State Legislative Update & Advocacy

PACSTX 2026 Annual Meeting

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Delisi Communications

Political Landscape in Texas

Competitive statewide races

Impact of competitive statewide races down ballot

Legislative Landscape: Texas Statewide Races

Governor

- Greg Abbott* (R)
- Gina Hinojosa (D)

Lt. Governor

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

Comptroller

- Don Huffines* (R)
- Sarah Eckhardt (D)

Attorney General

- Mayes Middleton (R)
- Nathan Johnson (D)

Railroad Commission

- Bo French (R)
- Jon Rosenthal (D)

Legislative Landscape in Texas: Texas Senate

Currently 18 Republicans-12 Democrats-1 vacant seat

Senate members retiring or running for other office:

- Robert Nichols (R)
- Brian Birdwell (R)
- Mayes Middleton (R)-running for Attorney General
- Nathan Johnson (D)-running for Attorney General
- Sarah Eckhardt (D)-running for Comptroller

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 state Senate seat
- Trent Ashby (R)-running for Nichols' state Senate seat
- Briscoe Cain (R)- lost primary running for new Congressional seat
- Giovanni Capriglione (R)
- John Lujan (R)-lost primary running for 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)-running for Governor

Legislative Landscape: Texas Congressional Races

Not running for re-election to House

- Michael McCaul (R)
- Morgan Luttrell (R)
- Chip Roy (R)- lost in AG primary runoff to Mayes Middleton
- Wesley Hunt (R)-lost in AG primary
- Lloyd Doggett (D)
- Jasmine Crockett (D) – lost Sen Primary runoff to James Talarico

Senate Race

- Ken Paxton (R)
- James Talarico (D)

Currently 24 Republicans-13 Democrats-1 vacancy in Texas Congressional delegation

Advocacy Leading Up to the 90th Texas Legislature

- Education about IDD services
- Gathering data
- Developing themes/messages for Sunset and HHSC Legislative Appropriations Request

Interim Charges 89th Legislature

House Appropriations: Monitoring of Rider 23 Personal Attendant Care Wages

House Human Services: Provision of Services for Texans With Intellectual and Developmental Disabilities--Evaluate the availability of services for Texans with intellectual and developmental disabilities, including service coordination, Home and Community-Based Services, and the functionality of the waiver interest list. Ensure vulnerable Texans are protected by the current regulatory landscape and make recommendations for improvements.

Senate Finance and Health & Human Services Committees: Fraud, Waste and Abuse

HHSC FY 2028-2029 LAR Request

- State agencies were asked to prepare a FY 2028-29 Legislative Appropriations Request with a 3% reduction in expenditures and where those reductions would occur→Medicaid/CHIP was excluded
- No proposed rate increases for any providers
- Exceptional Item for High Behavioral/High Medical Need IDD clients
- Ongoing uncertainty regarding the impact of the One Big Beautiful Bill (OBBB) on health & human services
  - Medicaid eligibility determinations
  - SNAP

HHSC FY 2028-2029 LAR Request

Changes to riders recommended by HHSC:

- Amend Rider 23 to only retain the reporting and biennial cost report requirements
- Eliminate some of the SSLC data from the Cost Comparison Report that compares SSLC with HCS and ICF costs

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

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 Commission Members

Senate

Lois Kolkhorst (R)-Chair

Bryan Hughes (R)

Donna Campbell (R)

Kevin Sparks (R)

Cesar Blanco (D)

Stacey Combest-Public Member

House

Lacey Hull (R)-Vice Chair

Charles Cunningham (R)

Angelia Orr (R)

Matt Shaheen (R)

Donna Howard (D)

Mont McClendon –Public Member

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 August 2026	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.
August 2026-December 2026	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.
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 Dates

November 18-19, 2026: Public hearing on HHSC Staff Report

December 15-16, 2026: Sunset Commission adopts recommendations

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:

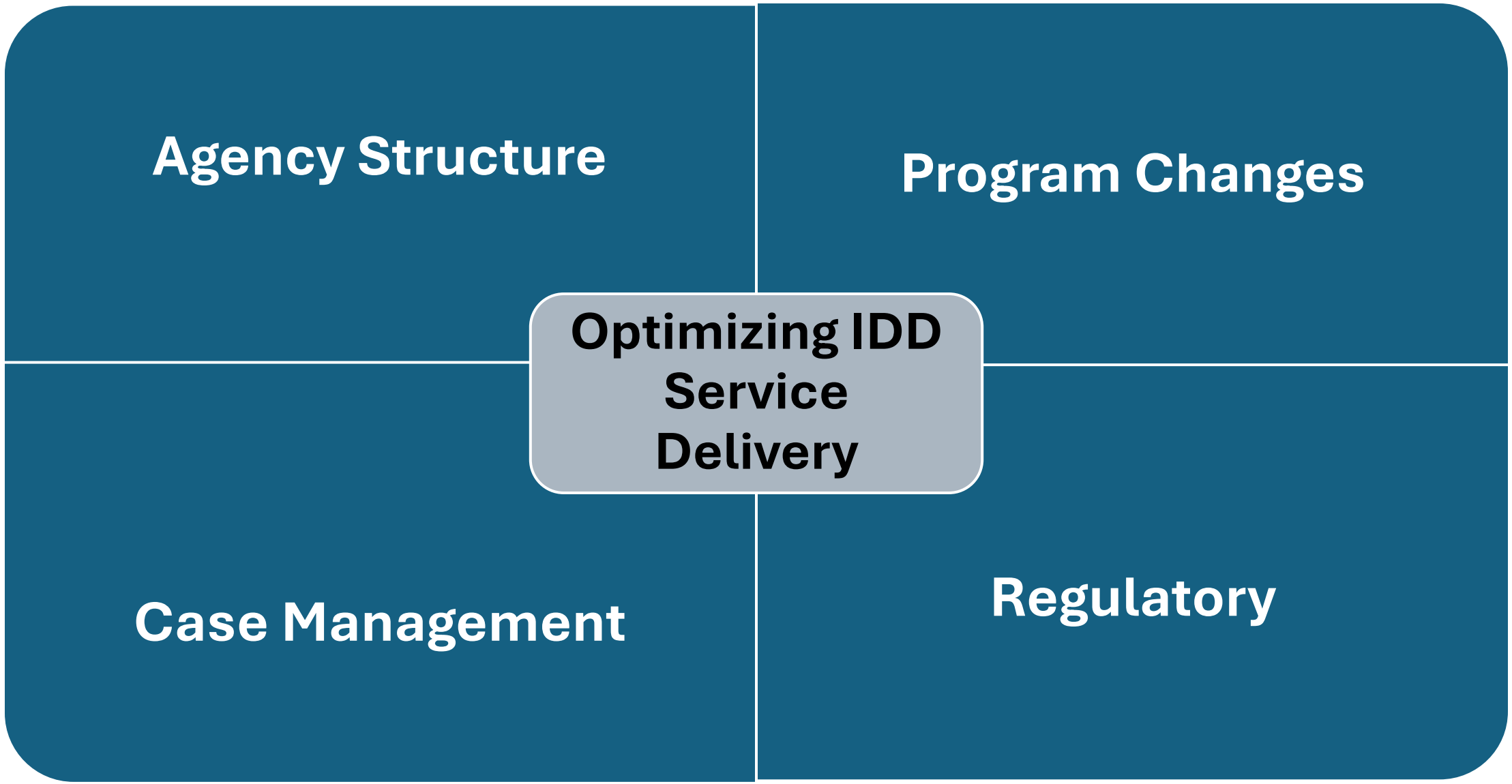
- Review the IDD landscape and identify opportunities for improved coordination
- Consolidate HCS and TxHmL eligibility and enrollment functions to minimize touchpoints, improve workflow and ensure successful enrollments and transfers
- Establish a governance structure that reports directly to HHSC leadership –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

Optimizing IDD Service Delivery



Optimizing IDD Service Delivery- Agency Structure

- Eliminate the HHSC Executive Council; replace with meaningful mechanisms and processes for public and stakeholder input that can result in rules or policies being sent back for further review and changes before moving forward
- The public input process should not be one sided. Agency staff should be expected to engage in real dialogue and not simply be present with no interaction with stakeholders.
- A separate IDD agency or an IDD Chief with a direct line of reporting to the HHSC EC is needed who has actual authority over policy, rules, regulatory, rate, enrollment and eligibility issues affecting IDD clients.

Opitmizing IDD Service Delivery—Program Changes

- Eliminate zero reject policy in HCS with appropriate safeguards
- Services should be comprehensive at the client, not provider, level
- Dedicated eligibility staff with specific training in eligibility for IDD services and programs
- Restructure nursing rates to match the site of service: hourly vs. daily vs. monthly
- Create specialized rates for high medical, high behavioral needs
- Allow for utilization of technology to support individuals with IDD in all settings --eMAR, StationMD, remote/electronic monitoring
- Allow sleep staff in 4 bed homes
- ISS Providers contract directly with HHSC

Optimizing IDD Service Delivery—Case Management

- Add risk-stratified screening tools such as HRST so that health and medical related needs are more clearly identified and can be addressed, with service arrays and rates to support those needs
- LIDDA and case management outcomes need to be measured and benchmarked
- Re-examine case management roles and responsibilities of LIDDAs and IDD providers and align reimbursement accordingly

Optimizing IDD Service Delivery--Regulatory

- Separate certifications for residential, host home and in-home/CFC providers
- Risk based survey process
- Post survey history of providers on LTC Regulatory website like other providers
- Post residential vacancies on LTC Regulatory website
- Recognize specialization of residential providers
- Encourage adoption of electronic health records by eliminating wet signature requirements, allowing provider forms, enabling virtual record review, and integrating EHRs with CIMS
- Allow for 3rd party accreditation/certification with continued state oversight