TEXANS CARE for CHILDREN

November 2025

Recommendations for the HHSC Legislative Appropriations Request for FY 2028-29

Thank you for the opportunity to provide input into the development of the Fiscal Year 2028-2029 Legislative Appropriations Request (LAR) for the Health and Human Services Commission (HHSC). As HHSC prepares its LAR, we respectfully offer the following recommendations in the areas of Early Childhood Intervention, children's health and mental health, maternal and infant health, and family support services.

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Supporting Early Childhood Intervention (ECI) for Infants and Toddlers with Disabilities and Delays

1. Recommendation: Ensure that the appropriation request for ECI reflects an accurate projection of the increasing number of infants and toddlers with disabilities and developmental delays served by the program and covers projected costs for outreach efforts and workforce retention.

Rationale:

We were thrilled to see that during the 2025 legislative session, the Legislature approved HHSC's request for $18 million over the biennium to help ECI providers serve the growing number of infants and toddlers with disabilities needing services across Texas. While this funding will help improve the ability of providers to serve eligible children, more funding is necessary as program costs continue to grow and the number of ECI children with Medicaid coverage decreases.

State funding has not accounted for the ways that program costs have increased. First, 94% of ECI providers reported that they are serving more children each month than their state contract projected for the year, according to our 2023 survey of ECI providers.[1] ECI programs are required by law to serve all eligible children who seek services. Second, as the number of community organizations providing ECI services has decreased over the years, the remaining providers are serving more counties, increasing their travel expenses. Each

[1] Texans Care for Children (2023). ECI Director Survey [Unpublished data]

provider now serves an average of 7 counties, compared to 5 in 2017. Lastly, state appropriations have not kept pace with inflation, further straining program budgets. For example, before accounting for inflation, state funding for ECI fell from $504 per child in 2010 to $444 in 2024. But adjusting for inflation, that per-child state funding for ECI declined from $727 in 2010 (in 2024 dollars) to $444 in 2024 — meaning funding dropped by 38 percent in real dollars.[2]

In addition to facing rising costs, ECI has seen a decline in revenue from billing Medicaid, which serves as a major source of funding for ECI services within the program's broader mix of financing streams. HHSC recently reported that 61% of the children in ECI have Medicaid coverage[3], compared to 68% in 2024.[4] As Medicaid enrollment in the ECI program decreases, providers will see a corresponding reduction in available funding. This results in significant strain on ECI providers' already limited budgets and negatively impacts their ability to serve Texas kids.

Inadequate funding within the ECI program creates staffing challenges that directly impact children's ability to get services. Surveyed providers in 2023 reported difficulty recruiting staff, especially in rural areas where programs serve geographically large counties. They explained that inadequate funding limits their ability to offer competitive salaries, making it especially hard to hire Occupational, Physical, and Speech therapists. Even if they can hire additional staff, vacancies still remain. These staffing shortages leave providers without enough appointment slots for the number of children who need to be served by the program.[5] This ultimately leads to children receiving fewer therapies in a given week or given month.

Recommended Action:

Request funding to:

- Account for the increased enrollment in ECI services.
- Address the rising costs of providing these services.
- Allow staff recruitment and retention.

Expected Outcome of Funding:

- Ensure more children under age three with disabilities and delays and in need of ECI services are able to be enrolled and receive the services they need.
- Allow ECI providers the capability to hire more qualified professionals, such as greater numbers of speech therapists, occupational therapists, and developmental specialists as needed, leading to positive outcomes for Texas children.
- Support outreach efforts and early identification of developmental delays or disabilities, leading to timely intervention and helping kids address developmental challenges during the early years of life.
- Reduce the need for more extensive and costly services as the child grows older.

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[2] Calculated using the Bureau of Labor Statistics CPI Inflation Calculator, comparing August 2010 to August 2024: https://data.bls.gov/cgi-bin/cpicalc.pl?cost1=504&year1=201008&year2=202408

[3] Texas Health and Human Services Commission. (2025, August). *ECI Agenda Item 4: Early Childhood Intervention Program Update* [PDF slides]

[4] Texas Health and Human Services Commission. (2024, January). *ECI Agenda Item 4: End of Continuous Medicaid Coverage* [PDF slides]

[5] Texans Care for Children (2023). ECI Director Survey [Unpublished data]

- Support long-term positive outcomes for children's cognitive, social, and physical development.

Ensuring the Medicaid Enrollment and Renewal System is Functioning Properly

Texas has taken an important step toward improving its Medicaid and SNAP eligibility systems. During the 2025 legislative session, lawmakers invested $139 million in General Revenue ($386 million in All Funds) to modernize outdated technology, improve system functionality, and hire additional staff. These investments are critical for making the eligibility system more customer-friendly and beginning to address longstanding delays and inefficiencies. However, despite these efforts, additional fixes are still needed to ensure families can easily access benefits, resolve application or renewal issues quickly, and navigate the system without confusion.

2. Recommendation: Upgrade the YourTexasBenefits (YTB) App and Online Website

Rationale:

When Texas families can see their coverage end dates online, they can proactively renew or reapply for health coverage. Currently, the YTB app and website do not display this information, limiting families' ability to prepare necessary documentation. Community organizations that help Texans navigate enrollment have reported to us that families often call 2-1-1 option 2 simply to obtain this information, increasing staff workload. Similarly, the inability to upload missing documentation during the 90-day reconsideration period causes confusion and unnecessary reapplications.

Recommended Action:

Request funding to upgrade the YTB platform to:

- Display case end dates online.
- Enable document upload during the 90-day reconsideration period.

Expected Outcomes:

- Prevent lapses in services and ensure smoother coverage continuation.
- Reduce repeated applications, saving resources for HHSC and families.
- Streamline service delivery and reduce 2-1-1 call volume.

3. Recommendation: Upgrade the 2-1-1 Option 2 Call System and Ensure Adequate Staffing

Rationale:

Families rely on 2-1-1 option 2 to check application status, report changes, and resolve issues. However, based on information from application assisters and organizations helping Texas families enroll and renew

their health coverage, individuals typically have to wait on hold for extended periods of time and often have their calls dropped, delaying access to needed information and impeding timely application and renewal completion.

Recommended Action:

Request funding to:

- Implement a call-back option with scheduled windows.
- Expand evening and weekend hours for 2-1-1- option 2.
- Provide real-time wait-time estimates.
- Maintain sufficient staffing to reduce hold times and call abandonment.

Expected Outcomes:

- Improved efficiency of 2-1-1 staff and call management.
- Better support for Texas families applying for health coverage.
- Reduced delays and improved access to Medicaid and CHIP.

4. Recommendation: Improve and Update Medicaid Forms and Notices

Rationale:

Many families receive confusing or conflicting Medicaid notices and renewal packets—especially households with multiple members enrolled. The notices often include two different due dates, a problem the agency has openly acknowledged, which creates unnecessary confusion. On top of that, the language in the letters is heavily legalistic, making it difficult for someone with only a high school education to understand and nearly impossible for families whose first language isn't English. Together, these issues increase the likelihood of missed requirements and unnecessary procedural denials.

Recommended Action:

Request funding to collect beneficiary input and overhaul forms and notices to ensure clear, accurate, and understandable language.

Expected Outcomes:

- Increased comprehension of state forms.
- Reduced application errors and administrative burden.
- Fewer calls to 2-1-1 for clarification.
- Smoother coverage continuation for families.

5. Recommendation: Ensure HHSC Requests the Funds Needed to Implement Required CHIP Eligibility Changes Under the Federal Eligibility & Enrollment (E&E) Rule

Rationale:

The federal E&E rule, finalized in April 2024, requires states to remove CHIP waiting periods and eliminate lifetime or annual benefit caps. Although HHSC received an extension until **June 3, 2026**, timely implementation will require policy updates, systems changes, and staff capacity across eligibility, enrollment, and IT teams. Without dedicated funding in the next biennium, Texas risks falling out of alignment with federal law and continuing barriers that delay children's access to care.

Recommended Action:

HHSC should **request the funding necessary** to fully and timely implement these CHIP eligibility changes. This includes resources for policy development, systems modifications, staff training, and stakeholder engagement to ensure smooth implementation and avoid disruptions for families. Where needed, HHSC should also request authority for any related administrative or legislative changes.

Expected Outcomes:

- Compliance with federal CHIP requirements.
- Improved continuity, affordability, and stability of coverage for Texas children.
- Reduced administrative barriers, fewer delays, and the elimination of outdated benefit limits.
- Greater clarity for families, providers, and community partners during the transition.

6. Recommendation: Align CHIP and Medicaid by Adopting 60-Day Retroactive Coverage for Children

Rationale:

Section 71112 of the federal budget reconciliation law allows states to provide 60-day retroactive coverage in separate CHIP programs, mirroring the revised 60-day retroactive eligibility now required in Medicaid. Extending this protection to CHIP is especially important for children, because many families do not apply for coverage until a child is already sick or has experienced an injury or medical emergency.

Retroactive eligibility allows HHSC to cover medical bills from the 60 days before a child is determined eligible, protecting families from medical debt and ensuring kids can get timely care rather than delaying treatment due to cost concerns.

Aligning CHIP with Medicaid also gives providers greater confidence to treat uninsured children while applications are pending, knowing they can move forward with medically necessary care without risking uncompensated costs. This policy should complement — not replace — efforts to improve seamless transitions and prevent eligible children from falling through administrative gaps.

Recommended Action:

HHSC should implement 60-day retroactive coverage in CHIP and align it with Medicaid. Necessary policy, systems, and operational adjustments should ensure efficient implementation without masking enrollment or transition issues.

Expected Outcomes:

- Consistent retroactive eligibility across Medicaid and CHIP.
- Reduced medical debt for low-income families.
- Fewer coverage gaps for children moving between programs.
- Streamlined administration and improved customer experience.

Complying with SNAP Requirements from HR 1

The Supplemental Nutrition Assistance Program (SNAP) is a cornerstone of Texas's fight against child hunger, helping more than 1.6 million Texas children access the nutrition they need to grow, stay healthy, and succeed in school. HR 1, the federal mega-budget bill passed in July 2025, significantly alters states' financial responsibilities for SNAP administration and introduces new requirements that will affect eligibility operations, staffing, and program stability. These changes will require substantial state investment — both to maintain current service levels and to avoid steep federal penalties tied to administrative accuracy. The following recommendations outline the funding Texas must secure to ensure SNAP remains accessible, efficient, and compliant with federal law.

7. Recommendation: Request funding to cover the increased state share of SNAP administrative costs required under HR 1 (effective October 2026).

Rationale:

SNAP plays a critical role in helping families with low-wage jobs put food on the table. In Texas, the program provides vital nutrition assistance to 1.6 million children, supporting their health, development, and school success.

However, the federal mega-budget bill (HR 1), passed in July 2025, dramatically shifts SNAP administrative funding responsibilities to states. While administrative costs were previously split 50/50 between the federal government and states, HR 1 requires states to cover 75% beginning October 1, 2026. For Texas, this means the state must invest roughly $90 million per year just to maintain current SNAP operations for eligible Texans.

Because this cost shift begins before the 90th Legislative Session, Texas will need a clear plan — and adequate funding — to ensure uninterrupted access to nutrition assistance for the families who rely on it.

Recommended Action:

HHSC should request the funds necessary to cover the increased state share of SNAP administrative costs starting in October 2026. This may include strategies such as interim fund transfers, supplemental appropriations, or dedicated LAR funding to ensure the program remains fully operational.

Expected Outcomes:

- Continuity of SNAP services for eligible families and children.
- Prevention of administrative disruptions that could delay or impede access to food assistance.

- Stabilization of HHSC's eligibility operations during a major federal funding shift.
- Assurance that Texas complies with federal SNAP administration requirements.

8. Recommendation: Request funding to address HR 1's cost-sharing penalties associated with Texas's SNAP error rate, or invest in system improvements to reduce the error rate below 6%.

Rationale:

Beginning in FY2027, HR 1 requires states with a SNAP payment error rate above 6% to absorb an even larger share of program costs. Texas's current error rate — 8.6% in FY2024 — would require an estimated $716 million per year in additional state SNAP appropriations unless the error rate is reduced.

Error rates are not fraud; they reflect paperwork mistakes, administrative inconsistencies, missing documents, or data-entry errors, many of which stem from staffing shortages, complex eligibility processes, and outdated systems. Improving accuracy requires targeted resources — not only to avoid the penalty, but to improve customer experience and reduce churn among eligible families.

At the same time, HR 1 includes additional restrictions — such as expanded work requirements for adults ages 55–65 and parents of children 14 and older — that may further complicate eligibility processing and increase the risk of errors without administrative investment.

Recommended Action:

HHSC should:

1. Request LAR funding to cover the additional SNAP costs Texas will incur under HR 1 if the error rate remains above 6%, *and/or*
2. Request targeted investments to reduce the state's error rate below 6%, such as:
    - Strengthening eligibility and enrollment staffing.
    - Improving training and quality assurance systems.
    - Upgrading application processing and verification technology.
    - Streamlining documentation requirements and reducing manual work.

Reducing the error rate will not only mitigate or eliminate the HR 1 penalty — it will also reduce churn and improve access for eligible families.

Expected Outcomes:

- Avoidance or reduction of a $716 million annual penalty.
- Improved accuracy in SNAP eligibility and enrollment.
- Faster processing and fewer incorrect denials for eligible families.
- Greater stability in SNAP access for low-income children and adults.
- Reduced administrative burden and improved customer service for HHSC staff and families

Supporting Women's Health

The Texas Maternal Mortality and Morbidity Review Committee (MMRC) has consistently listed as their number one recommendation: "Increase access to comprehensive health services during pregnancy, the year after pregnancy, and throughout the preconception and interpregnancy periods." Passing legislation in 2023 to extend Medicaid coverage to 12 months postpartum was a significant step in fulfilling this recommendation and improving health outcomes for women statewide. However, we recognize that coverage is only the first step in making the necessary postpartum health services accessible and affordable.

9. Recommendation: Request funds to strengthen and complete full implementation of the 12-month Medicaid postpartum coverage benefit.

Rationale:

Although Texas implemented 12-month postpartum Medicaid coverage in April 2023, significant gaps remain in awareness, utilization, and correct administration of the benefit. Many providers and Medicaid enrollees are still unclear about who qualifies, which services are covered, and the full duration of postpartum eligibility. As a result, women experience inconsistent access to needed care, and providers continue to report inappropriate claims denials and confusing billing processes.

In addition, Texas has no standardized approach for transitioning women from obstetric care to primary care after delivery. This leaves many women without coordinated follow-up for chronic conditions, mental health needs, hypertension, diabetes, substance use, or ongoing recovery—despite now having insurance coverage for 12 full months. There is also significant variation in how managed care organizations (MCOs) support postpartum women, including helping them establish care with a PCP and ensuring that OB providers deliver more than a single postpartum visit.

To fulfill the legislative intent of the 12-month extension—and to meet the MMRC's top recommendation—HHSC must invest in the operational, communication, and clinical support needed to ensure the benefit works as intended.

Recommended Action:

HHSC should **request dedicated funding** to fully and effectively implement the 12-month Medicaid postpartum benefit. Funding should support:

- **A statewide provider education and outreach initiative**, including a unified toolkit explaining eligibility, covered services, billing guidance, documentation requirements, and steps to prevent or resolve improper claims denials.
- **A postpartum care transition framework** developed in partnership with OB/GYNs, family physicians, primary care providers, and MCOs to outline best practices for seamless handoffs from obstetric to primary care.
- **MCO performance expectations and oversight**, including ensuring plans help postpartum members connect to an in-network PCP, schedule recommended follow-up visits, and receive postpartum behavioral health screenings and care.

- **A public awareness campaign** in multiple languages for postpartum enrollees to explain the full 12-month coverage period, available services, and how to access care.
- **Systems updates and staff training** to prevent erroneous disenrollments at 60 days and support more accurate claims processing throughout the postpartum year.

These investments will ensure that the extended coverage period translates into meaningful access to care rather than coverage in name only.

Expected Outcome of Funding:

Fully funding the continued implementation of the 12-month postpartum benefit would:

- Increase appropriate utilization of postpartum services by improving awareness and reducing administrative obstacles.
- Ensure continuous health coverage for postpartum women by preventing erroneous terminations at 60 days.
- Strengthen care coordination, notably the transition from obstetric to primary care, to improve management of chronic and emerging conditions in the year after birth.
- Improve maternal health outcomes by ensuring women receive timely physical and mental health care throughout the full postpartum period.

Ensuring Strong Family Support Services for Texans

10. Recommendation: Request increased investments in a full continuum of community-based services and supports to ensure all Texas families — regardless of what community they live in — can access the resources they need. This should include dedicated funding to strengthen and expand Family Resource Centers (FRCs) and kinship navigation programs within the Family and Youth Success (FAYS) program, which play a central role in connecting families to supports before challenges escalate.

Rationale:

Local community-based programs funded through the Family Support Services division provide a wide range of preventive supports, such as parent education, youth development, home-based services, and referrals for concrete needs. However, access varies widely by geography. In some communities, resources are robust and coordinated; in many others, availability is extremely limited or siloed.

Family Resource Centers (FRCs) and kinship navigation programs within FAYS serve as critical, community-driven hubs that help families identify needs early, navigate available services, and strengthen caregiving relationships. FRCs offer a trusted physical access point for families who may not connect through hotlines or websites, while kinship navigators help relatives and fictive kin secure the resources necessary to keep children safely within their families. Both models reduce risk, prevent unnecessary CPS involvement, and support long-term family stability—but current funding allows only a fraction of Texas communities to benefit from them.

Targeted investments to expand FRCs and strengthen kinship navigation programs would ensure more families receive support before challenges escalate into crises, reduce unnecessary hotline calls, and build a more connected, community-led system of care.

Recommended Action:

Request funding to:

- Expand Family Resource Centers (FRCs) in additional communities, prioritizing areas with limited access to coordinated family supports.
- Increase and sustain funding for kinship navigation programs within FAYS so more informal kinship caregivers can access guidance, resource navigation, and support.
- Strengthen the Family Support Services division's capacity to coordinate a full continuum of community-based programs, ensuring families receive timely, appropriate assistance.
- Support outreach, coordination, and local partnerships that help families understand and access the services available in their communities.

Expected Outcome of Funding:

- More families connect to supportive services early—before challenges escalate—reducing unnecessary CPS reports and investigations.
- Greater access to trusted, community-led hubs (FRCs) that provide relational, culturally responsive support tailored to local needs.
- Increased stability and well-being for children living with informal kin through expanded kinship navigator support.
- Strengthened community-based infrastructure that keeps children safe, supports parents, and reduces reliance on the child protection system.
- More efficient, effective use of state dollars by investing in preventive, family-centered supports that reduce long-term costs associated with crisis response and foster care.

Addressing Children's Behavioral Health Needs in Texas.

11. Recommendation: Request increased funding for the Youth Empowerment Services Waiver (YES) to effectively support youth with complex mental health challenges.

Rationale:

The YES Waiver provides critical home- and community-based mental health services to children who are struggling with their mental health and are at risk of institutionalization or out-of-home placement. This program provides specialized services like helping families coordinate care, relief for caregivers, recreational therapies, and help with daily living. Early evaluation of the YES Waiver program found that participating youth experienced meaningful improvements in their emotional and behavioral health, along with reduced risk of harm to themselves and others.[6] More recent reviews of wraparound services continue to show positive

[6] Texas Institute for Excellence in Mental Health. *Youth Empowerment Services Waiver Program Evaluation*. School of Social Work, Center for Social Work Research, The University of Texas at Austin. November, 2012.

outcomes for youth, including reduced residential placements and improved school functioning.[7] Strengthening the YES Waiver helps schools better support students by connecting them to outside providers and reducing crisis situations that disrupt learning.

As more Texas parents desperately seek help for their children with complex mental health challenges, there's been a sharp increase in families asking for YES Waiver services, with 3,109 inquiries in FY 2023 — a 43% increase since 2021.[8] However, during the same period, the number of children enrolled **dropped by 19%**, and only 2,227 children received services, which means that nearly 900 children were left waiting for services.[9] The YES Waiver lost 386 providers between 2020 and 2023, with numbers continuing to decline, partly due to financial challenges and low funding levels.[10] The program could help more youth, but there aren't enough providers to deliver the services.[11] Unfortunately, the Legislature underfunded the YES waiver this past session. Funding for the YES Waiver program would address the financial challenges and low funding levels cited by providers.

Recommended action: HHSC should request the necessary funding to fully and effectively implement the YES Waiver program to address challenges which include children waiting for services and loss of providers.

Expected outcome of funding:

- Keep families together and prevent entry into the foster care system
- Reduced crisis service use and institutional placements
- Improved clinical outcomes for youth with complex mental health challenges

12. Recommendation: Request increased funding for three key types of children's mental health services — intensive mental health services, crisis services, and community services for youth with complex mental health needs — to address the rise in children's mental health challenges and keep children with their families and safely out of foster care.

Rationale:

Children's mental health challenges have been on the rise nationally and across the state. In any given year, 1 out of 3 Texas children experience a mental health disorder.[12] From 2005 to 2023, the number of Texas high school students reporting suicide attempts rose by 31 percent.[13]

If left unaddressed, mental health struggles can escalate to a point where parents are at a loss about how to help their children, potentially resulting in the child entering the foster care or juvenile justice system. While most children enter foster care because of concerns about abuse or neglect, in FY 2024, 6 percent of youth who entered foster care did so because they have complex mental health challenges that their families are

[7] Olson, J. R., P. H. Benjamin, A. Azman, et al. "Systematic Review and Meta-analysis: Effectiveness of Wraparound Care Coordination for Children and Adolescents." *Journal of the American Academy of Child & Adolescent Psychiatry*, vol. 60, no. 11, 2021, pp. 1353-1366.
[8] *Id.*
[9] *Id.*
[10] Texas Health and Human Services Commission. Children's Behavioral Health Strategic Plan. December, 2024.
[11] Ibid
[12] Texas Child Mental Health Consortium Biennial Report (August 2022) https://tcmhcc.utsystem.edu/wp-content/uploads/2022/12/FINAL-TCMHCC-Report-to-the-LBB-FYS-21-22.pdf
[13] Centers for Disease Control and Prevention https://yrbs-explorer.services.cdc.gov/#/graphs?questionCode=H29&topicCode=C01&location=TX&year=2023

unable to manage without additional support.[14] The Child and Family Services Review Process, a periodic federal review process that reviews state child welfare systems, found that one of the biggest challenges for the Texas foster care system is connecting children to needed mental health services.[15] In its Mental Health Services Team Report, one of the Department of Family and Protective Services' (DFPS) key recommendations was to work with HHSC to build a full array of behavioral health services.[16]

A full range of services needs to be available so that parents are empowered to decide what is best for their child. If mental health services are strongly funded, more children will have access to the care they need when and where they need it. Children can recover more quickly, manage stress and behavior more effectively, and go to school every day and focus on learning. These intermediate, evidence-based treatments help prevent costly emergency room visits and out-of-home placements. When youth crisis services are available statewide, schools have trusted, rapid-response partners to call when a student experiences a mental health emergency. This helps schools de-escalate crises safely, reduce unnecessary disciplinary action or law enforcement involvement, and ensure students return to class with a care plan in place.

The legislature should increase funding for these critical mental health services:

- Specialized therapies like Multisystemic Therapy (MST) and Family Functional Therapy (FFT)
- Intensive mental health services like Intensive Outpatient Programs (IOP), and Partial Hospitalization Programs (PHP)
- Crisis Stabilization and Crisis Respite Services

This past session, the Legislature invested $32.7 million to maintain and expand Multisystemic Therapy (MST) capacity for youth who are at risk of out-of-home placement due to serious behavioral problems and are at risk of juvenile justice involvement. Additionally, the legislature invested $1.2 million to the Texas Juvenile Justice Department to establish an MST program in Williamson County. While MST is an evidence-based, cost-effective intervention, this funding maintains existing teams and only adds one team in Williamson County, making a total of 23 teams in Texas – far short of the 140 needed to meet demand statewide.

Services like IOP and PHP help children who are struggling to get more intensive therapies if they need more than regular therapy but do not need 24-hour hospital care. Therapeutic support and treatment are available for several hours daily so that children can go to school and return home to their families at night. IOP and PHP programs help avoid hospitalization and lower costs, and more than 30 states including Alabama, Mississippi and Tennessee cover IOP and PHP in their Medicaid programs.[17][18] For Texans covered by Medicaid, PHP and IOP are currently offered as "In-Lieu-of Services" (ILOS), providing an alternative to inpatient psychiatric care, however, each Managed Care Organization can design its own ILOS package,

[14] Department of Family and Protective Services. (FY 2024). Number of Children Removed During Fiscal Year By Age and Removal Reason. https://databook.dfps.texas.gov/views/cps_sa_19_dfps/fyagereasonsummary?%3Adisplay_count=n&%3Aembed=y&%3AisGuestRedirectFromVizportal=y&%3Aorigin=viz_share_link&%3AshowAppBanner=false&%3AshowVizHome=n.
[15] Department of Family and Protective Services (2024, February). Child and Family Services Review Statewide Assessment. https://www.acf.hhs.gov/sites/default/files/documents/cb/tx-cfsr-r4-swa.pdf
[16] Department of Family and Protective Services. (2024, October). Mental Health Services Team Report. https://www.dfps.texas.gov/About_DFPS/Reports_and_Presentations/Rider_Reports/documents/2024/2024-10-01_Rider_44_Report.pdf
[17] Kaiser Family Foundation. Medicaid Behavioral Health Services: Intensive Outpatient Treatment. https://www.kff.org/medicaid/state-indicator/medicaid-behavioral-health-services-intensive-outpatient/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D
[18] Kaiser Family Foundation. Medicaid Behavioral Health Services: Partial Hospitalization https://www.kff.org/medicaid/state-indicator/medicaid-behavioral-health-services-partial-hospitalization/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

leading to inconsistent access across Texas. For Texas, the annual cost estimate (for both children and adults) is $3 million in General Revenue.[19]

HHSC should request increased funding to fully fund 40 Youth Crisis Outreach Teams. This past session, the Legislature invested an additional $40 million for mobile youth crisis outreach teams (YCOT). Creating 8 new YCOTs is a step forward, but it falls short of the actual need. With only 16 total teams after this session's funding increase, Texas still requires at least 40 teams to ensure that children in crisis across all regions of the state have access to immediate, on-site support. Until funding matches the scale of need, too many children will continue to face long waits, limited coverage, or no crisis response services at all.

Additionally, funding Crisis Stabilization and Crisis Respite Services would help avoid costly emergency room visits, hospital stays, and jails to address mental health crises.[20] These services also reduce severe symptoms of mental or behavioral health challenges, which will allow more youth to stay safely with their caregivers in their homes and communities.

Crisis stabilization provides immediate support to address acute symptoms through face-to-face counseling at a crisis stabilization unit, home, or school. The Legislature funded $28.3 million for intensive psychiatric stabilization services for youth in foster care, $14 million less than what was included in the House and Senate introduced budgets. This funding gap limits the ability of providers to build capacity and offer timely, intensive care for the highest-need youth in the system.

Crisis respite services offer short-term relief for families struggling to care for a loved one with severe mental illness, either in-home or out-of-home. There are 28 crisis respite units across the state, but only 11 that exclusively serve children, and one that serves children and adults. Expanding access to crisis respite is a key recommendation of the DFPS Mental Health Services Team.[21]

Recommended action: HHSC should request funding for:

- Specialized therapies like Multisystemic Therapy (MST) and Family Functional Therapy (FFT) to increase access to home- and community-based interventions to improve family dynamics, reduce youth behavioral issues, and prevent foster care placements.
- Intensive mental health services like Intensive Outpatient Programs (IOP), and Partial Hospitalization Programs (PHP) offered in clinics or hospitals, to help youth "step down" from a higher level of care (such as mental health hospitalization).
- Crisis Stabilization and Crisis Respite Services to avoid costly emergency room visits, hospital stays, and jails to address mental health crises. These services reduce severe symptoms of mental or behavioral health challenges, allowing more youth to stay safely with their caregivers in their homes and communities.

Expected outcome of funding:

- Reduce unnecessary entries into foster care and the juvenile justice system.

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[19] Texas Association of Health Plans, LBB estimate HB 2337 (88R Session) https://tahp.org/library/youth-health-safety-select-committee-presentation-july-31-2024/

[20] Crisis Now: Transforming services is within our reach. National Action Alliance for Suicide Prevention: Crisis services task force; 2016. https://crisisnow.com/wp-content/uploads/2020/02/CrisisNow-BusinessCase.pdf

[21] Department of Family and Protective Services. (2024, October). Mental Health Services Team Report. https://www.dfps.texas.gov/About_DFPS/Reports_and_Presentations/Rider_Reports/documents/2024/2024-10-01_Rider_44_Report.pdf

- Enhance mental health support for youth.
- Strengthen families by fostering stability and well-being.