



TAHP
The Texas Association of Health Plans

Behavioral Health Funding Crosswalk

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The Issue

- A new [analysis](#) shows that 39% of Medicaid enrollees live with a mental health or substance abuse problem
- Mental health related [emergency care visits have dramatically increased for children and teenagers](#)
- The rate of [pediatric ER visits for suicide is now double](#) pre-pandemic levels
- According to a recent poll, [25% of U.S. adults are so stressed they cannot function](#)
- However, **Texas Medicaid does not provide the same comprehensive mental health coverage that the commercial market does** as a result of mental health parity laws
- Medicaid health plans are required to provide all necessary services for children under the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit. However, because many services are not covered benefits, the state lacks adequate providers.
- While the legislature attempted to cover many of these services in 2019 as optional benefits that were “in lieu of” hospital benefits, none have been fully implemented
- As a result, Medicaid covers the extremes—therapy or inpatient hospitalization, but little in between, such as home and community-based mental health services

The Solution

- Medicaid covers over 50% of children in Texas. As a result, Texas Medicaid is one of the best opportunities to improve access to mental health services and coverage throughout the state.
- Comprehensive mental health coverage will help Medicaid families get the care they need, when and where they need it, and can prevent the need for more intensive, costly hospital-based services
- While the proposals in the base budget bills provide important additional funding to address mental health needs to low-income Texans through local mental health authorities (LMHAs), LMHAs primarily provide services to adults without insurance, including access to Medicaid
- **The Legislature should also consider funding these services as Medicaid benefits** to advance the mental health continuum in managed care, as well as addition benefits to complete the continuum of care

Texas Medicaid lacks intensive facility or clinic-based mental health care coverage

- **Request:** Establish and fund Intensive outpatient and partial hospitalization programs as Medicaid benefits instead of in-lieu-of services (ILOS)
- These are “step-down” services for children and adults following an individual’s inpatient hospital stay
- These programs are designed for individuals whose situations do not need full inpatient care nor the length of stay that is typical of residential treatment
- Additionally, these services allow youth to continue living in their homes and community, like “dayhab”
- Intensive outpatient and partial hospitalization programs are part of the behavioral health ILOS package in SB 1177 (86R) and implementation started December 2022
- **Status:** [HB 2337](#)/[SB 905](#) (Oliverson/Hughes) establishes intensive outpatient and partial hospitalization services as covered Medicaid benefits
 - The House Appropriations, Art. II Subcommittee approved \$21M in GR and AF for DFPS for an intensive psychiatric stabilization program for foster youth with complex mental health needs

Texas Medicaid lacks intensive community-based care coverage for youth in the juvenile justice system or at risk for criminal behavior

- **Request:** Establish and fund functional family therapy (FFT) and multisystemic therapy (MST) as Medicaid benefits
- These gaps have led to Texas using the state's juvenile justice system as a mental health care provider
- Evidence-based prevention and intervention programs like FFT and MST are short-term, high-quality services that can be provided in the community for youth with mild to severe behavior problems
- Coverage is available in the private market for these therapies, but the most at-risk youth in need of these services are youth in Medicaid
- As part of SB 1711, HHSC is currently reviewing these for cost-effectiveness and no implementation date is scheduled. Rider 40 includes \$15.225M for LMHAs to expand MST in adults.
- **Status:** [HB 2404](#) (Ann Johnson) establishes FFT as a covered Medicaid benefit and [HB 2638](#) (Ann Johnson) establishes MST as a covered Medicaid benefit

Texas Medicaid lacks comprehensive crisis services coverage

- **Request:** Establish and fund pediatric mobile stabilization services and in-home and out-of-home crisis respite services as Medicaid benefits instead of ILOS
- Children's hospitals can provide mobile, short-term, face-to-face, therapeutic responses to youth experiencing a behavioral health crisis to identify, assess, treat, and stabilize a situation and reduce immediate risks of danger
- Crisis respite services provide brief support for youth and adults with mental health needs or significant behavioral and psychiatric challenges who are experiencing a crisis but exhibit a low risk of harm to themselves or others. Services can range from least intensive (up to 72 hours of in-home observation) to most intensive (up to 48 hours of facility observation) based on the person's needs.
- **Status:** HHSC has determined that crisis respite services are evidence-based and cost-effective, but CMS is still reviewing them. Rider 40 includes \$18M to LMHAs for six additional **crisis stabilization units**, \$5.75M to LMHAs for four additional **crisis respite units**, and \$4M to LMHAs to establish **youth mobile crisis outreach teams**.
 - The House Appropriations, Art. II Subcommittee approved \$8M in GR and AF for DFPS to add 5 youth mobile crisis outreach teams as well as \$10M in GR and AF for DFPS to expand crisis respite unit capacity

Texas Medicaid lacks psychiatric residential coverage and access for youth

- **Request:** Texas should require that licensure from psychiatric residential treatment facilities meets all federal Medicaid requirements and include these services as a Medicaid benefit
- Psychiatric residential treatment facilities are for children and youth who need intensive psychiatric care but do not require the level of care an inpatient hospital provides. The average length of stay in a private facility is 3-6 months.
- While most private health insurance covers these services, Texas Medicaid does not provide coverage for these facilities. Additionally, Texas does not have enough of these facilities, creating an access to care problem.
- One of the main obstacles is that the current Texas licensure does not meet [federal Medicaid requirements](#), which require a medical director on staff 24/7. This licensure issue also negatively impacts access to these services in the private health insurance market, and as a result, most families must find these services out-of-state.
- **Status:** While residential treatment for substance abuse disorder has been covered as an ILOS in Medicaid for quite some time, it is not covered for mental health alone

Texas Medicaid lacks inpatient psychiatric coverage for adults

- **Request:** Direct HHSC to submit an 1115 waiver application to the IMD exclusion
- Historically, federal regulations have prohibited states from covering stays in psychiatric hospitals or residential treatment settings with more than 16 beds for longer than 15 days for adults ages 21–64. This is known as the institutions of mental disease (IMD) exclusion.
- In Medicaid, the IMD exclusion increases ER visits and associated costs, creates confusion for facilities that need to determine whether an individual has already received the maximum limit of inpatient care elsewhere, and inhibits continuity of care.
- States can now seek an 1115 Medicaid waiver to the IMD exclusion. At least six states have received an 1115 waiver from the IMD exclusion.
- **Status:** The base bills eliminate Rider 34 (87R) directing HHSC to request a waiver