



Health and Human Services Commission

**Presentation to the House
Committee on Human
Services**



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Health and Human
Services

March 2025

Agenda

- HHSC at a Glance
- Medicaid
- Waivers
- Eligibility
- Child Care and Kinship Rules



Mission and Vision

Our Mission:

We serve Texas.

Our Vision:

Making a positive difference in the lives of the people we serve.



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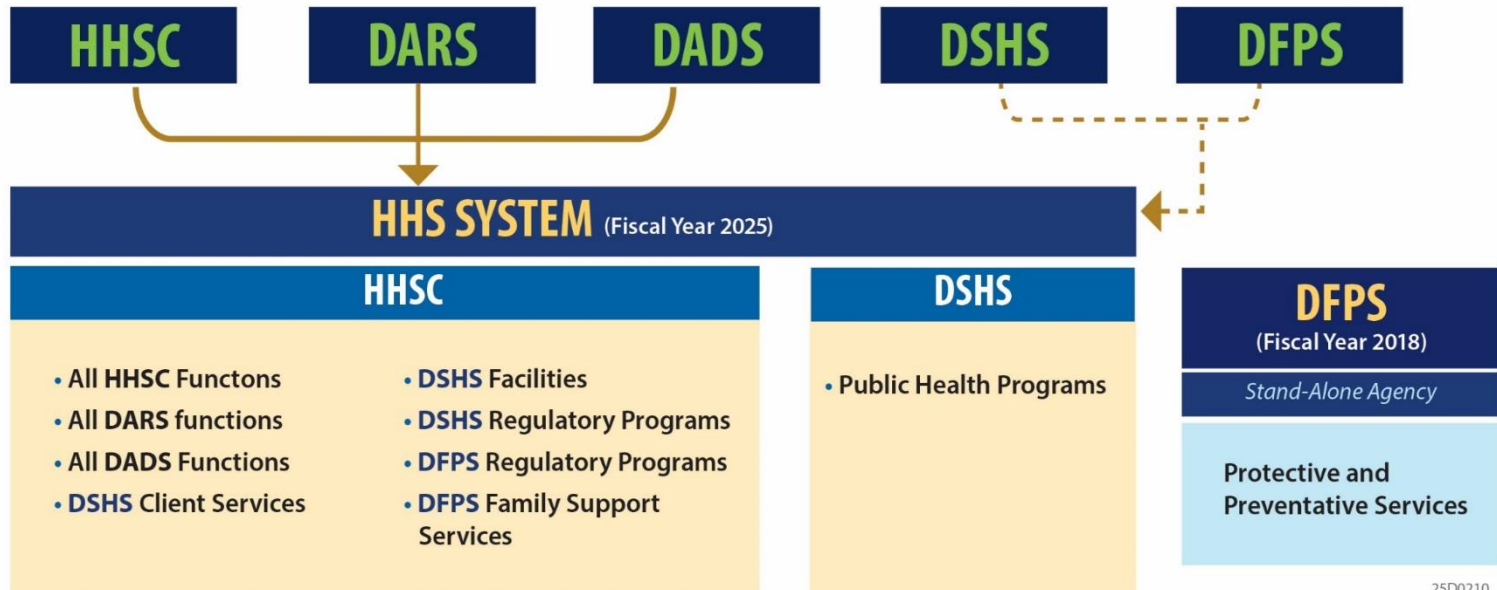
Primary Functions

- Provides oversight and administrative support for HHS agencies.
- Administers the state's Medicaid and other client services programs.
- Provides a comprehensive array of long-term services and supports for people with disabilities and people 60 and older.
- Operates the state's mental health hospitals and state supported living centers.
- Regulates health care providers and professions and facilities to protect the health and safety of Texans.
- Sets policies, defines covered benefits, and determines client eligibility for client services programs.



Sunset

HHS System (Fiscal Year 2016)



25D0210





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Medicaid, CHIP, and Medicaid Waivers

What is Medicaid?

HHSC

Medicaid

A jointly funded state-federal health care and long-term service program for certain groups of people with low incomes

Children's Health Insurance Program

Referred to as CHIP, a similar program for children whose families earn too much to qualify for Medicaid but can not afford health insurance

Certain clients may get Medicare and Medicaid

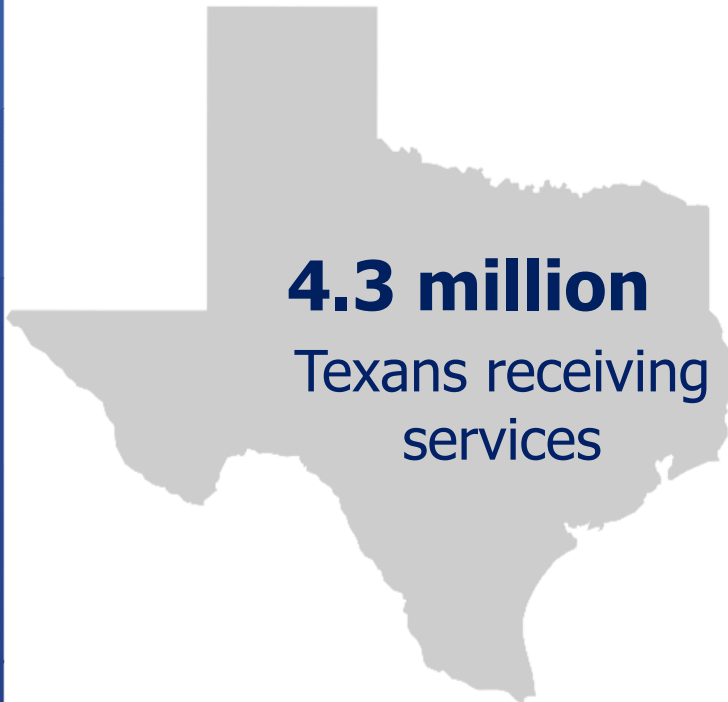


Medicare

A federal program that provides health coverage for people who are 65 and older or have a severe disability, regardless of income



Impact Perspective



14.6%

of Texans
covered

53.3%

of Texas births
covered by
Medicaid

43%

of Texas children
on Medicaid or
CHIP

56%

of nursing home
residents covered
by Medicaid

Note: Medicaid and CHIP caseload data is as of June 2024.



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Who is Eligible for Medicaid?

Federal law:

- Requires coverage of certain populations and services.
- Gives flexibility for states to cover additional populations and services.

Financial Criteria

How the applicant's income compares to the definition of the federal poverty level (FPL) for annual household incomes

Non-Financial Criteria

- Age
- Residency
- Citizenship or alien status

Varies by program

Eligible Population Categories



Children and Youth



Parents and Caretaker Relatives



Women



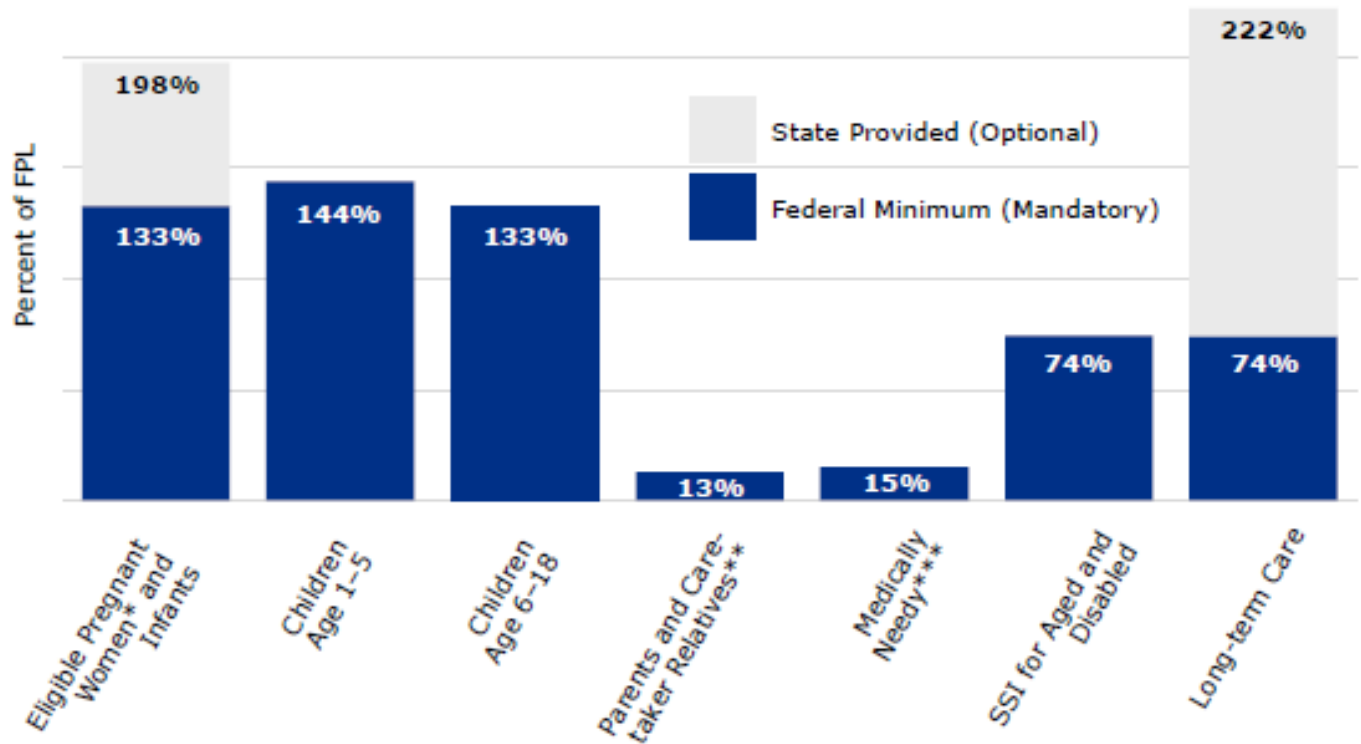
People 65 and Older



Children and Adults with Disabilities



Texas Medicaid Income Eligibility Levels



This figure reflects eligibility levels as of March 2024.

* Through 12 months postpartum.

** For Parents and Caretaker Relatives, the maximum monthly income limit in SFY24 was \$230 for a family of three, or about 13% of the FPL.

*** For Medically Needy pregnant women and children, the maximum monthly income limit in SFY24 was \$275 for a family of three, or about 15% of the FPL.

More information on eligibility criteria for Medicaid and CHIP can be found in Chapter 1 of the Texas Medicaid and CHIP Reference Guide.

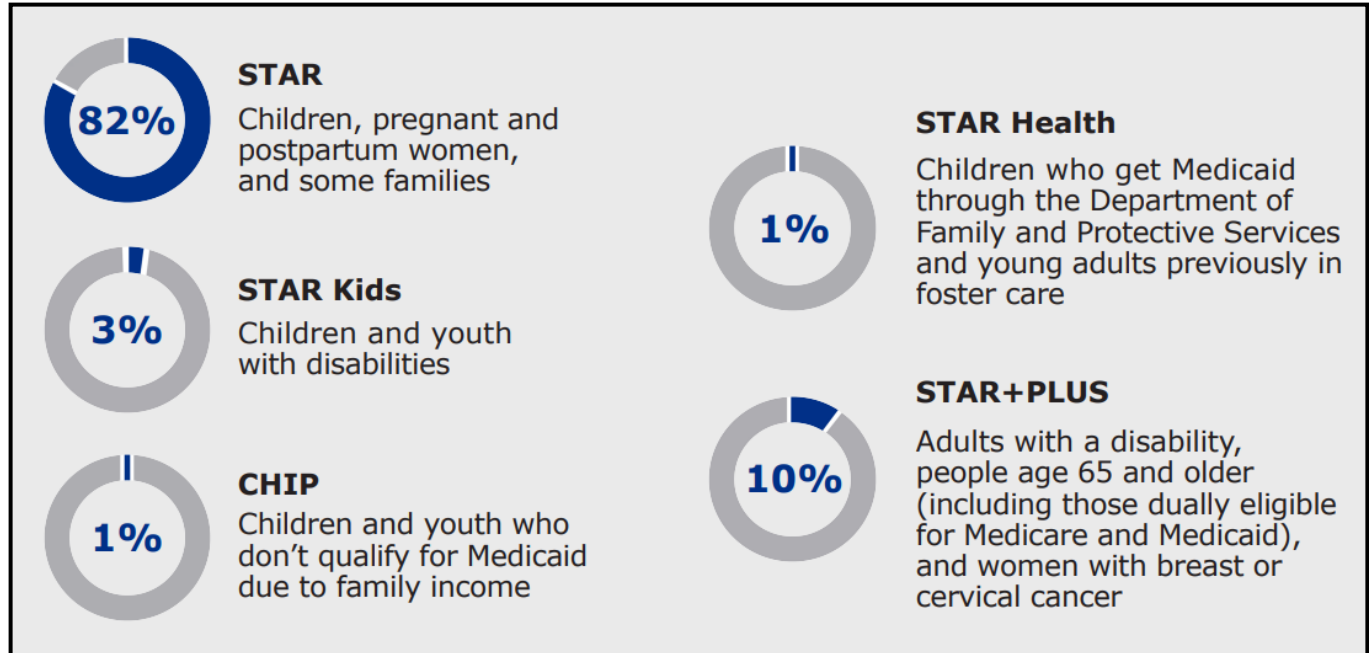


Two Service Delivery Models

| | Managed Care Serves 97% of clients | Fee-for-Service (FFS) Serves 3% of clients |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Finance Model | Risk-based: A managed care organization (MCO) is paid a capitated rate for each member enrolled | Non-risk: Providers submit claims directly to HHSC's administrative services contractor for payment |
| Contracting | State contracts with MCOs Providers enroll in Texas Medicaid and contract with MCOs | Providers enroll in Texas Medicaid and contract with the state |
| Access to Services | Members choose an MCO and receive services through their chosen medical/dental home and other providers in their plan's network – the MCO must authorize any providers that are out-of-network. Referrals are required for certain types of specialists | Clients go to any Medicaid provider, but they must find their own health care providers |
| Service Coordination | Provided for certain programs and on request | Limited to persons in waiver programs |
| Benefits | <ul style="list-style-type: none"> • Value-added services • Unlimited prescriptions • Unlimited hospital stays for most adults | <ul style="list-style-type: none"> • Basic Medicaid benefits • 3-Prescription limit for adults • 30-Day hospital stay limit for adults |



Texas Managed Care Programs



← Dental: Children and adults 20 or younger enrolled in Medicaid or CHIP →



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CHIP includes CHIP Perinatal. Remaining percentage is FFS.

What is a Waiver?

What They Provide

A waiver enables states to receive federal Medicaid matching funds without complying with certain Medicaid requirements.

How States Get Them

Waivers must be approved by the Centers for Medicare & Medicaid Services (CMS).

Requirements States Seek to Deviate From

- Statewideness
- Comparability
- Income and Resources for the Medically Needy
- Freedom of Choice

How States Use Them

- Provide different kinds of services
- Provide Medicaid to new groups
- Target certain services to certain groups
- Test new service delivery and management models



Home and Community-Based Services 1915(c) Waivers

What They Provide

Allow states to use home and community-based services (HCBS) to provide long-term care to individuals in settings as an alternative to institutions and can include medical or non-medical services

- *Must be cost neutral.*
- *Initially approved for 3 years and renewed every 5 years thereafter.*



Texas Waivers

STAR+PLUS HCBS*

Community Living Assistance and Support Services (CLASS)

Texas Home Living (TxHmL)

Medically Dependent Children Program (MDCP)**

Home and Community-Based Services (HCS)

Deaf Blind with Multiple Disabilities (DBMD)

Youth Empowerment Services (YES)

*STAR+PLUS HCBS operates like a 1915(c) waiver but is provided through the 1115 Healthcare Transformation Waiver.
**MDCP operates as a 1915(c) waiver concurrent with the 1115 Healthcare Transformation Waiver authority.



Similar Across All 1915(c) Waivers



Certain Eligibility Requirements

- Must meet financial eligibility*
- Must not be enrolled in another HCBS waiver
- Must meet institutional level of care
- Must meet citizenship and residency requirements



How Services are Delivered

- Delivered in home and community settings
- Five programs are fee-for-service
- Two programs are managed care (STAR+PLUS HCBS, MDCP)



Types of Services Delivered**

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">• Adaptive aids and minor home modifications• Medical supplies• Professional therapies like physical, occupational and speech therapy | <ul style="list-style-type: none">• Nursing• Respite• Employment assistance and supported employment• Residential services |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|

*Financial eligibility varies by program.

**Exact services by waiver program vary. For a full list of services by waiver program, see Appendix.



Interest List Snapshot

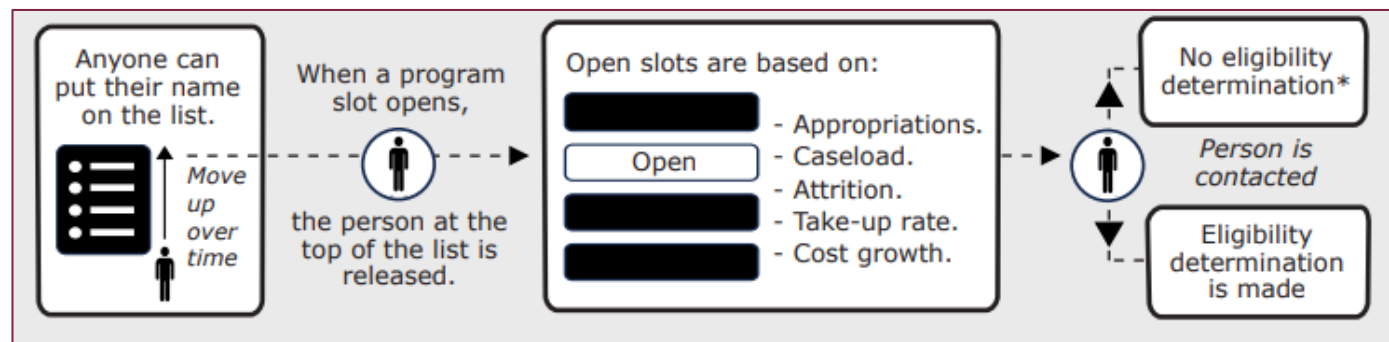
Unlike regular Medicaid, states are allowed to set caps on the number of people served under a waiver and establish interest lists when demand exceeds the waiver's approved capacity.

Anyone can put their name on an interest list.

As of December 31, 2024, there are 175,193 unduplicated individuals on the six waiver interest lists.

The average time on an interest list ranges from a few months to over 8 years.

Interest List Process Summary



*Reasons: Deceased, declined, no response, unable to locate, withdrawn, other



Waiver Numbers

| Waiver | Enrolled/ Served | Interest List Count | End of biennium slots funded in 2024-25 GAA | End of biennium slots, 2026-27 GAA, House Introduced |
|----------------|------------------|---------------------|---------------------------------------------|------------------------------------------------------|
| STAR+PLUS HCBS | 62,953 | 2,881 | 61,293 | 64,074 |
| MDCP | 6,415 | 5,778 | 6,187 | 6,552 |
| HCS | 29,339 | 123,954 | 29,089 | 30,529 |
| CLASS | 6,052 | 91,881 | 6,388 | 6,358 |
| DBMD | 293 | 2,040 | 314 | 240 |
| TXHML | 2,604 | 112,219 | 3,085 | 3,146 |
| Total | 107,656 | 338,753 | 106,356 | 110,899 |

Interest list data is as of December 31, 2024. The total of Current Interest List Counts in the above table is a duplicated count. The unduplicated count across all six Interest Lists is 175,193.

Enrollment is as of December 2024 for STAR+PLUS HCBS and MDCP.

Total Served is September 2024 data as of December 2024 for CLASS, TXHML, HCS, and DBMD.





Eligibility Services

Access and Eligibility Services (AES)

AES oversees and supports eligibility determination functions for:

- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)
- Medicaid
- Children's Health Insurance Program (CHIP)

FY2024

AES Staffing: 9,446 FTEs

Local Offices: 265

Community Partners: Over 670 organizations

5,338,309

Applications Processed

2,209,805

Redeterminations Processed

13,631,667

Tasks Processed



Applying for Benefits

Ways a person can apply for benefits:



YourTexasBenefits.com



HHSC benefits office or
Community Partner



2-1-1 (Medicaid and CHIP)



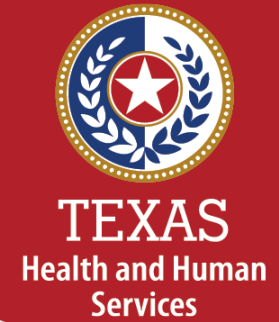
Mail or fax



The same application can be used to apply for SNAP, TANF and health care benefits. (A simplified application is available for those only applying for health care.)



Your Texas Benefits



Your Texas Benefits is a pioneering force in state-level technology, outpacing peers nationwide.

Website

A screenshot of the Your Texas Benefits website homepage. The header includes the logo and navigation links for Help, Español, Application Status, and Log In. Below the header are three main navigation buttons: Learn (About benefit programs), Apply (For new benefits), and Manage (Your account or applications). The main content area features a heading "Learn how Your Texas Benefits can help you" and a sub-heading "State benefit programs help people with little or no money who are in need". There are five benefit cards: SNAP Food Benefits, TANF Cash Help, Health Care, Support Services, and WIC Food Benefits, each with a description and a "LEARN MORE" button.

Your Texas Benefits Help | Español | Application Status | Log In

Learn About benefit programs | Apply For new benefits | Manage Your account or applications

Learn how Your Texas Benefits can help you

State benefit programs help people with little or no money who are in need

- SNAP Food Benefits**
Helps families buy food for good health.
[LEARN MORE](#)
- TANF Cash Help**
Helps families with children age 18 and younger pay for basic needs.
[LEARN MORE](#)
- Health Care**
Helps cover visits to doctors, dentists, and hospitals. Also covers medicines ordered by doctors and dentists.
[LEARN MORE](#)
- Support Services**
Helps people with daily living needs, caregivers, and people with mental health, drug or alcohol issues.
[LEARN MORE](#)
- WIC Food Benefits**
Helps pregnant, breastfeeding women and families with children younger than 5 buy healthy foods.
[LEARN MORE](#)

Mobile App

A screenshot of the Your Texas Benefits mobile app interface. The top shows a balance of \$150 and a "See details" link. Below is a "My cases" section with a "+ Add a case" button. Two cases are listed: one for Johnathon Abrahams (Case: 1039235343) with SNAP (Approved) and Medicaid (Denied) statuses, and another for Johnathon Abrahams (Case: 4749377924) with TANF (Pending) status. Each case has a "See details" link. The bottom section is "My applications" with an "IN REVIEW" status and an application number (1949281904) received on 05/01/2022.

\$150 [See details →](#)

My cases [+ Add a case](#)

Johnathon Abrahams
Case: 1039235343

- SNAP *Approved*
- Medicaid *Denied*

[See details →](#)

Johnathon Abrahams
Case: 4749377924

- TANF *Pending*

[See details →](#)

My applications

IN REVIEW

Application: 1949281904
Received: 05/01/2022

Eligibility System for Texas

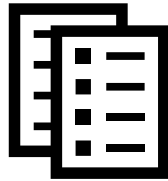
TIERS is the system of record for eligibility and enrollment for all programs.



- One system used by staff to determine eligibility for SNAP, TANF and health care programs.
- Generates applications, renewals, and notices including:
 - Notice of Case Action
 - Requests for Information
 - Verification forms

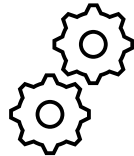


Certification Process – TIERS



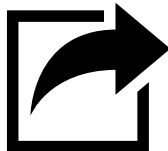
Collect Client Information

- Resources
- Financials
- Expenses



Determine Eligibility

- Test all requested programs
- Resource and Financial tests applied
- Eligibility decision



Client Notification

- Send correspondence
- Electronically issue benefit card(s)



Electronic Data

Electronic data sources are used to ensure accuracy in eligibility determinations.

Electronic data examples:

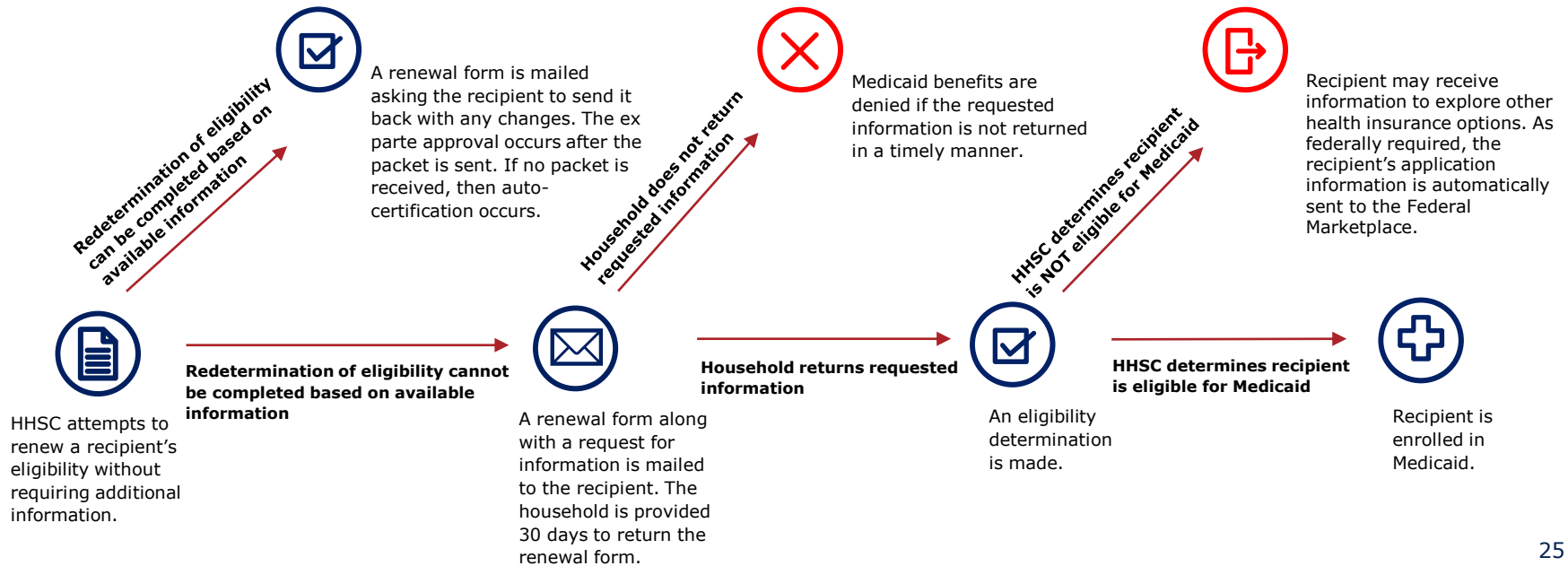
- Unemployment benefits
- Social Security Administration benefits
- Criminal convictions
- Employment
- Death records
- Child support records
- Immigration status





Ex Parte Process

Federal law requires states to attempt to verify eligibility of Medicaid recipients using electronic data sources before requesting any information from the household. This is referred to as the ex parte renewal process.



Fraud Mitigation and Prevention



Process Improvement: To continually advance program integrity efforts, updates and improvements are made to processes, policy, and technology.



Quality Review: To improve case accuracy and analyze error rates, reviews are conducted on samples of cases to ensure payments are correctly issued.

In FY 2024, over **268,000** case reviews were conducted, with any improper payments being sent to the HHSC Office of Inspector General (OIG) for recoupment.



Precertification Analysis: Potentially fraudulent applications are flagged and analyzed by a dedicated Integrity Support Services (ISS) team before benefits are issued.

This has resulted in at least **\$191 million** in savings of state resources since 2017, reducing the need for recoupment efforts.



Fraud Mitigation and Prevention



Application Review: To determine eligibility for benefit programs, HHSC conducts interviews and uses at least 12 data sources to verify client information.



Case Monitoring: Systems monitor and identify changes that go unreported by clients, like a change in income or job status, that may affect their eligibility for benefit programs, or the amount of benefits they receive.

In FY 2024, systems found unreported changes for **5,426** cases.



State & Federal Oversight: State and federal agencies conduct routine audits and program reviews to evaluate program performance and identify opportunities for improvement.

In FY 2024, **42** Food and Nutrition Service state management evaluations were conducted, along with additional audits by the Centers for Medicare & Medicaid Services, federal Office of Inspector General, HHSC Office of Inspector General, and HHSC Internal Audit.





Regulatory Services Division Child Care Regulation

Minimum Standards on Foster Home
Rules and Kinship Rules

Rule Count vs. Minimum Standard Count

Child Care Regulation's (CCR) Regulatory Reform initiative will evaluate all residential care and day care child care center minimum standards, and develop a plan to reduce minimum standards over the course of three years.

- Residential Care (RC) Rules: **1,495**
- Day Care (DC) Rules: **1,416**
- RC Minimum Standards: **5,405**
- DC Minimum Standards: **3,639**



New Federal Rules on Kinship and Rider

- Federal rule changes finalized in September 2023 allow Title IV-E agencies to receive federal funding to help cover foster care costs for eligible children placed with licensed or approved relatives or kin **even if the agency has different licensing or approval rules for relatives compared to non-relatives.**
- SP Art. II Sec. 26, 88th Legislative Session, directed HHSC to work with DFPS to create different licensing rules for relative and kinship foster homes, making it easier for them to qualify for full foster care payments.



Kinship Rules Summary

The new kinship rules will be posted for formal comment in May 2025. The current proposal reduces kinship caregiver rules from 332 to 56. Examples of major changes include:

- Eliminating required annual refresher training unless required to identify specific compliance/safety issues.
- Reducing required training hours for homes that care for children with treatment services by 20 hours.
- Reducing medication documentation requirements from all prescription and non-prescription medications to only controlled substances and psychotropic medications, unless there is a medication error.
- Cutting the health and environmental checklist from 28 items to 16.
- Reducing home screening criteria from 23 items to 13.
- Eliminating specific square footage requirements for kinship homes.



Kinship Rules and Foster Home Rules

Kinship Rules:

- Public Comment posting: May 16, 2025
- Effective Date: October 19, 2025

Foster Home Rules:

- Foster home rules are in development, and the agency will engage DFPS and stakeholders in March/April 2025.
- Funding is needed to make changes to CLASS.
- Rulemaking Process and IT changes will be completed by June 2026, assuming funding for IT changes is provided this session.





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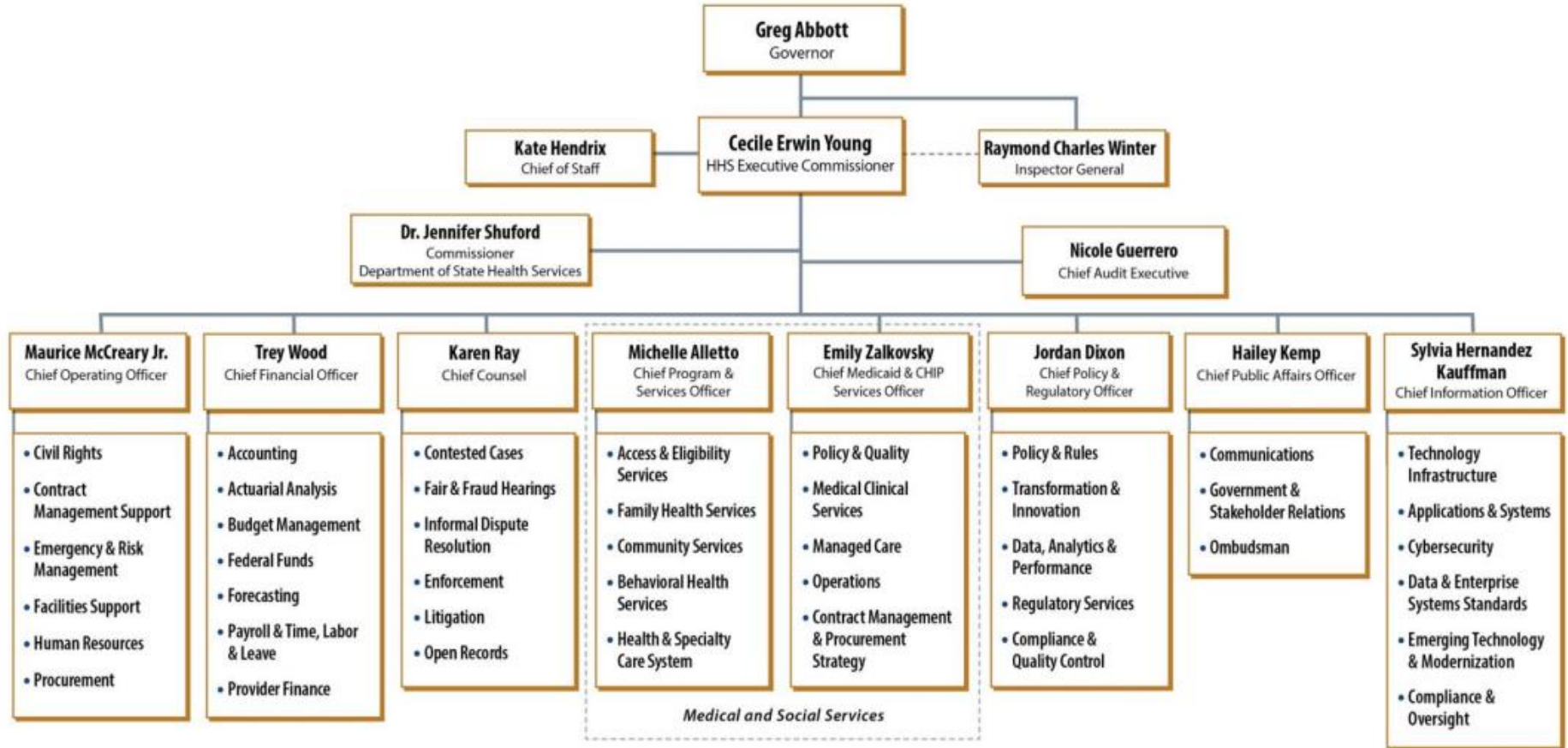
Thank you.



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Appendix

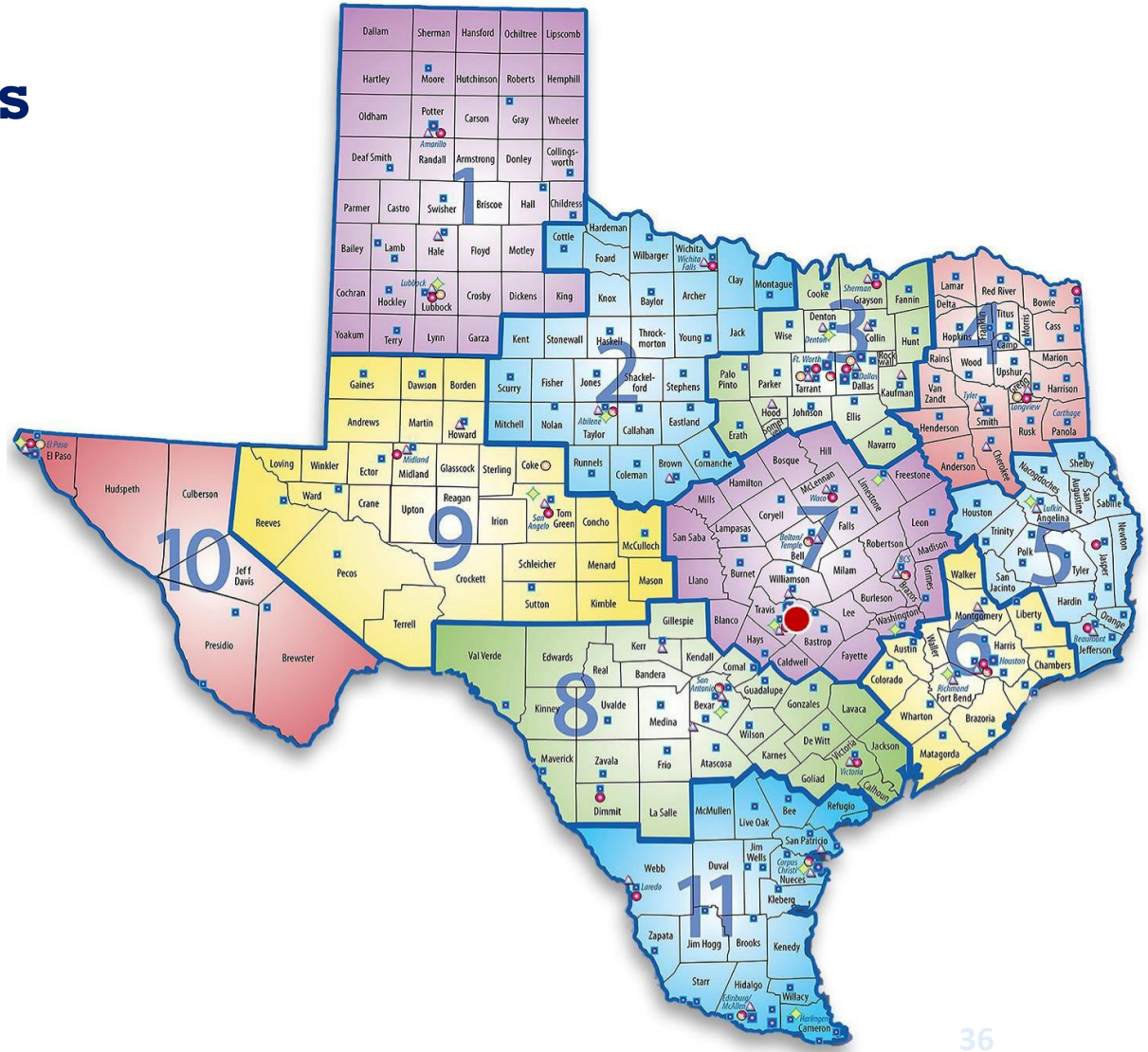
HHS Business Functions Organizational Chart



HHS Regions

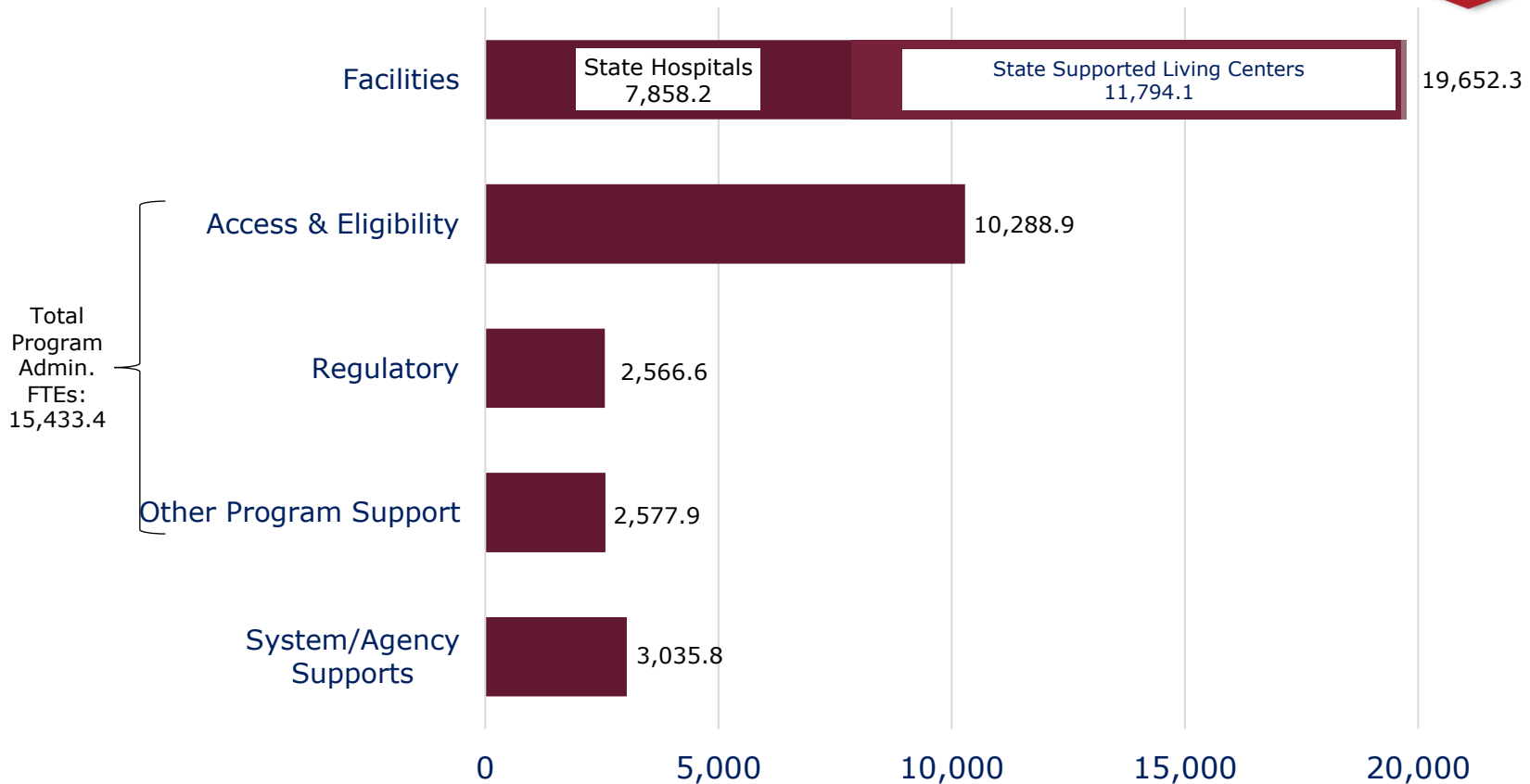
Regional Offices:

- **Region 1:** 28 buildings
- **Region 2/9:** 36 buildings
- **Region 3:** 74 buildings
- **Region 4:** 32 buildings
- **Region 5:** 21 buildings
- **Region 6:** 56 buildings
- **Region 7:** 66 buildings
- **Region 8:** 40 buildings
- **Region 10:** 22 buildings
- **Region 11:** 38 buildings
- **Region 00:** 30 buildings
- **State Headquarters**



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HHSC FTEs by Function 2024-25 Biennium



Notes:






1. Other Program Support includes FTEs supporting Medicaid and CHIP, Behavioral Health services, WIC, and other agency programs.
2. Excludes Office of the Inspector General and Texas Civil Commitment Office FTEs.

Article II FTEs (2024-2025 General Appropriations Act)

| Article II Agency | FY 2024 | FY 2025 |
|------------------------------------------------------------|-----------------|-----------------|
| Health and Human Services Commission (HHSC) | 38,698.0 | 38,791.4 |
| Integrated Eligibility and Enrollment | 7,862.0 | 7,862.0 |
| State Supported Living Centers | 11,794.1 | 11,794.1 |
| State Hospitals | 7,858.2 | 7,858.2 |
| Regulatory | 2,564.6 | 2,566.6 |
| Other | 7,923.6 | 8,015.0 |
| <i>Subtotal, HHSC FTEs</i> | 38,002.5 | 38,095.9 |
| Office of Inspector General (OIG) | 628.9 | 628.9 |
| Texas Civil Commitment Office (TCCO) | 41.0 | 41.0 |
| Texas Pharmaceutical Initiative (TPI) | 25.6 | 25.6 |
| <i>Subtotal, OIG, TCCO, and TPI FTEs</i> | 695.5 | 695.5 |
| Department of State Health Services (DSHS) | 3,376.2 | 3,392.2 |
| Department of Family and Protective Services (DFPS) | 12,105.5 | 12,058.8 |
| Total, Article II FTEs | 54,179.7 | 54,242.4 |



Primary Medicaid and CHIP Services

| | | |
|-------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | Acute Care Services | Preventive care, diagnostics and medical treatments <i>Examples: Physician, inpatient and outpatient hospital services, laboratory, X-ray services</i> |
|  | Long-Term Services and Supports | Support with ongoing, daily activities for individuals with disabilities and older adults <i>Examples: Community-based care, personal assistance with activities of daily living (cleaning, cooking, etc.), nursing facility services</i> |
|  | Behavioral Health Services | Screening and treatment for mental health conditions and substance use disorders (SUD) <i>Examples: Mental health rehabilitation, medication assisted therapy for SUD, psychological and neuropsychological testing</i> |
|  | Medical Transportation Services | Non-emergency medical transportation (NEMT) |
|  | Pharmacy Services | Coverage for prescription drugs |



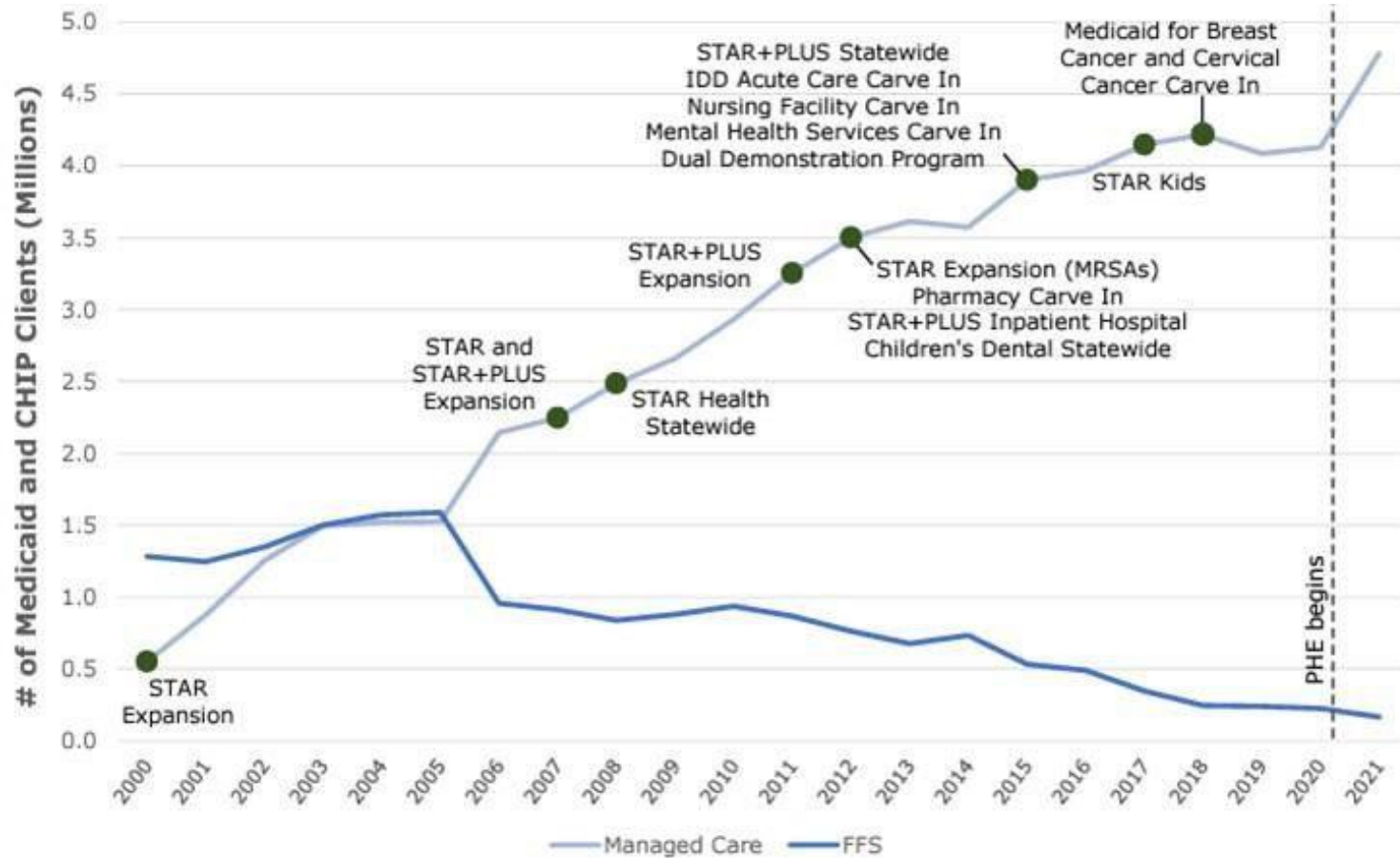


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Managed Care Goals

- Emphasize preventive care.
- Improve access to care.
- Ensure appropriate utilization of services.
- Improve client and provider satisfaction.
- Establish a medical home for Medicaid clients through a primary care provider.
- Improve health outcomes, quality of care and cost-effectiveness.
- Promote care in least restrictive, most appropriate setting.

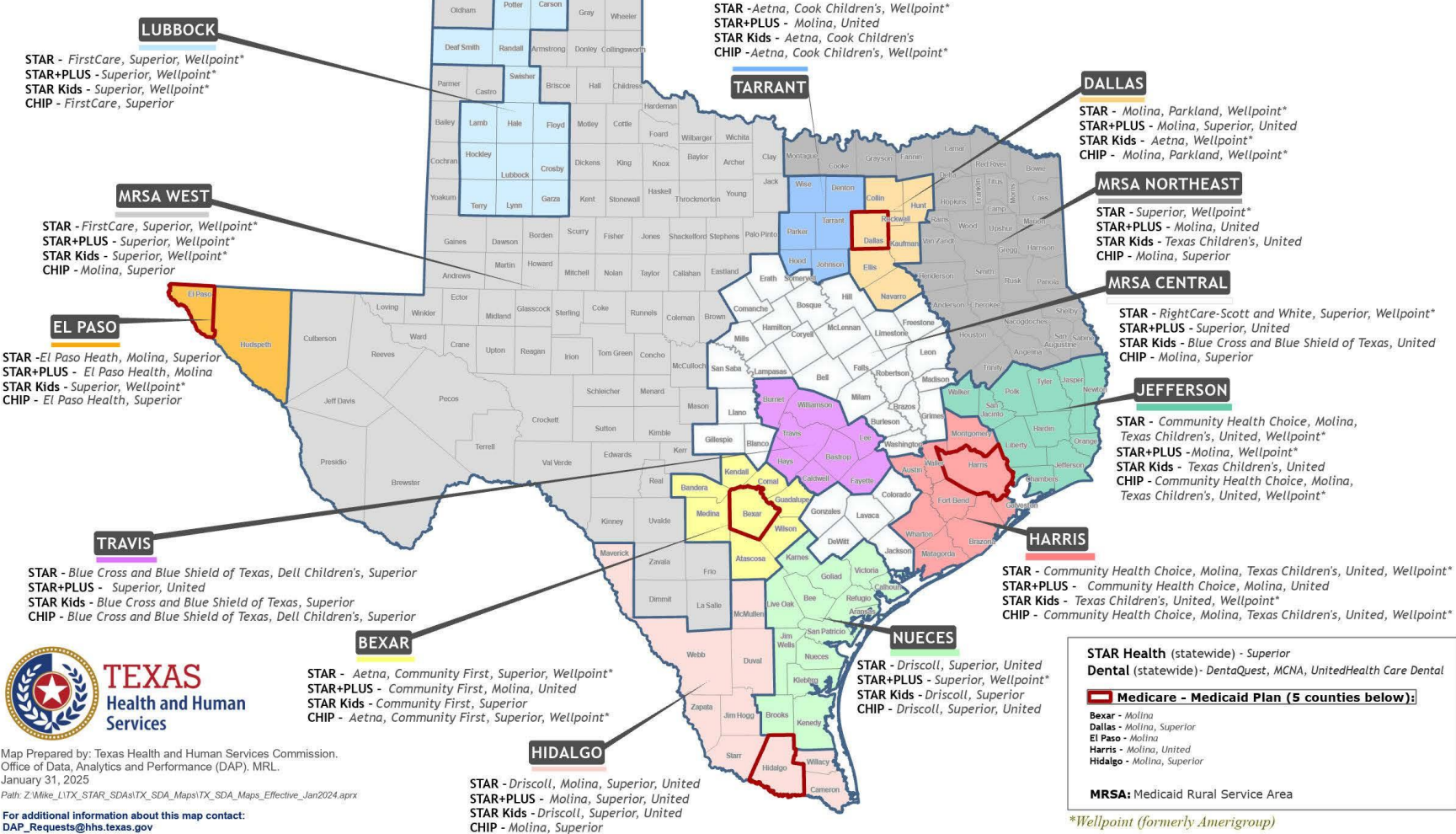
Managed Care Growth



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Managed Care Service Areas

(Effective January 1, 2025)



Map Prepared by: Texas Health and Human Services Commission,
 Office of Data, Analytics and Performance (DAP), MRL,
 January 31, 2025
 Path: Z:\Mike_L\TX_STAR_SDA\TX_SDA_Maps\TX_SDA_Maps_Effective_Jan2024.aprx
 For additional information about this map contact:
 DAP_Requests@hhs.texas.gov

<https://hhs.texas.gov/sites/default/files/documents/services/health/medicaid-chip/programs/managed-care-service-areas-map.pdf>





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Access and Eligibility Services

Access and Eligibility programs and services include:

- Disability Determination Services (DDS)
- 2-1-1 Texas Information and Referral Network
- Medicaid Buy-In Program
- Medicaid Buy-In Program for Children
- Medicaid Eligibility for the Elderly and People with Disabilities
- Medicare Savings Program
- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families (TANF)



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Additional Regulatory Services

Health Care Regulation provides regulatory oversight to the following acute health care facilities and providers:

- Ambulatory Surgical Centers (ASCs)
- Chemical Dependency Treatment Facilities (CDTFs)
- End Stage Renal Disease Facilities (ESRDs)
- Freestanding Emergency Medical Care Facilities (FEMCs)
- General and Special Hospitals
- Private Psychiatric Hospitals & Crisis Stabilization Units (CSUs)
- Laboratories – Clinical Laboratory Improvement Amendments (CLIA)
- Narcotic Treatment Centers (NTCs)
- Licensed Chemical Dependency Counselor (LCDCs)
- Licensed Sex Offender Treatment Providers



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Regulatory Services

Long-Term Care Regulatory (LTCR) regulates:

Providers

- Nursing Facilities
- Assisted Living Facilities (ALF)
- Day Activity and Health Services
- Intermediate Care Facilities
- Prescribed Pediatric Extended Care Centers
- Home and Community Support Services Agencies (such as home health, hospice)
- Home and Community-Based (HCS) and Texas Home Living waiver service providers

Professional Licenses

- Nursing Facility Administrators
- Medication Aides
- Certified Nurse Aides (CNAs)
- Nurse Aide Training and Competency Evaluation Program (NATCEP)



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Chief Policy and Regulatory Office Regulatory Services

The Provider Investigations unit, within LCR, investigates allegations of abuse, neglect, or exploitation of individuals receiving services from:

- State hospitals.
- HHSC-operated community services.
- People contracting with an HHS agency to provide inpatient mental health services.
- Home and community-based services (HCS) group home.