



**Texas Association of Health Plans**  
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November 17, 2023

Texas Health and Human Services Commission

Via [CFOStakeholderFeedback@hhs.texas.gov](mailto:CFOStakeholderFeedback@hhs.texas.gov)

Re: 2026-27 Legislative Appropriations Request Recommendations

To Whom it May Concern,

The Texas Association of Health Plans (TAHP) represents the managed care organizations (MCOs) responsible for the Medicaid and CHIP programs in Texas. As the Texas Health and Human Services Commission (HHSC) develops its Legislative Appropriations Request for the 89<sup>th</sup> Texas Legislature, we appreciate the opportunity to provide our recommendations. We believe there is a continued opportunity next session to further enhance the state's Medicaid system by improving mental health benefits for Texans in need.

Since the COVID-19 pandemic, more Americans of all ages are seeking mental health care—stretching capacity to its limits. 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, [27% of U.S. adults are so stressed they cannot function](#). Medicaid has not been immune to the mental health crisis—a new [analysis](#) shows that 39% of Medicaid enrollees live with a mental health or substance abuse problem.

To address the growing need for mental and behavioral health support services, **we recommend HHSC request funding to establish intensive outpatient programs (IOPs) and partial hospitalization programs (PHPs) as Medicaid benefits**. These are "step-down" services following an individual's inpatient hospital stay for mental and behavioral health needs. HHSC estimates the cost to provide these services is roughly \$6M in General Revenue every two years.

Texas Medicaid lacks intensive facility or clinic-based mental health care coverage that exists in the private health insurance market. This includes IOPs and PHPs for children and adults. These programs are designed for individuals who do not require full inpatient



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care nor the length of stay that is typical of residential treatment. Additionally, these services allow youth to continue living in their homes and communities. Another way to think of these programs are mental health “dayhab” for Medicaid youth.

In the private market, fully insured plans are required to provide comprehensive mental health coverage, including IOP and PHP, as a result of mental health parity laws. However, the same continuum of mental health care is not available in Texas Medicaid. Because Medicaid covers over 50% of children in Texas, this is one of the best opportunities to improve access to mental health services and coverage throughout the state.

We appreciate the ongoing collaboration with HHSC in serving Texas’ Medicaid population. Your consideration of our recommendations to improve Medicaid coverage of mental health services 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. Thank you for the opportunity to share our insights.

Sincerely,

A handwritten signature in black ink that reads "Jamie Dudensing". The signature is written in a cursive, flowing style.

Jamie Dudensing, RN  
CEO  
Texas Association of Health Plans