

June 15, 2026

Dear HHSC Provider Finance Team and Commissioner Muth,

The undersigned **36** organizations are writing to formally request that the Texas Health and Human Services Commission conduct a comprehensive rate study for the Youth Empowerment Services (YES) Waiver and update reimbursement rates accordingly. The undersigned represent a broad coalition of mental health agencies, YES Waiver providers, system stakeholders, advocates, and subject matter experts with deep experience in delivering and evaluating community-based behavioral health services for Texas youth. This is critical to stabilizing the provider network and ensuring children with complex mental health needs can access care in their communities. The YES Waiver is an evaluated program that reduces crisis service use by 48% and helps children remain safely with their families.^{1, 2}

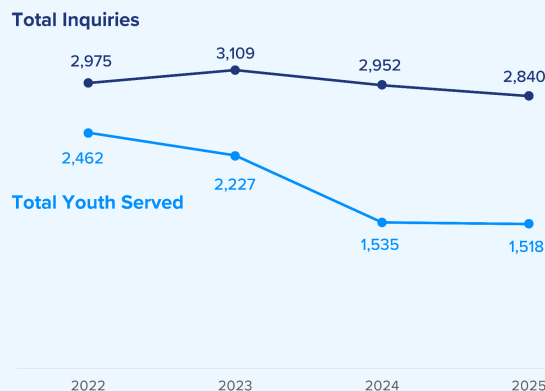
Over the past four years, the number of inquiries for YES Waiver services has held steady at around 3,000 youth, while the number of youth served has dropped 38%. The YES Waiver served just over 1,500 kids in 2025, down from about 2,400 youth in 2022.^{3, 4}

The YES Waiver has lost 397 providers since the end of 2019 (Q4), partly due to financial challenges and low funding levels.⁵ Currently, there are only 548 YES providers in the state, fewer than 60% of the number in FY 2019.⁶ The program could help more youth, but there aren't enough providers to deliver the services.

Reimbursement rates have remained the same for more than a decade and are no longer competitive. Feedback from providers across the state makes clear that current rates do not reflect the true cost of delivering YES services. Providers report difficulty hiring staff and bringing subcontractors into their networks. Agencies report operating at a financial loss, driven by inadequate reimbursement and a high volume of non-billable work, including care coordination, crisis response, intake, and travel. These structural challenges have made it difficult to recruit and retain staff, contributing to workforce shortages, burnout, and reduced service capacity.

The YES Waiver offers a range of services for children with complex behavioral health needs. Two of the most important are specialized therapies and family and community-based living support services. Specialized therapy rates have not been updated since the program began in 2009. Family and community-based living support rates were last updated in 2013.⁷

YES Waiver Services Are Reaching Fewer Youth Despite Steady Demand



Source: Texas Health and Human Services Commission. 2026. YES Waiver Program Data. [Unpublished data.]
Note: Annual YES Waiver inquiries and youth served, Waiver Years 2022–2025.

¹ Texas Health and Human Services [Presentation to the House Youth Health & Safety Select Committee](#).

² 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.

³ Texas Health and Human Services Commission. 2024. YES inquiry data and number served, 2019–2023. [Unpublished data]

⁴ Texas Health and Human Services Commission. 2026. YES Waiver program data. [Unpublished data].

⁵ Texas Health and Human Services Commission. [Children's Behavioral Health Strategic Plan](#). December, 2024.

⁶ Texas Health and Human Services Commission. 2026. YES Waiver program data. [Unpublished data].

⁷ Texas Health and Human Services Commission. [YES Waiver Payment Rate Information](#). 2021.

Therapy rates now need the most urgent update to maintain access and program sustainability.

The loss of providers and insufficient rates are directly impacting access to care. Fewer providers mean fewer available slots, longer wait times, and missed opportunities to intervene before children enter higher-cost systems like psychiatric hospitals or foster care. During a typical month, more than 450 Texas children are waiting on the inquiry list for a clinical assessment and YES slot to become available.⁸ As one provider noted, without sustainable funding, youth will continue to cycle through crisis systems rather than receive the community-based services that YES is designed to provide.

However, without updated reimbursement rates grounded in a data-driven rate study, the YES Waiver will be unable to function as intended, delivering timely, community-based services that prevent institutionalization.

The state sets payment rates for YES Waiver services by looking at the costs of similar services in other programs. If there isn't a comparable service, they build an estimate using a "pro forma" approach, adding up what it should reasonably cost to run the service, including staff salaries, benefits, overhead, and other expenses, and then dividing that total by how many services a provider is expected to deliver. For services that are similar across Medicaid waiver programs, the state uses a shared method to keep rates consistent, and for some services, such as out-of-home respite, it aligns rates with foster care payment models. The state updates these cost models every two years using assumptions about staffing and service delivery, along with external data like labor statistics, to estimate what providers should be paid.

However, this approach has proven insufficient for the YES Waiver, as the underlying assumptions have not been regularly updated to reflect the true cost of delivering intensive, community-based mental health services. As a result, reimbursement rates have not kept pace with current economic conditions, contributing to financial strain on providers, workforce challenges, and reduced access to services for eligible children and families.

We respectfully request:

- A formal, comprehensive rate study for all YES Waiver services that reflects current labor, administrative, and service delivery costs;
- An update to reimbursement rates based on the findings of that study;
- The findings and methodology from this rate study be shared with stakeholders to inform ongoing policy and funding decisions.

We appreciate your attention to this urgent issue and welcome the opportunity to discuss these findings further. Strengthening the YES Waiver is essential to ensuring that Texas children with the most complex mental health needs receive the care they deserve. For additional information or to discuss this request further, please contact Muna Javaid at mjavaid@txchildren.org.

Sincerely,

Texans Care for Children
Behavioral Health Advocates of Texas
Change 1
Children at Risk
Civic Strategies

⁸ Texas Health and Human Services Commission. 2026. YES Waiver program data. [Unpublished data].

Clarity Child Guidance Center
Coalition of Texans with Disabilities
Disability Rights Texas
EveryChild Inc.
Girls Empowerment Network
Healthy Futures of Texas
Houston County Child Welfare Board
Journey Through Life
Mental Health America of Greater Houston
NAMI Texas
NASW-TX
Network of Behavioral Health Providers
Rees-Jones Center for Foster Care Excellence
Prosumers International
Protect TX Fragile Kids
San Antonio Metropolitan Health District
SJRC Texas
The SAFE Alliance
Texas Appleseed
Texas Association of School Psychologists
Texas CASA
Texas Civil Rights Project
Texas Coalition for Healthy Minds
Texas Council of Community Centers
Texas FASD Network
Texas Hospital Association
Texas Network of Youth Services (TNOYS)
Texas Pediatric Society, the Texas Chapter of the AAP
Texas Society for Clinical Social Work
TexProtects
United Ways of Texas