



Texas Association of Health Plans

1001 Congress Ave., Suite 300
Austin, Texas 78701
P: 512.476.2091
www.tahp.org

September 18, 2024

RE: TAHP Testimony to Senate HHS Committee: Medicaid Mental Health Coverage Gaps

The Texas Association of Health Plans (TAHP) is the statewide trade association representing health insurers, health maintenance organizations and other related health care entities operating in Texas, including 16 of the Medicaid managed care organizations (MCOs) that administer the Texas Medicaid program. TAHP is dedicated to advocating for public and private health care issues that improve access, value and quality of care for many Texans.

TAHP believes that Texas has an opportunity to dramatically increase access to mental health benefits by making the same full continuum of care that is available to privately insured Texans available in the Medicaid program.

Gaps in Mental Health Coverage for Medicaid Patients

Texas Medicaid does not cover the full range of mental health care services that employers and commercial insurers offer families, leaving millions—especially children—without the help they need. Medicaid covers two ends of the spectrum: talk therapy and psychiatric medications or intensive inpatient hospital care, and nothing else in between, with few exceptions. Medicaid has consistently lagged behind the private market, resulting in large gaps in mental health care for the 4 million Medicaid enrollees, including half of Texas children.

Why it Matters

Mental health challenges have been on the rise in recent years, especially among children. One in three Texans on Medicaid live with a mental health or substance abuse problem. A quarter of high school students have seriously considered suicide within the past year and mental health emergency room visits among kids have doubled over the past decade. Yet Medicaid lacks coverage for critical services that help avoid crisis and hospitalization, keep kids out of foster care, and save state funds.

Texas Legislative Attempts

While the legislature attempted to cover some of these services in 2019 with SB 1177 (86R) as “in lieu of” hospital benefits, none have been implemented. In lieu of services (ILOS) are optional, alternative services that MCOs can provide as a substitute for traditional Medicaid benefits. Five years later, phase 1 of SB 1177 implementation is still pending. Even when ILOS are fully implemented, gaps will remain due to few services eligible and bureaucratic obstacles that create provider and member confusion. CMS rules exacerbated these challenges by adding excessive documentation, complex waivers, and case-by-case approvals, increasing administrative burden.

The Legislature made historical investments in behavioral health including a record \$11.68 billion in the last biennium. The state funds various pilot programs at Local Mental Health Authorities (LMHAs), however, those have limited and inconsistent reach. By adding critical mental health services as Medicaid benefits, the legislature can draw down federal funds, create cost savings by preventing the need for hospitalizations, and ensure statewide access to care.

Recommendations

1. **Create coverage for “step-down” services** like intensive outpatient and partial hospitalization programs (IOP & PHP). PHP and IOP help patients either “step up” to, or “step down” from an inpatient hospital stay and can even prevent crisis and costly hospital stays, allowing people to stay in their community while receiving treatment.
2. **Cover evidence based and cost effective services for at-risk youth** like functional family therapy (FFT) and multisystemic therapy (MST). These services improve outcomes including family communication and relationships, prevent out-of-home placements, and reduce juvenile delinquency, allowing youth to remain at home, in school or employed.
3. **Add comprehensive crisis intervention services as Medicaid benefits** including crisis stabilization which provides immediate support and crisis respite which provide families with in-home and out-of-home support. Comprehensive crisis services are crucial for ensuring individuals receive the right level of care at the right time.
4. **Provide psychiatric residential treatment for youth** by aligning licensure with federal requirements and creating a covered Medicaid benefit. Non-hospital psychiatric residential treatment for youth is severely limited and is only available to children in foster care.
5. **Expand coverage for adult psychiatric hospital stays** with a Medicaid waiver to the Institutions of Mental Disease (IMD) exclusion to allow hospital stays more than 15 days.

HHSC has identified many of these services as evidence-based and cost-effective by preventing the need for unnecessary and costly hospitalizations. Texas should add these as standard covered Medicaid benefits, ensuring parity with medical benefits like asthma and diabetes care. Without statewide, comprehensive, and predictable coverage, Texas cannot build the necessary provider base, families lack awareness of the benefits, and children are falling through the cracks, not getting the care they need. Texas should close the gaps in Medicaid covered mental health services to ensure all Texans have reliable access to mental health services across the state.

Sincerely,



Jamie Dudensing, RN

CEO

Texas Association of Health Plans