.

- **The Texas Legislature has increased funding for children’s community mental health services by 22 percent over the past 10 years.** Local Mental Health Authorities and Local Behavioral Health Authorities (LMHAs/LBHAs) serve as the public mental health safety net for children’s mental health services to prevent children from being placed on waitlists to receive basic mental health care. These services can include medication, counseling, case management, family peer support, crisis services, and respite.⁴⁵
- **HHSC requires community mental health centers to have a Certified Family Partner on staff.** Families raising children with significant mental health challenges often feel

hopeless and ineffective, and they experience considerable anxiety and financial strain as a result of caring for their child.⁴⁶ Family peer support services for parents or caregivers are proven to help families more successfully navigate the mental health treatment process, improve engagement in services, and reduce caregiver strain.⁴⁷ Certified Family Partners are members of the mental health workforce who have first-hand experience raising a child with a mental health diagnosis and are trained and certified to provide family peer support services to adults caring for children with complex mental health needs.⁴⁸ Certified Family Partners actively engage families in their child's mental recovery process, ensure a family's unique voice is heard, and assist the family with making informed decisions.

The Legislature has taken steps to provide families with increased access to more intensive services if their child is at risk of being hospitalized or entering the foster care system because of their mental health concerns. Examples include:

- The **Youth Empowerment Services (YES) Program** is a Medicaid 1915(c) waiver program that provides children with serious emotional disturbance and their families access to a range of services and supports they would otherwise not be eligible to receive through the Texas Medicaid program. Operating out of each LMHA/LBHA, the YES Waiver program provides children at imminent risk of hospitalization or residential treatment and their families with intensive community-based services, such as wraparound services, family peer support services, and specialized therapies that aren't traditionally covered under Medicaid, such as music therapy or animal-assisted therapy.
- Psychiatric residential treatment is an important part of the continuum of care for children whose clinical needs cannot be appropriately met in their homes or communities, but the cost of residential treatment centers (RTCs) is often too expensive for families to access. The **Residential Treatment Center Project** was established to prevent families from confronting a heart-breaking decision to relinquish parental custody to the state's foster care system solely because of their children's significant unmet mental health needs. Administered by HHSC, the project contracts with non-profit or private residential treatment facilities to provide services to children and youth who are at risk of parental relinquishment of custody. LMHAs/LBHAs are responsible for assessing children for eligibility for the project and working with residential treatment facilities to plan and coordinate care, including supporting the child and family upon discharge.
- Once it is fully implemented, SB 1177 (passed in 2019) will provide children in Medicaid with more options for mental health treatment. The law directs Medicaid health plans to cover **evidence-based, cost-effective mental health services "in lieu of" – or as an alternative to – inpatient hospitalization or outpatient services** when medically appropriate and with parental consent. The law intends to address a significant gap: while

Medicaid covers inpatient hospitalization and outpatient care, health plans often do not cover the range of services in between. HHSC is rolling out implementation of “in lieu of” services in three Phases. In Phase I, HHSC is focusing on cost effective, evidence-based alternatives to inpatient hospitalization.⁴⁹ In Phase II, HHSC is advancing alternatives to outpatient services. Finally, in Phase III, the agency will focus on cost-effective treatments for special populations, such as children in foster care. In particular, HHSC has already identified for Phase II and Phase III three evidence-based, cost-effective services that are specifically proven to help youth with complex mental health needs.⁵⁰

- ❖ **Multisystemic Therapy (MST)** provides intensive in-home services to youth and their families and is shown to decrease behavior problems, substance use, and involvement with the justice systems among youth and improve family relationships and school attendance.⁵¹
- ❖ **Functional Family Therapy (FFT)** is provided to families in home, school, community, or facility settings to help at-risk youth overcome behavior problems, conduct disorder, substance abuse, and delinquency. FFT has been shown to reduce out of home placements and justice involvement among youth and improve family communication and relationships.⁵²
- ❖ **Treatment Foster Care** services are provided by foster parents with specialized training to care for children and adolescents with significant emotional, behavioral, or social issues.

Gaps That Remain

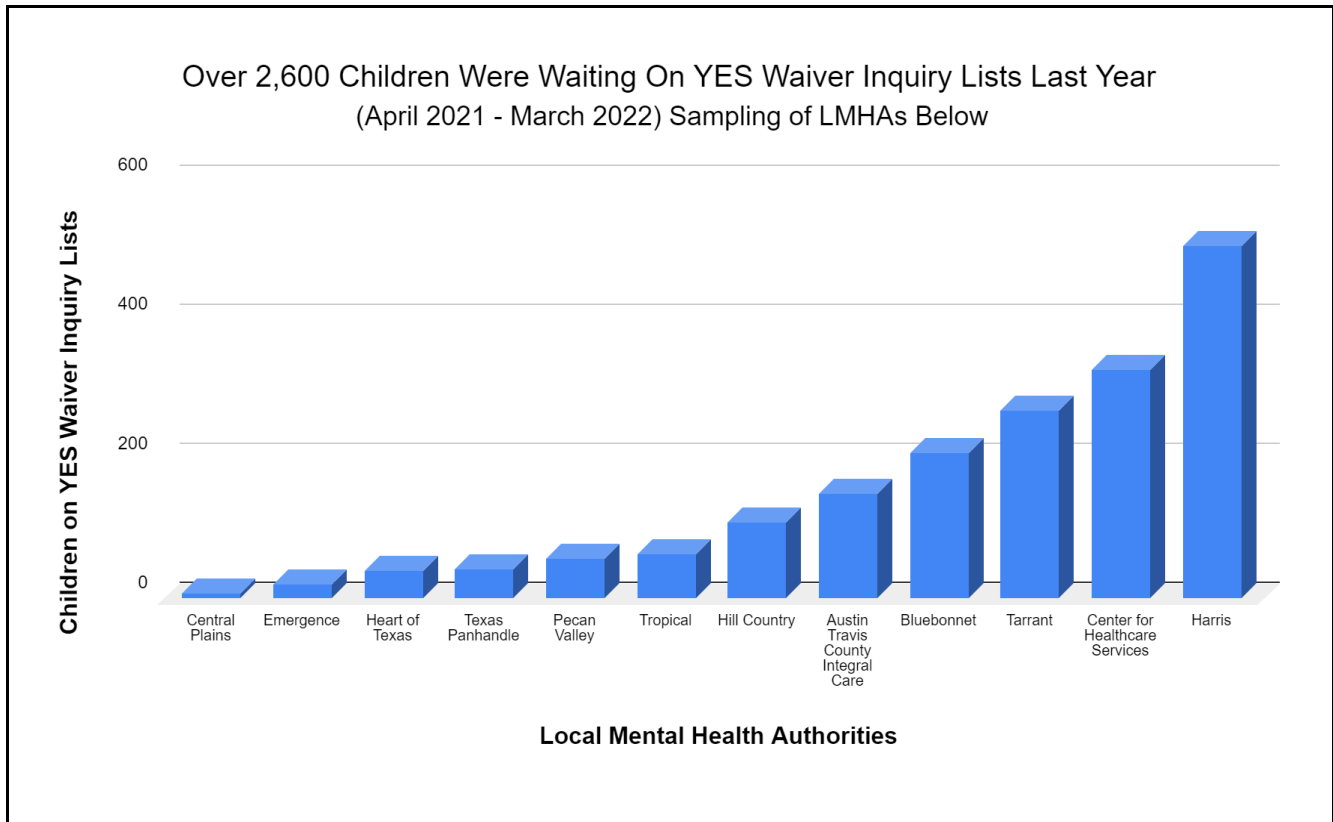
Many children struggling with significant mental health challenges are not able to access the types of services they need, which may hinder their recovery or cause their conditions to worsen. When families seek help from an LMHA, their child is given an assessment to determine the most appropriate level of care to best meet their clinical needs. Services can include things like counseling, skills training, medication, or basic case management. Children with more complex needs may require more intensive family services like wraparound case management, family peer support services, or respite care. The Texas Legislature has provided LMHAs with funding to avoid waitlists for children’s mental health services. However, LMHAs do not always have the resources they need to deliver all of the services children have been assessed as needing. HHSC refers to children who receive a lower level of care than recommended as being “underserved.” This designation does not include children whose families declined services, but rather children who did not receive additional services due to limitations in resources at the LMHA.⁵³

HHSC reports indicate that 662 children received lower levels of care in FY 2021 due to lack of LMHA resources – particularly in some areas of the state.⁵⁴ An overwhelming 94 percent of

children waiting to receive clinically-needed services got lower levels of care at five LMHAs – Behavioral Health Center of Nueces County; Pecan Valley Centers; Bluebonnet Trails Community Services; Community Healthcore; and Tropical Texas Behavioral Health. HHSC reports workforce challenges are a leading barrier, especially in rural and underserved parts of the state.⁵⁵ A range of mental health professionals, paraprofessionals, and support staff are needed to deliver the array of mental health programs and services LMHAs are responsible for providing. The pandemic has created a unique set of staffing challenges, but mental health workforce shortages have been a long-standing issue in Texas.⁵⁶ As an example, in a 2019 assessment of the children’s mental health services delivery system in Dallas County, the Meadows Mental Health Policy Institute identified the cost of hiring, training, and retaining staff and low reimbursement rates as barriers to families accessing intensive services for children with more complex needs.⁵⁷

The YES Waiver Program provides effective mental health services to children, but it is not reaching as many families as it should, largely due to workforce challenges. The current waiver agreement between HHSC and the Centers for Medicare and Medicaid Services (CMS) authorizes Texas to provide up to 3,267 children with YES Waiver services statewide. However, less than 1,500 children have been enrolled in the program in any given quarter over the past five years.⁵⁸ LMHAs must maintain “inquiry lists” when they are unable to provide YES Waiver services to additional families. Not all children on inquiry lists will be eligible for the program, but their families typically must wait until the LMHA has the staff capacity to enroll a new child before their child receives an assessment.

From April 2021 to March 2022, 2,656 children statewide were on YES Waiver Program inquiry lists,⁵⁹ nearly double the number of children who were enrolled in the program in any given quarter during those twelve months. Once again, workforce challenges are reported to be the main barrier to LMHAs being able to enroll more families whose children are eligible for YES Waiver services into the program.⁶⁰ The reimbursement rates set by HHSC for YES Waiver services often do not cover all of the costs associated with administering the program, such as assessing children for eligibility or having multiple mental health providers participate in wraparound team meetings, limiting LMHAs capacity to serve more children in the program even when authorized to do so. In 2018, Austin Travis County Integral Care reported to community stakeholders that the reimbursements it received from HHSC to provide YES Waiver program services were not sufficient to support the program’s cost.⁶¹



Peer support services are out of reach to many families, youth, and young adults. In 2017, the Texas Legislature directed HHSC to include peer services provided by certified peer specialists as a Medicaid benefit to the extent permitted by federal law. However HHSC did not include peer support services for families or individuals younger than age 21 as part of Texas' Medicaid State Plan. CMS and the federal Substance Abuse and Mental Health Services Administration (SAMHSA) recommend states consider including family, youth, and young adult peer support services as part of their service array because these services are clinically- and cost-effective options in meeting the needs of young people with serious emotional disturbance.⁶² LMHAs often use their Certified Family Partners to deliver services **other** than family peer support – such as Mental Health Rehabilitation and Case Management Services – because these services are reimbursed by Medicaid and the funding is needed to cover the costs.

Delays in implementation of SB 1177 (2019) are keeping mental health treatment options out of reach for families whose children need more intensive mental health care. As of May 2022, HHSC received approval from federal CMS for Medicaid to cover three of the six services identified as “in lieu of” – or as effective alternatives to – inpatient hospitalization: (1) coordinated specialty care for treatment of first episode psychosis; (2) partial hospitalization; and (3) intensive outpatient treatment. This is welcome and much-needed progress. HHSC can now amend its contracts with Medicaid managed care organizations (MCOs) so that health plans

cover – and children enrolled in Medicaid can access – these critical alternatives to inpatient hospitalization, when medically appropriate. The agency continues to work with CMS to get approval for three additional services identified as effective alternatives to inpatient hospitalization: (1) crisis respite, (2) crisis stabilization, and (3) extended observation services. The next phase of SB 1177 implementation – Phase II – was scheduled for completion by September 2022; however delays in rolling out Phase I services are likely to delay this timeline. As part of Phase II, HHSC has identified Multisystemic Therapy (MST) and Functional Family Therapy (FFT) as evidence-based, cost-effective alternatives to outpatient services – both of which are critical services for youth with complex mental health challenges. HHSC will not move forward with Phase III services, which includes Treatment Foster Care services, until Phases I and II have been implemented.

We are grateful that, in the Legislature’s proposed response to the school massacre in Uvalde, Lt. Governor Patrick and House Speaker Phelan acknowledged the importance of intensive services for children, such as funding for Multisystemic Therapy, coordinated specialty care, and pediatric crisis stabilization. Those important mental health services will reach more children if lawmakers ensure that HHSC moves quickly to add them as Medicaid benefits, as directed by SB 1177. As Texas House Speaker Dade Phelan noted in his June 13, 2022 letter, adding these services as Medicaid benefits would help offset general revenue costs.

Families need more than coverage of children’s mental health treatment. They need access to mental health providers who are willing and able to deliver those services in their homes or communities. Establishing the YES Waiver program and authorizing Medicaid health plans to cover alternative services are important and necessary steps to providing families with options. The state must also take meaningful steps to ensure mental health providers are paid rates that cover the costs of delivering the services. Children and families can be eligible for intensive mental health services like wraparound service planning, family peer support services, extended observation services, or MST, but if providers are not be willing or able to provide these services because the rates paid to deliver them are not sufficient to cover their costs, barriers to mental health care for children will continue.

For children who are struggling with significant mental health challenges, families need more than access to residential treatment facilities – they need access to high quality care for their children. The quality of care provided by residential treatment centers in Texas varies, as evidenced by issues identified in the M.D. v. Abbott foster care lawsuit. State efforts to improve families’ access to residential treatment must be matched by state efforts to ensure the services that are delivered are of high quality and use a trauma-informed model, actively engage families as part of children’s treatment, and are used as a short-term intervention. In 2021, the Legislature directed the Supreme Court of Texas Children’s Commission and the Department of Family and Protective Services to establish a work group to examine and make recommendations for best practices and appropriate use of residential treatment centers within the foster care

system (SB 1575). The SB 1575 workgroup recommendations, which will be released in late 2022, can be used to improve the quality of residential treatment services provided to children accessing care through other systems, such as HHSC and the Texas Department of Juvenile Justice, that also contract residential treatment facilities in the state.

Steps the Texas Legislature Can Take in 2023 to Close Gaps

1. Increase HHSC funding to shore up capacity within LMHAs to deliver intensive children's mental health services identified in children's treatment plans. This includes funding and strategies to: eliminate the number of children waiting to receive the higher level of care they need; increase the number of children served in YES Waiver Programs; and hire additional Certified Family Partners to provide family peer support services to parents and caregivers as part of their child's treatment.
2. Direct HHSC to examine the adequacy of YES Medicaid Waiver reimbursement rates in supporting program costs.
3. Pass legislation to make the Medicaid peer support services benefit available to youth and young adults ages 14-20 (similar to HB 1413 filed in the 2021 regular session) and include family peer support services as a Medicaid benefit for children with serious emotional disturbance when included in a child's treatment plan (similar to HB 4265 filed in 2021 regular session).
4. Look to recommendations that are forthcoming from the SB 1575 (2021) workgroup related to the quality and use of residential treatment centers within the foster care systems as a guide for improving the quality of residential treatment centers HHSC contracts with for the Parental Relinquishment Diversion project.
5. Direct HHSC to implement SB 1177 (2019) quickly and efficiently so that families of children with Medicaid have more mental health treatment options – proven, cost-effective options such as Multisystemic Therapy, pediatric crisis stabilization, and coordinated specialty care for youth experiencing a mental health crisis. Reimbursement rates that HHSC establishes should also adequately cover the cost of delivering services approved under SB 1177. These steps complement the Legislature's proposed response to the school massacre in Uvalde, which includes funding for MST teams and coordinated specialty care teams – with the ultimate goal to help youth with significant needs and keep children out of inpatient hospitals and foster care.

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