State Legislative Update & Advocacy

PACSTX 2025 Annual Meeting

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Political Landscape in Texas

- New House Speaker Dustin Burrows (R-Lubbock)
- Relationship between Governor, Lieutenant Governor and Speaker
- Multiple special sessions called by the Governor
- New Congressional maps in Texas have been drawn that claim to add 5 more Republican seats (out of a total of 38)

Legislative Landscape in Texas: Texas Senate

Currently 17 Republicans-12 Democrats

Senate members retiring or running for other office:

- Kelly Hancock (R)-named Interim Comptroller, running for Comptroller
- Robert Nichols (R)
- Brian Birdwell (R)
- Mayes Middleton (R)-running for Attorney General
- Joan Huffman (R)-running for Attorney General*
- Brandon Creighton (R)-named Chancellor of Texas Tech
- Nathan Johnson (D)-running for Attorney General

Legislative Landscape in Texas: Texas House

Currently 88 Republicans-62 Democrats

House members retiring or running for other office:

- Dennis Paul (R)-running for Middleton's Senate seat
- Trent Ashby (R)-running for Nichols' Senate seat
- Briscoe Cain (R)-running in new Congressional seat
- Giovanni Capriglione (R)
- John Lujan (R)-running in new Congressional seat
- Stan Lambert (R)
- Steve Toth (R)
- David Cook (R)-running for Birdwell's Senate seat
- Tony Tinderholt (R)
- James Talarico (D)-running for U.S. Senate
- Jon Rosenthal (D)-running for Railroad Commission
- Alma Allen (D)
- Ray Lopez (D)
- Vicki Goodwin (D)-running for Lt. Governor
- Bobby Guerra (D)
- Gina Hinojosa (D)

Legislative Landscape: Texas Congressional Races

Not running for re-election to House

- Michael McCaul (R)
- Morgan Luttrell (R)
- Chip Roy (R)-running for TX Attorney General
- Wesley Hunt (R)-running for US Senate
- Lloyd Doggett (D)

Open seat

- Replace Sylvester Turner (died in March 2025)

Senate race

- John Cornyn, Ken Paxton, Wesley Hunt (R)
- Colin Allred, James Talarico (D)

Legislative Landscape: Texas Statewide Races

Governor

- Greg Abbott* (R)
- Gina Hinojosa, Andrew White (D)

Lt. Governor

- Dan Patrick* (R)
- Vicki Goodwin (D)

Comptroller

- Kelly Hancock, Christi Craddick, Don Huffines (R)

Attorney General

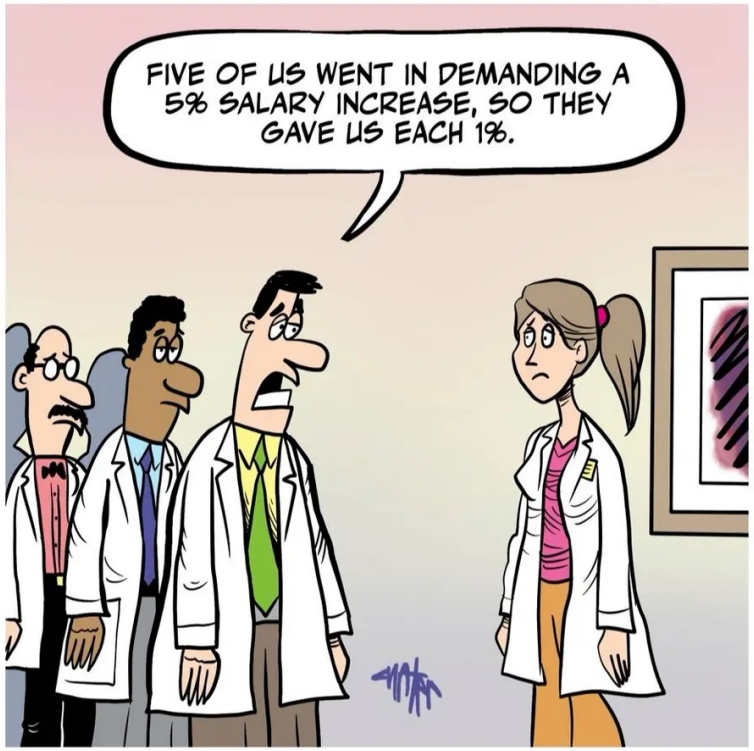
- Joan Huffman, Mayes Middleton, Aaron Reitz, Chip Roy (R)
- Nathan Johnson, Joe Jaworski (D)

Railroad Commission

- Hawk Dunlap (R)
- Jim Wright*, Jon Rosenthal (D)

Budgetary Landscape in Texas

- Projected revenue of $194.6 billion over FY 2026-27 biennium
- Medicaid redeterminations following end of COVID PHE are complete: nearly 4.1 million people
- Significant uncertainty regarding the impact of the One Big Beautiful Bill (OBBB) on health & human services
  - Medicaid eligibility determinations
  - SNAP
  - Ending of ACA subsidies
  - Community engagement requirements


FIVE OF US WENT IN DEMANDING A 5% SALARY INCREASE, SO THEY GAVE US EACH 1%.

Key Bills from 89th Legislature Affecting IDD Services

Rider 23. Base Wage Increase for Personal Attendant Services.

(a) Included in the amounts appropriated above in Goal A, Medicaid Client Services, Strategy D.2.3, Behavioral Health Waiver & Amendment, and Strategy F.1.2, Non-Medicaid Services, is $470,883,027 from the General Revenue Fund and $716,822,548 from Federal Funds ($1,187,705,575 from All Funds) in fiscal year 2026 and $494,762,919 from the General Revenue Fund and $753,159,237 from Federal Funds ($1,247,922,156 from All Funds) in fiscal year 2027 to increase the base wage for personal attendant services to $13.00 per hour, increase the associated payroll costs, taxes, and benefits percentage to 15.0 percent for services provided in residential settings and 14.0 percent for services provided in non-residential settings, and increase the associated administrative rate by $0.24 per hour.

(b) The Health and Human Services Commission (HHSC) shall utilize any funds that were previously expended for the attendant compensation rate enhancement programs for the base wage increase described in subsection (a) and shall discontinue the attendant compensation rate enhancement programs for community care services, intermediate care facility services, and intellectual and developmental disability services.

(c) Out of funds appropriated in Strategy B.1.1, Medicaid & CHIP Contracts and Administration, HHSC shall continue to collect biennial cost reports from providers to monitor the average hourly wage and associated payroll costs, taxes, and benefits. HHSC shall calculate for each provider the total amount that was paid to the provider that is attributable to the direct care wages, payroll costs, taxes, and benefits, the amount expended by the provider for that purpose, and the ratio of expenses to revenue to determine a direct care wage and benefits expense ratio. HHSC shall report to the Legislative Budget Board, the Lieutenant Governor, the Speaker of the House of Representatives, and the Office of the Governor on an annual basis by November 1 of each year on the findings, including a list of providers whose calculated direct care staff wage and benefits expense ratio is less than 0.90.

Key Bills from 89th Legislature Affecting IDD Services

HB 1041: prohibition on caregiver (other than family member within 3rd degree of consanguinity) being named beneficiary in life insurance policy

SB 746:

- Prohibits a person who has an interest that is adverse to a proposed ward or incapacitated person from 1) filing an application for the appointment of a guardian for the proposed ward or incapacitated person and 2) filing a motion or complaint to request the removal of a guardian or contest the request for removal of a guardian.
- Requires a court to enter an order to the effect of whether or not the court approves an annual account filed by the guardian of the estate or an annual report filed by the guardian of the person. If the court does not approve the annual account or the annual report, the bill requires the court to require the applicable guardian to file another annual account or report, respectively, within a period prescribed by the order, which may not be later than the 30th day after the date the order is entered.

Sunset Process

- Every state agency is reviewed every 12 years
- Last time health & human services agencies were reviewed was in 2015—DADS and DARS were eliminated
- In FY 2026-27 cycle, HHSC, DFPS and DSHS will be reviewed
- Sunset Commission is comprised of 5 House members (appointed by Speaker), 5 Senate members (appointed by Lt. Gov) and 2 public members

"Oh, we take that illness very seriously.
It's *you* we don't take seriously."

Sunset Process

What the Sunset process is NOT about:

- Adequacy of reimbursement rates
- How specific providers should be paid-daily vs hourly rates, etc.
- What services should or should not be covered by Medicaid or any other program
- Specific regulatory or program rules

What the Sunset process IS looking at:

- How is the agency organized to perform its mission?
- How could the agency's organizational structure be improved in order to meet its mission?

Sunset Review Timeline for the 90th Texas Legislature

September 2025	Agencies under review submit self-evaluation reports to the Sunset Commission. Sunset posts these reports on its website.
September 2025 to January 2027	Sunset staff evaluates each agency and publishes a staff report with recommendations to the Sunset Commission. Public input provided to staff before the report is published is confidential. Sunset posts the staff reports on its website. The Sunset Commission holds a public hearing and a decision meeting on each staff report and agency. Sunset posts written public comments and testimony and updated staff reports with commission decisions on its website.
February 2027	The Sunset Commission submits a summary report to the Texas Legislature with its recommendations for changes to every agency under review. Sunset posts this report on its website.
January to June 2027	The Legislature considers Sunset bills for agencies under review. Each agency's bill contains the Sunset Commission's statutory recommendations for that agency. After session, Sunset publishes a report with the final outcomes for every agency under review and posts the report on its website.

Key Links Related to Sunset Process

- **HHSC Self Evaluation Report**
  https://www.sunset.texas.gov/public/uploads/2025-09/Health%20and%20Human%20Services%20Commission%20Self-Evaluation%20Report_0.pdf
- **DFPS Self Evaluation Report**
  https://www.sunset.texas.gov/public/uploads/2025-10/DFPS_Self-Evaluation%20Report%20updated%20Oct%202025.pdf
- **Submit input to Sunset staff:**
  https://www.sunset.texas.gov/input-form

HHSC SER Major Issue #1: Improve the Customer Experience

Potential solutions identified by HHSC:

- Create a designated stakeholder relations office to assist stakeholders in navigating HHSC
- Consolidate advisory committees into broader, topical groups to streamline public input and more effectively impact agency decisions
- Eliminate HHSC Executive Council and direct consolidated advisory committee structure to report recommendations to Executive Commissioner biannually

HHSC SER Major Issue #1: Improve the Customer Experience

- Continue to evaluate the current landscape of state and federal requirements for LTC, acute care and childcare providers to streamline regulations necessary to protect health & safety
- Modernize and integrate provider-facing systems, including creating a unified provider portal and “smart application” that guides users through processes based on their specific needs
- Amend statute to lengthen and/or standardize licensure periods
- Review, streamline and align provider enrollment and credentialing requirements and processes
- Exempt legislatively directed Medicaid rate changes from the rulemaking process required by the Administrative Procedures Act

HHSC SER Major Issue #4: Increase Regulatory Efficiency & Address Gaps

Statements by HHSC:

- *"Although HHSC oversees HCS & TxHmL providers, the absence of a formal, statutorily authorized licensing and regulatory framework for these provider types creates significant risks—particularly for individuals receiving residential services through the HCS waiver."*
- *"Without licensing authority, HHSC's ability to take swift corrective action-especially in situations involving repeated or serious ANE- is constrained to contract remedies that may be slower or less impactful."*

HHSC SER Major Issue #4: Increase Regulatory Efficiency & Address Gaps

"Gaps that currently exist in overseeing HCS providers include:

- *No initial health and safety survey conducted prior to residents moving into a home;*
- *No system or process to identify, track and address trends or patterns;*
- *No centralized intake system for non-ANE complaints;*
- *Enforcement actions are limited to minimal administrative penalties or full decertification, resulting in contract termination; and*
- *Regulatory authority is tied to individuals enrolled in the Medicaid waiver program, not HCS providers."*

HHSC SER Major Issue #4: Increase Regulatory Efficiency & Address Gaps

Potential solutions identified by HHSC:

- Provide authority for HHSC to apply a risk-based approach to determine frequency and priority of surveys and inspections using a assessment tool specific to each provider type
- Formalize the HCS “certification” process in statute which would have the same effect as requiring a license
- Authorize HHSC to require certain healthcare provider types to conduct criminal background checks and check the EMR of prospective employees as a condition of licensure

HHSC SER Major Issue #5: Improve IDD Coordination

HHSC's IDD-related responsibilities span across 5 different chief areas and nine divisions and include:

- Eligibility determinations
- Maintenance of interest lists
- Enrollment/payment of providers
- Policies and rules
- Managing contracts
- Regulatory
- Utilization review
- Operations of 13 SSLCs

HHSC SER Major Issue #5: Improve IDD Coordination

Potential solutions identified by HHSC:

- Review the IDD landscape and identify opportunities for improved coordination
- Consolidate HCS and TxHmL eligibility and enrollment functions to minimize touchpoints, improve workflow and ensure successful enrollments and transfers
- Establish a governance structure that reports directly to HHSC leadership –would lead a team of designated IDD points of contact within all impacted chief offices
- Authorize HHSC to designate other SSLCs (other than Mexia and Abilene) to accept new forensic admissions to alleviate wait times and make admissions from state hospitals or other settings more expedient

HHSC SER Major Issue #6: Ensure Effective Contract Management

Potential solutions identified by HHSC:

- Direct HHSC to develop a risk-based quality and compliance tool to assess contract management compliance and effectiveness on an agency-wide level
- Identify additional tools to support HHSC's contract management including automating additional forms and processes and integrating DocuSign into CAPPS
- Evaluate whether HHSC is organizationally set up in a way to effectively manage contracts
- Review and recommend changes to statute so that state requirements are tailored to the types of services HHSC provides and how those services are delivered

Advocacy Leading Up to the 90th Texas Legislature

- Education about IDD services
- Gathering data
- Developing themes/messages for Sunset