

# Recommendations to Sunset Staff Regarding HHSC

## Strengthening Access and Systems for Texas Families

Our recommendations address opportunities to improve access to health and nutrition benefits and make HHSC systems more responsive and easier for families to navigate. For additional information on these recommendations, please contact Diana Forester, Director of Health Policy, at [dforester@txchildren.org](mailto:dforester@txchildren.org).

We are also providing recommendations on ways to strengthen the state's response to children's behavioral health needs. For additional information on these issues, please contact Kate Murphy, Director of Child Protection Policy, at [kmurphy@txchildren.org](mailto:kmurphy@txchildren.org).

As part of the Texas Sunset Advisory Commission review, the Texas Health and Human Services Commission (HHSC) has identified key challenges related to customer experience, including difficulties navigating eligibility systems, long wait times for assistance, and confusion caused by complex or outdated communications. At the same time, gaps in service delivery — particularly in children's behavioral health — limit families' ability to access the right care at the right time.

These challenges have real consequences for families. When eligibility systems are difficult to navigate, eligible families may lose coverage, experience delays in care, or face unnecessary financial strain. When the behavioral health system lacks sufficient capacity or coordination, children may go without needed services until their needs escalate into crisis. Administrative inefficiencies also increase pressure on HHSC staff and systems, creating a cycle that further limits timely access to both benefits and care.

We are submitting the following recommendations to the Sunset Commission, focused on practical steps to improve how families access and maintain health and nutrition benefits; strengthen Medicaid network adequacy; improve coordination of child care services; and strengthen the state's behavioral health system for children. Together, these recommendations aim to reduce administrative burden, improve communication, expand access to community-based services, and ensure that Texas families can get the support they need — when and where they need it.

### **The Sunset Commission should recommend changes that improve access to health and nutrition benefits and make HHSC systems more responsive and easier for families to navigate.**

**1. Modernize and Upgrade YourTexasBenefits (YTB) Online Platform and Mobile App to provide clearer information to families, reduce avoidable coverage disruptions, and reduce 2-1-1 call volume by strengthening self-service options.** The YourTexasBenefits (YTB) platform serves as the primary

digital entry point for families seeking to access Medicaid, CHIP, SNAP, and other benefits. However, gaps in functionality — such as the inability to view case end dates or upload documents during reconsideration — create confusion and lead to unnecessary reapplications and coverage gaps. HHSC should invest in targeted usability improvements, including displaying case end dates within user accounts and enabling document uploads during the 90-day reconsideration period.

**2. Strengthen the 2-1-1 Option 2 call system by implementing a call-back feature with scheduled windows, expanding evening and weekend hours, and providing real-time wait-time estimates to make it easier for working families to access support without long hold times.** For many Texans — particularly those without reliable internet access — the 2-1-1 system is a critical access point. Long wait times, high call abandonment rates, and limited service hours create significant barriers to receiving timely assistance. Together with ensuring adequate staffing capacity to meet demand, these improvements will reduce delays and improve access to support for working families.

**3. Improve and update Medicaid forms and notices based on beneficiary input to help families successfully complete eligibility and renewal processes.** Many HHSC forms and notices contain outdated, conflicting, or overly complex information, contributing to confusion and procedural denials. Families often struggle to understand what is required, leading to avoidable loss of coverage. HHSC data we recently obtained show that over 40,000 Texas women in need of prenatal care waited over a month for Texas to process their application for Medicaid for Pregnant Women over the last year. HHSC should conduct a comprehensive review and redesign of forms, notices, and renewal packets, using plain-language principles and direct input from beneficiaries. Clearer, more accurate communication will help families successfully complete eligibility and renewal processes, reducing errors and easing strain on call centers.

**4. Align CHIP and Medicaid by adopting 60-day retroactive coverage for children to reduce medical debt for families, minimize gaps in coverage, and support a more efficient, child-focused system.** Texas now has the option to provide 60-day retroactive coverage in CHIP, aligning with recent changes to Medicaid. Currently, the lack of retroactive coverage in CHIP can leave families with unexpected medical debt when children receive care prior to enrollment. This policy should complement ongoing efforts to reduce coverage gaps and improve transitions between Medicaid and CHIP. Adopting 60-day retroactive coverage will create more consistent eligibility standards across Medicaid and CHIP while reducing medical debt for low-income families whose children experience unexpected health needs. It will also help minimize coverage gaps and support a more aligned, efficient system that better serves children and their families.

**5. Tighten oversight of Medicaid managed care networks by authorizing the Office of the Inspector General (OIG) to audit network adequacy reports of the Managed Care Organizations (MCOs) and strengthening enforcement of existing contractual requirements.** Texas Medicaid managed care plans are required to ensure that provider networks are adequate on paper and that members can access care in a timely manner. However, across multiple oversight tools, there is a consistent gap between what plans report and what families actually experience. Taken together, provider directory accuracy, network adequacy validation, and appointment availability are not separate problems — they are different ways of measuring the same core issue: whether access to care in practice aligns with what state policy promises.

Provider directories frequently include “ghost providers” who are no longer practicing, not accepting Medicaid, or not taking new patients, masking real shortages — especially for children with complex needs and foster youth. For example, West Texas Together testified in 2025 that they

*“issued a report that highlighted the critical shortage of healthcare providers serving foster youth in the Midland/Odessa area. The report revealed a critical shortage of healthcare providers in Midland/Odessa who accept Medicaid and serve foster youth. Of the 28 identified pediatric providers, only 10 accepted all clients, leading to long wait times and forcing families to travel for care. Behavioral health services are similarly constrained, with only 12 of 18 providers taking new clients and significant gaps in age-appropriate care and trauma-informed training ... These systemic barriers jeopardize timely, specialized care for foster youth, emphasizing the urgent need for enhanced healthcare access and support.”<sup>1</sup>*

At the same time, the state’s own independent External Quality Review Organization (EQRO) found ongoing data integrity issues in [2024](#), including gaps in validating provider information (such as whether providers are accepting new patients) and limited tracking of whether identified data errors are corrected. Notably, approximately 10 percent of CHIP providers were excluded from network adequacy calculations due to data issues like incorrect addresses or closed panels, raising concerns that reported networks may overstate actual access.

Even when providers are correctly listed, appointment availability data shows that timely access is not consistently meeting standards. The 2024 EQRO “secret shopper” study found declines in appointment availability across multiple service types, including primary care and vision services, and persistent challenges in high-need areas like prenatal care. For example, compliance with wait-time standards for third-trimester prenatal care dropped significantly (down more than 12 percentage points from the prior year), and routine and preventive primary care appointment compliance declined across several programs. The report concluded that declining compliance with appointment wait-time standards suggests members may have reduced access to timely care.

Despite these documented access issues, enforcement tools have a limited impact. While HHSC conducts regular monitoring, including appointment availability studies, current financial penalties and enforcement mechanisms do not appear sufficient to drive consistent improvement, allowing plans to meet contractual requirements on paper while families continue to face delays and barriers in practice.

To ensure accountability, Texas should strengthen both oversight and enforcement of Medicaid managed care networks. The Legislature should authorize the Office of Inspector General (OIG) to conduct regular audits of provider directory accuracy and require meaningful, enforceable penalties — such as escalating or daily fines — when reported networks do not reflect actual access. The state should also increase liquidated damages for appointment availability failures and incorporate these measures into HHSC’s Pay-for-Quality program, tying a portion of plan payments to real-world access performance.

Strengthening oversight of value-added and “in lieu of” services would further ensure that families can access the full range of benefits they are promised — not just those that exist on paper.

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<sup>1</sup> Texas Legislature. (2025). *Bill analysis, S.B. 855, 89th Legislature, Regular Session.* <https://capitol.texas.gov/tlodocs/89R/analysis/pdf/SB00855S.pdf>.

## The Sunset Commission should recommend changes that strengthen the state’s response to children’s behavioral health needs.

**1. Address administrative barriers to access for the Youth Empowerment Services (YES) Waiver.** The Legislature should address administrative inefficiencies within the Youth Empowerment Services (YES) Waiver that limit providers’ ability to serve children with high-acuity mental health needs. Provider shortages, due to low reimbursement rates, as well as the need to maintain non-reimbursable administrative case-management duties, continue to hinder the recruitment and retention of wraparound facilitators and service providers.

Critical functions such as intake, Medicaid enrollment, care coordination, crisis response, and travel are often non-billable, forcing agencies to absorb costs and reduce the number of youth they can serve. Demand has increased in recent years, yet enrollment has declined, leaving nearly 600 children waiting for services during a typical month in FY 2023.<sup>2</sup> Additionally, the current reliance on a single primary billing code does not capture the full scope of required services. These challenges are compounded by provider network gaps, particularly in rural areas and in services like respite care and specialized therapies. The Legislature should address reimbursement rates, which have not been updated since the program’s inception, as well as administrative policies to better align with the realities of service delivery, reduce administrative burden, and support a sustainable provider network so that eligible children can access timely, community-based care.

**2. Extend Medicaid coverage to include community-based mental health services.** Texas Medicaid currently covers only the most basic outpatient services and the most intensive inpatient care, leaving a significant gap in the middle of the care continuum. This gap prevents children from accessing timely, appropriate interventions that could stabilize conditions before they escalate into crises. While some services, such as intensive outpatient programs (IOP) and partial hospitalization programs (PHP), are offered through “In-Lieu-of Services” (ILOS), access varies widely by managed care organization, resulting in inconsistent access across the state. To address this, Sunset should recommend that HHSC include these intermediate, evidence-based services as covered benefits under Medicaid. Doing so would create a more complete continuum of care, improve consistency in access, reduce costly emergency interventions, and help children remain in their homes, schools, and communities.

**3. Scale youth crisis services to 24/7 statewide availability.** Access to timely crisis response is essential for children experiencing acute mental health episodes, yet availability remains uneven across Texas. Families often lack reliable, rapid-response options, leading to unnecessary law enforcement involvement or emergency room visits. To address these gaps, the state should include crisis respite, stabilization, and observation services as Medicaid-covered services, aligning Texas with most other states that already provide these supports. A comprehensive, 24/7 crisis system would enable safer de-escalation, reduce trauma for youth and families, and ensure that children can return to school and daily life with appropriate supports in place.

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<sup>2</sup> Texas Health and Human Services Commission. (2023). YES inquiry data and number served. [Unpublished data].

**4. Strengthen the mental health workforce, particularly in rural communities.** Texas continues to face widespread shortages of licensed mental health professionals, with many rural and underserved areas lacking adequate access to care. One practical and immediate solution is to allow associate-level clinicians such as LMSWs, LPC-Associates, and LMFT-Associates to bill Medicaid for services provided under supervision. These professionals have completed graduate training and are actively working toward full licensure, yet current billing restrictions limit their ability to serve Medicaid populations. Enabling them to bill Medicaid would expand the workforce of experienced clinicians and increase service availability in high-need areas. This policy change would both address immediate access gaps and support long-term workforce sustainability.

**5. Modernize and coordinate data systems across agencies.** Fragmented data systems across state agencies impact effective care coordination and limit the ability to track outcomes for children receiving mental health services. Agencies often rely on incompatible technology platforms, making it difficult to share information, assess service utilization, and identify gaps in care. For example, Texas currently lacks a centralized statewide system to track wait times for access to behavioral health services across providers and settings. While limited data exists through agency-managed waitlists, trade associations, and local collection efforts, this information is fragmented and inconsistent. As a result, policymakers and stakeholders do not have a comprehensive, reliable picture of access delays across independent practitioners, healthcare organizations, residential treatment centers, hospitals, and other service providers statewide.<sup>3</sup> To improve accountability and decision-making, the Legislature should invest in modern data infrastructure and establish a cross-agency data governance committee. These efforts would enable secure information sharing, enhance analytics, and provide a clearer picture of how children and families interact with multiple systems. Strengthening data coordination will ultimately support better resource allocation, improve service delivery, and ensure that children receive the right care at the right time.

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<sup>3</sup> Texas Health and Human Services Commission. (2024). [Children's Behavioral Health Strategic Plan](#).