



State Budget Riders (Select) – 88th Legislative Session

As a legislative procedure, budget riders represent policy directives or contingent appropriations that follow traditional line-item appropriations in the General Appropriations Act (GAA). Riders convey specific instructions on how agency funds can be collected or spent and are often used to express legislative intent and provide guidance to agency leadership as they implement legislation, operate programs, manage services, and oversee specified initiatives.

After every legislative session, Texas Council identifies new or revised budget riders that relate to the work of Community Centers. This rider summary also includes select riders carried over from one biennium to the next.

Riders carried over from the previous biennium are highlighted in **yellow** at the end of each rider description. If a carried-over rider is notably revised, this is referenced. New riders of particular interest to Community Centers are highlighted in **green** at the end of each rider description.

Health and Human Services Commission

MEDICAID

Rider 3. Cash Basis Expenditures Authorization

Rider 4. Cost Comparison Report

Rider 5. Graduate Medical Education

Rider 6. Medicaid Enterprise Systems (MES)

Rider 7. Data Analysis Unit Reporting

Rider 8. Hospital Payments

Rider 9. Increase Consumer Directed Services

Rider 10. Medicaid Therapy Services Reporting

Rider 11. Evaluation of Medicaid Data

Rider 12. Medically Dependent Children Program and Youth Empowerment Services Waivers

Rider 14. Waiver Program Cost Limits

Rider 15. Supplemental Payment Programs Reporting and Appropriation Authority for Intergovernmental Transfers

Rider 19. Interest List Reporting

Rider 20. Hospital Reimbursement

Rider 21. Health and Human Services Cost Containment

Rider 22. Access to Federal Data Services Hub

Rider 23. Medicaid Provider Rate Increases

Rider 24. Nursing Facility Reimbursement Rate Increase

- Rider 25. Patient Driven Payment Model for Nursing Facility Services.
- Rider 26. Informational Listing: End-of-year Waiver Slots Funding
- Rider 27. Funding for the Unwinding of Continuous Medicaid Coverage
- Rider 28. 2-1-1 Texas Information & Referral Network (TIRN)
- Rider 29. Deaf-Blind Multiple Disabilities Case Management
- Rider 30. Information on Funding Provided for Attendant Wages
- Rider 32. Transition of Medicaid Only Services into Managed Care for Dually Eligible People
- Rider 33. Ground Ambulance Reimbursement Rates.
- Rider 34. Private Duty Nursing
- Rider 36. Medicaid and CHIP Provider Enrollment and Credentialing Portal

BEHAVIORAL HEALTH

- Rider41. Contingency for Behavioral Health Funds
- Rider 42. Mental Health Outcomes and Accountability
- Rider 43. Mental Health Appropriations and Federal Matching Opportunities
- Rider 44. Mental Health Peer Support Re-entry Program
- Rider 45. Reporting of Waiting Lists for Mental Health Services
- Rider 46. Mental Health Program for Veterans
- Rider 47. Consolidated Reporting of Opioid Related Expenditures
- Rider 48. Community Mental Health Grant Programs
- Rider 49. Block Grants for Community Mental Health
- Rider 50. Substance Abuse Prevention and Treatment Block Grant
- Rider 51. Outpatient Integrated Care Clinic Project
- Rider 52. Informational Listing: Additional Mental Health Funding
- Rider 53. Rates: Reimbursement for Federal Substance Abuse Prevention and Treatment Block Grant Services.
- Rider 54. Maintenance of Critical Services: Local Authority Workforce Capacity.
- Rider 55. University of Texas Health Science Center at Tyler Contracted Mental Health Beds
- Rider 56. Rural Hospital Telepsychiatry Consultations.

OTHER CLIENT SERVICES

- Rider 71. Education Funding
- Rider 72. Limitation on Federal Funds Appropriations for Early Childhood Intervention Services
- Rider 73. Reporting on Early Childhood Intervention
- Rider 74. Autism Program Provisions
- Rider 75. Children with Special Health Care Needs (CSHCN)
- Rider 83. Unexpended Balances: Intellectual and Developmental Disabilities (IDD) Crisis Funding
- Rider 84. Crisis Intervention and Respite Services Rider 85. Multi-Assistance Center Demonstration Project
- Rider 85. Multi-Assistance Center Demonstration Project
- Rider 88. Rural Hospital Grant Program
- Rider 90. Enhanced Capacity for Family Violence Services

FACILITIES

- Rider 91. Behavioral Support Specialists at State Supported Living Centers
- Rider 92. State Supported Living Center Oversight
- Rider 93. Maximum Security Salaries
- Rider 94. Fire Prevention and Safety
- Rider 95. State Hospital and State Supported Living Center Workforce
- Rider 96. Expenditure Reporting at the State Hospitals
- Rider 97. Language Interpreter Services
- Rider 98. Surplus Property
- Rider 99. Patient or Client Assistance
- Rider 103. On-Call Pay
- Rider 104. State Hospital Salary Funding
- Rider 105. Cost Containment for State Hospital Construction
- Rider 107. State Hospital Cost Study
- Rider 108. One-time Funding for Facility Inflationary Costs
- Rider 109. State Hospital Forensic Waitlist

OFFICE OF INSPECTOR GENERAL

- Rider 110. Office of Inspector General Report
- Rider 111. Lock-in for Controlled Substances

TRANSFERS

- Rider 132. Additional Funding Sources, Medicaid
- Rider 134. Unexpended Construction Balances
- Rider 137. Unexpended Balances: Social Services Block Grant Funds
- Rider 138. Appropriation of Unexpended Balances: Funds Recouped from Local Authorities
- Rider 139. Transfer Authority: Home and Community-Based Services – Adult Mental Health

ADMINISTRATION

- Rider 147. Efficiencies at Local Mental Health Authorities and Intellectual Disability Authorities

SPECIAL PROVISIONS RELATING TO ALL HHS AGENCIES

- Sec. 4. Federal Match Assumptions and Limitations on use of Available General Revenue Funds
- Sec. 10. Professional Trainees and Interns
- Sec. 12. Rate Limitations and Reporting Requirements
- Sec. 13. Locality Pay
- Sec. 16. Prohibition on Use of Appropriations for the Private Operation of a State Hospital.
- Sec. 18. New or Additional Facilities
- Sec. 23. Reporting of Child Abuse
- Sec. 26. Title IV-E Funding

GENERAL PROVISIONS

Article IX

Part 10 – Health Related Provisions

Sec. 10.04(b). Statewide Behavioral Health Strategic Plan and Coordinated Expenditures

Sec. 10.04(c). Statewide Behavioral Health Strategic Plan

Sec. 10.04(d). Coordination of Behavioral Health Expenditures

Sec. 10.04(e). Report on Review of Exceptional Item Requests

Sec. 10.04(f). Report on Suicide and Suicide Prevention

Sec. 10.04(g). Children’s Mental Health Strategic Plan

Sec. 10.05(a)(b). Funding for Autism Services

Part 13 – Federal Funds

Sec.13.01. Federal Funds / Block Grants

Part 17 – Miscellaneous Provisions

Sec. 17.01 Contingency Rider

Sec. 17.04 Veterans Services at Other State Agencies

Sec. 17.05 Agency Coordination for Youth Prevention and Intervention Services

Sec. 17.15 Informational Listing: Pro-rate Share of Texas Opioid Settlement Receipts Received by Municipal Areas and Regions.

Sec. 17.30. Comal County Mental Health Facility.

Sec. 17.31. Sunrise Canyon Operational Funding

Sec. 17.34 Charity Care and Hospital Transparency

Part 18 – Contingency and Other Provisions

Sec. 18.40 Contingency for Senate Bill 26

Sec. 18.63 Contingency for SB 1677

MEDICAID

3. Cash Basis Expenditures Authorization. Notwithstanding any other provision of this Act, the Health and Human Services Commission may expend Medicaid appropriations in all Strategies in Goal A, Medicaid Client Services, and in Strategy D.1.3, ECI Services, in each fiscal year without regard to date of service. The authorization is limited to expenditures in all Strategies in Goal A, Medicaid Client Services, and in Strategy D.1.3, ECI Services, for claims payments, premiums, cost settlements and other related expenses for Medicaid client services. **Carry-Over Rider**

4. Cost Comparison Report. Out of funds appropriated above in Strategy B.1.1, Medicaid Contracts & CHIP Contracts and Administration, the Health and Human Services Commission (HHSC) shall develop a report analyzing state and federally-funded residential and nonresidential services in the Home and Community-based Services (HCS) waiver program, the Texas Home Living waiver program, and Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID).

- (a) The report shall include the following:
 - 1) the monthly average cost to the state per person for individuals residing in state- operated and non-state-operated ICFs/IID, HCS waiver program, and Texas Home Living waiver program by Level of Need (LON) and facility size (private ICFs/IID only);
 - 2) a comparison of severity across settings; and
 - 3) the total number of persons, by LON, who transitioned from state-operated ICFs/IID to the HCS residential waiver program for the previous biennium, and their average monthly cost of service in the HCS waiver program.
- (b) With respect to the cost to the state per person residing in a state-operated ICF/IID, HHSC shall include all costs, such as Statewide Cost Allocation Plan (SWCAP), maintenance and construction costs, employee benefit costs and other federally allowable administrative, medical, and overhead costs. With respect to the cost to the state per person in state-operated ICFs/IID, non-state-operated ICFs/IID, and the HCS and Texas Home Living waivers, HHSC shall include all Medicaid costs including acute care costs that are not included in the waiver rates for those programs and all costs to administer and license those programs. For state-operated ICFs/IID, the average monthly administrative and overhead costs shall be reported separately from the average monthly client care costs. HHSC shall identify the types of costs included in each category.
- (c) Cost for waiver recipients will cover the time a person enrolled in the waiver through the time they are terminated from waiver services. The cost for ICF/IID services will cover the time a person is admitted to the facility to the time of discharge unless the person is admitted to an ICF/IID or waiver within 60 days of discharge. In that case, the Medicaid costs incurred during discharge will be counted toward the ICF/IID costs.

The report shall be submitted to the Legislative Budget Board and Governor, and shall be posted on the Commission's website no later than August 31, 2024. **Carry-Over Rider**

5. Graduate Medical Education. The Health and Human Services Commission (HHSC) may expend Appropriated Receipts - Match for Medicaid No. 8062 and matching Medicaid Federal Funds appropriated in Strategy A.4.1, Non-Full Benefit Payments, for Graduate Medical Education (GME) payments to state-owned teaching hospitals, contingent upon receipt of allowable funds from state-owned teaching hospitals to be used as the non-federal share for Medicaid GME. Transfers from state-owned teaching hospitals deposited as Appropriated Receipts - Match for Medicaid No. 8062 and expended in Strategy A.4.1, Non-Full Benefit Payments, shall be the only source of funds used for the non-federal share for Medicaid GME payments for state-owned teaching hospitals, and HHSC shall develop a

payment methodology for Medicaid GME payments to state-owned teaching hospitals. **Carry-Over Rider**

6. Medicaid Enterprise Systems (MES). Out of funds appropriated above in Strategy B.1.1, Medicaid & CHIP Contracts & Administration, the Health and Human Services Commission shall maintain an Executive Steering Committee for the contracts supporting the Texas Medicaid Management Information System (MMIS) capital project. The Medicaid Enterprise Systems (MES) Executive Steering Committee shall provide executive-level strategic direction and commitment to the MES contracts and MMIS projects. Strategic direction includes, but is not limited to, review of contract terms prior to execution of a new contract or amendment and reports from third-party quality assurance and independent verification and validation vendors. The Executive Commissioner or his or her designee shall chair the MES Executive Steering Committee. Membership of the MES Executive Steering Committee shall include similar executive level representatives, including the Chief Financial Officer, Information Resource Manager, technology sponsors, project managers, project contractors, staff of the Legislative Budget Board, and members of the Quality Assurance Team or their designee.

In addition, the MES Executive Steering Committee shall report any anticipated contract or project cost over-runs or delays to the Legislative Budget Board.

Notwithstanding the limitations of Article IX, §14.03, Transfers - Capital Budget, and any other transfer provisions of this Act, funds appropriated by this Act to the Health and Human Services Commission may not be expended in excess of the amounts identified in Rider 2, Capital Budget, for the MMIS capital budget project without prior written approval from the Legislative Budget Board. Additional information requested by the Legislative Budget Board related to this approval shall be provided in a timely manner and shall be prepared in a format specified by the Legislative Budget Board. The request shall be considered to be approved unless the Legislative Budget Board issues a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House of Representatives, and Lieutenant Governor. Any request for additional information from the Legislative Budget Board shall interrupt the counting of the 30 business days. **Carry-Over Rider w/ deletion of TMHP references**

7. Data Analysis Unit Reporting. Out of funds appropriated above, the Health and Human Services Commission shall report to the Legislative Budget Board on an annual basis by December 1 of each the activities and findings of the Data Analysis Unit established pursuant to Government Code, §531.0082. Additionally, any anomalies identified related to service utilization, providers, payment methodologies, and compliance with requirements in Medicaid and the Children's Health Insurance Program shall be reported to the Office of the Inspector General for further review. **Carry-Over Rider w/ shift from quarterly reporting requirement to annual reporting requirement.**

8. Hospital Payments. Included in amounts appropriated above to the Health and Human Services Commission (HHSC) in Strategies in Goal A, Medicaid Client Services, is \$118,446,400 in General Revenue Funds, \$82,189,313 in Interagency Contracts, and \$299,620,136 in Federal Funds (\$500,255,849 in All Funds) in fiscal year 2024 and \$119,972,373 in General Revenue Funds, \$84,261,535 in Interagency Contracts, and \$302,215,713 in Federal Funds (\$506,449,621 in All Funds) in fiscal year 2025 to provide Medicaid hospital add-on payments for trauma care and safety-net hospitals and add-on payments and rate increases for rural hospitals as follows: [See HB1 for distribution detail]

HHSC shall develop a methodology to implement the add-on payments pursuant to funding identified in subsection (b) that targets the state's safety-net hospitals, including those hospitals that treat high

percentages of Medicaid and low-income, uninsured patients. Total reimbursement for each hospital shall not exceed its hospital specific limit.

For purposes of subsections (c), (d), (e) and (f), rural hospitals are defined as (1) hospitals located in a county with 68,750 or fewer persons according to the 2020 U.S. Census; or (2) a hospital designated by Medicare as a Critical Access Hospital (CAH), a Sole Community Hospital (SCH), or a Rural Referral Center (RRC) that is not located in a Metropolitan Statistical Area (MSA); or (3) a hospital that has 100 or fewer beds, is designated by Medicare as a CAH, a SCH, or a RRC, and is located in an MSA. No reimbursement may exceed the hospital specific limit and reimbursement for outpatient emergency department services that do not qualify as emergency visits may not exceed 65 percent of cost.

To the extent possible, HHSC shall ensure any funds identified in this rider that are included in Medicaid managed care capitation rates are distributed by the managed care organizations to the hospitals. The expenditure of funds identified in this rider that are not used for targeted increases to hospital provider rates as outlined above shall require the prior written approval of the Legislative Budget Board. **Carry-Over Rider (Amounts updated)**

9. Increase Consumer Directed Services. Out of funds appropriated above in Strategy B.1.1, Medicaid & CHIP Contracts & Administration, the Health and Human Services Commission shall educate STAR+PLUS home and community-based services consumers about the Consumer Directed Services (CDS) option, and seek to increase the percentage of clients who choose CDS. HHSC shall collect information annually from each Managed Care Organization on the percent of clients enrolled in CDS and shall establish incremental benchmarks for improvement. HHSC shall include this information on the commission's website and provide it to the Texas Council on Consumer Direction. **Carry-Over Rider**

10. Medicaid Therapy Services Reporting. Out of funds appropriated above in Strategy B.1.1, Medicaid & CHIP Contracts and Administration, the Health and Human Services Commission (HHSC) shall submit, on a biannual basis, the following information related to pediatric acute care therapy services (including physical, occupational, and speech therapies) by service delivery area and information regarding whether the items below negatively affect access to care:

- (a) Provider and member complaints by disposition received by the Office of the Ombudsman and HHSC Health Plan Management;
- (b) Provider and member complaints by disposition reported by Medicaid Managed Care Organizations using a standard definition of complaint as defined by HHSC;
- (c) Provider and member appeals by disposition received by HHSC Health Plan Management, and resolution of the appeals;
- (d) The number of pediatric acute care therapy provider terminations and the reason for identified terminations;
- (e) The utilization of pediatric acute care therapy services by therapy type and provider type;
- (f) The number of members on a waiting list, defined as 1) those who have been referred to a provider or Medicaid Managed Care Organization, but there is not a treating therapist to perform an initial assessment, and 2) those who have been assessed, but are unable to access pediatric acute care therapy services due to insufficient network capacity; and

(g) The number of pediatric acute care therapy providers no longer accepting new clients and the reason for identified panel closures.

HHSC shall submit the biannual reports to the Legislative Budget Board and the Governor in a format specified by the Legislative Budget Board. HHSC shall ensure standardized collection of data to obtain all data used in the report. HHSC shall develop a process for pediatric therapy providers to submit data directly to HHSC for items (f) and (g), using feedback obtained from relevant stakeholders. **Carry-Over Rider**

11. Evaluation of Medicaid Data. Out of funds appropriated above, the Health and Human Services Commission shall annually evaluate data submitted by managed care organizations to determine whether the data continues to be useful or if additional data, such as measurements of recipient services, is needed to oversee contracts or evaluate the effectiveness of Medicaid. **Carry-Over Rider**

12. Medically Dependent Children Program and Youth Empowerment Services Waivers. Appropriations above in Strategy A.1.1, Aged and Medicare-Related; Strategy A.1.2, Disability- Related; and Strategy A.1.5, Children, include funding for Medically Dependent Children Program (MDCP) waiver services and Youth Empowerment Services (YES) waiver services for clients enrolled in the STAR Kids program. These appropriations may not be construed as creating an entitlement to waiver services. **Carry-Over Rider**

14. Waiver Program Cost Limits.

(a) Out of funds appropriated above in Goal A, Medicaid Client Services, for the Medically Dependent Children Program, Community Living Assistance and Support Services, Deaf- Blind Multiple Disabilities, Home and Community-based Services, and STAR+PLUS Community Based Alternatives waivers, and subject to the terms of subsection (3) below, the Health and Human Services Commission (HHSC) may use General Revenue Funds to pay for services if:

- (1) the cost of such services exceeds the individual cost limit;
- (2) federal financial participation is not available to pay for such services; and
- (3) HHSC determines that:
 - (A) the person's health and safety cannot be protected by the services provided within the individual cost limit established for the program; and
 - (B) there is no other available living arrangement in which the person's health and safety can be protected at that time, as evidenced by:
 - (i) an assessment conducted by clinical staff of HHSC; and
 - (ii) supporting documentation, including the person's medical and service records.

(b) Out of funds appropriated above in Goal A, Medicaid Client Services, for the waiver programs identified in subsection (a) above, and subject to the terms of subsection (c) below, HHSC is authorized to use General Revenue Funds to continue to provide services to a person who was receiving medical

assistance waiver program services on September 1, 2005, at a cost that exceeded the individual cost limit specified in the medical assistance waiver program if:

- (1) federal financial participation is not available to pay for such services; and
- (2) continuation of those services is necessary for the person to live in the most integrated setting appropriate to the needs of the person.

(c) Authority provided in this rider is contingent upon HHSC submitting a report in writing to the Legislative Budget Board and Governor on October 1 of each year. The report shall include the number of clients by program which exceeds cost limits and the unmatched General Revenue associated with each by fiscal year. **Carry-Over Rider**

15. Supplemental Payment Programs Reporting and Appropriation Authority for Intergovernmental Transfers. Out of funds appropriated above in Strategy B.1.1, Medicaid & CHIP Contracts & Administration, the Health and Human Services Commission (HHSC) shall report certain financial and expenditure information regarding supplemental payment programs, including, but not limited to, the Disproportionate Share Hospital (DSH) program, the Uncompensated Care (UC) Pool, the Public Health Providers Charity Care Pool (PHP-CCP), and other state directed payment programs, supplemental, or other payments where the source of the non-federal share is intergovernmental transfers (IGTs) or certified public expenditures (CPEs), and any successor programs.

(a) HHSC shall report quarterly:

- (1) Prospective payment estimates, aligning estimated payments reporting with the CMS- 37. The report will include a prospective certification that the requisite matching state and local funds are, or will be, available for the certified quarter. The quarterly financial report provides a statement of the state's Medicaid funding requirements for a certified quarter through summary data by each program; and
- (2) Expenditures made in the previous quarter, aligning expenditure reporting with the CMS-64. The report will include actual expenditures allowable under state and federal requirements. HHSC will report the recipients of all funds distributed by the commission for all supplemental payment programs. The report shall include:
 - (a) the recipients of funds by program;
 - (b) the amount distributed to each recipient; and
 - (c) the date such payments were made.

(b) HHSC shall report annually:

- (1) Information on all mandatory payments to a Local Provider Participation Fund (LPPF) and all uses for such payments, including the amount of funds from an LPPF for each particular use;
- (2) The total amount of IGTs used to support Medicaid;
- (3) The total amount of CPEs used to support Medicaid;
- (4) A summary of any survey data collected by HHSC to provide oversight and monitoring of the use of local funds in the Medicaid program; and
- (5) All financial reports submitted to the Centers for Medicare and Medicaid Services related to programs that use local funds in the Medicaid program.

(c) IGTs of funds from institutions of higher education are appropriated to HHSC for the non- federal share of uncompensated care or delivery system reform incentive payments or monitoring costs under

the Healthcare Transformation and Quality Improvement Program 1115 Waiver.

- (d) In an effort to maximize the receipt of federal Medicaid funding, HHSC is appropriated and may expend IGT received as Appropriated Receipts-Match for Medicaid No. 8062 for the purpose of matching Medicaid Federal Funds for payments to Medicaid providers and to offset administrative costs for programs HHSC administers for other entities.
- (e) From funds appropriated elsewhere in the act, HHSC shall provide a copy of the annual independent audit conducted of DSH and UC in compliance with federal requirements. HHSC shall provide a report of the audit's findings annually by June 30 to the Office of the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, the Senate Finance Committee members, the House Appropriations Committee members, and the Legislative Budget Board.
- (f) HHSC will use the sums transferred from state owned hospitals as provided elsewhere in the Act as necessary to apply for appropriate matching Federal Funds and to provide the state's share of disproportionate share payments and uncompensated care payments authorized under the federal Healthcare Transformation and Quality Improvement Waiver, excluding payments for physicians, pharmacies, and clinics, due to state-owned hospitals.
 - (1) Any amounts of such transferred funds not required for these payments shall be deposited by HHSC to the General Revenue Fund as unappropriated revenue.
 - (2) If a state owned hospital is eligible and chooses to participate in a hospital directed payment program authorized under the federal Healthcare Transformation and Quality Improvement Waiver, and the amount of funds deposited by HHSC under subparagraph (1) of this provision is not equivalent to the amount deposited in state fiscal year 2023 based on the non-enhanced Federal Medical Assistance Percentages, HHSC shall calculate the difference and provide notice to the state-owned hospital, the Legislative Budget Board, the Comptroller of Public Accounts, and the Office of the Governor.
 - (3) Payments for physicians, pharmacies, and clinics are governed by Special Provisions Relating Only to Agencies of Higher Education, Section 50, Transfer of Appropriations for Participation in the Healthcare Transformation and Quality Improvement Waiver
- (g) By October 1 of each fiscal year, HHSC shall present a schedule of projected transfers and payments to the Comptroller of Public Accounts, the Governor, and the Legislative Budget Board.
- (h) Included in the "Number of Full Time Equivalents (FTE)" appropriated above, are 42.0 FTEs are authorized for each year of the 2024-25 biennium for implementation of the Healthcare Transformation and Quality Improvement 1115 waiver, including for increased monitoring and oversight of the use of local funds, and administration of new directed-payment programs and new supplemental payment programs. Notwithstanding the limitations of Article IX, Section 6.10, Limitations on State Employment Levels, limitations on FTEs do not apply to instances of employment in which funds are derived from Government Code, Section 531.021135, and applicable federal funds.
- (i) Notwithstanding the limitations in Article IX, Section 14.03, Transfers - Capital Budget, and Rider129, Limitations on Transfer Authority, HHSC is authorized to transfer from an existing capital budget item or non-capital budget item to a new capital budget item not present in the agency's bill pattern to implement an electronic data collection and storage tool for the collection of information to support monitoring of local funds used in the Medicaid program, provided that HHSC determines that the project is necessary to meet the state's responsibilities under the Special Terms and Conditions for the Healthcare Transformation and Quality Improvement Program 1115 waiver. **Carry-Over Rider**

19. Interest List Reporting. Out of funds appropriated above in Strategy B.1.1, Medicaid & CHIP Contracts and Administration, the Health and Human Services Commission shall post the following information regarding the Home and Community-based Services, Community Living Assistance and Support Services, Deaf-Blind Multiple Disabilities, Texas Home Living, and Medically Dependent Children Program waivers and STAR+PLUS on the commission's website:

- (a) interest list releases;
- (b) interest list counts, by years on list;
- (c) average number of individuals on the interest list per month;
- (d) average number of individuals on the interest list receiving other services per month; and
- (e) percent declined services or found to be ineligible for services at the end of the fiscal year.
- (f) the unduplicated number of persons on each interest list, broken out by month.

Carry-Over Rider w/ addition of (f)

20. Hospital Reimbursement. Contingent upon federal approval, and to the extent allowed by law, no funds appropriated above for the payment of inpatient hospital fees and charges under the medical assistance program may be expended, except under a prospective payment methodology for all Medicaid inpatient claims, excluding state-owned teaching hospital Medicaid inpatient claims, that employs sound cost reimbursement principles and:

- (a) enhances the Health and Human Services Commission's ability to be a prudent purchaser of health care;
- (b) reflects costs that are allowable, reasonable and medically necessary to deliver health care services to the state's Medicaid population;
- (c) reduces the variability in the Medicaid reimbursement rates paid to hospitals for treating patients with the same diagnoses;
- (d) promotes and rewards increased efficiency in the operation of hospitals;
- (e) emphasizes and rewards quality of outcomes and improves the treatment of Medicaid patients through pay-for-performance principles; and
- (f) recognizes, through add-on payments or other methods, the unique needs of individual hospitals, including rural hospitals.

Carry-Over Rider

21. Health and Human Services Cost Containment. The Health and Human Services Commission (HHSC) shall develop and implement cost containment initiatives to achieve savings of at least \$450,000,000 in General Revenue Funds for the 2024-25biennium throughout the health and human services system. These initiatives shall include:

- (a) increasing fraud, waste, and abuse prevention and detection;
- (b) seeking to maximize federal flexibility under the Medicaid program;
- (c) achieving other programmatic and administrative efficiencies; and

- (d) savings from services that include emergency telemedicine services for individuals with intellectual and developmental disabilities.

HHSC shall provide an annual report on the implementation of cost containment initiatives to the Legislative Budget Board by December 1. It is the intent of the legislature that HHSC shall achieve savings without adjusting amount, scope, or duration of services or otherwise negatively impacting access to care. It is the intent of the legislature that prior to making any changes, HHSC shall consider stakeholder input, including complying with any statutory requirements related to rulemaking and public hearings. This rider shall not be construed as limiting HHSC's ability to maximize federal flexibility under the Medicaid program, including federal flexibility that may impact amount, scope, or duration of services. **Carry-Over Rider w/ changes of certain expectations, including addition of (d) and deletion of cost savings from an IMD exclusion waiver.**

22. Access to Federal Data Services Hub. To the extent allowable under state and federal law and regulations, the Health and Human Services Commission (HHSC) shall request a consumer report containing employment and income information through the Centers for Medicare and Medicaid Services Federal Data Services Hub for Medicaid eligibility determinations and redeterminations in order to achieve cost savings, improve timeliness, and minimize fraud. **Carry-Over Rider**

23. Medicaid Provider Rate Increases. It is the intent of the Legislature that, when Medicaid provider rates are increased as a result of a legislative appropriation, managed care organizations reimburse the full amount of the appropriated funds to providers, to the extent allowable by federal laws and regulations. **Carry-Over Rider**

24. Nursing Facility Reimbursement Rate Increase. Included in the appropriations above are the following amounts:

(a) \$129,385,946 in General Revenue and \$195,052,234 in Federal Funds (\$324,438,180 in All Funds) in fiscal year 2024 and \$135,703,968 in General Revenue and \$202,541,217 in Federal Funds (\$338,245,185 in All Funds) in fiscal year 2025 in Strategy A.1.1, Aged and Medicare-Related; and

(b) \$29,569,937 in General Revenue and \$44,577,347 in Federal Funds (\$74,147,284 in All Funds) in fiscal year 2024 and \$30,032,821 in General Revenue and \$44,824,659 in Federal Funds (\$74,857,480 in All Funds) in fiscal year 2025 in Strategy A.2.4, Nursing Facility Payments.

The Health and Human Services Commission (HHSC) shall only expend the funds in Subsections (a) and (b) to provide reimbursement rate increases that will increase the wages and benefits of direct care staff. HHSC shall implement the rate increases in a manner that will enable HHSC to ensure that at least 90 percent of the funds are expended for the benefit of direct care staff wages and benefits and shall return to the Comptroller of Public Accounts any amount recouped from a provider who does not utilize the funds in accordance with that purpose. HHSC may not expend funds appropriated for nursing facility services in Medicaid managed care in lieu of payments that are currently authorized by the Centers for Medicare and Medicaid Services for the Quality Improvement Payment Program; and HHSC may not expend funds appropriated for nursing facility services in Medicaid fee-for-service that would not result in receipt of Federal Funds.

To receive reimbursement rate increases appropriated under Subsections (a) and (b), nursing facilities must report to HHSC on their biennial cost report information regarding the use of these funds, as specified by HHSC, including information related to efforts to improve or maintain client care and quality

of services, and to demonstrate that at least 90 percent of the funds were expended for the purpose of direct care staff wages or benefits. **New Rider**

25. Patient Driven Payment Model for Nursing Facility Services. Beginning on September 1, 2024, the Health and Human Services Commission (HHSC) must develop and implement a Texas version of the Patient Driven Payment Model (PDPM) methodology for the reimbursement of long-term stay nursing facility services in the Medicaid program to achieve improved care for long-term stay nursing facility services, excluding services provided by a pediatric care facility or any state-owned facilities.

It is the intent of the Legislature that reimbursement rates for nursing facility services should incentivize client care and quality of services over resource utilization and that nursing facilities participating in the Medicaid program should utilize reimbursement rate increases to improve staff-to-client ratios, staff training and education, and wages for direct care staff, as staffing is a primary and fundamental driver of client outcomes. Included in appropriations above are the following amounts to implement the Nursing Facility PDPM:

(a) \$40,087,983 in General Revenue and \$59,832,213 in Federal Funds (\$99,920,196 in All Funds) in fiscal year 2025 in Strategy A.1.1, Aged and Medicare-Related, for reimbursement rate increases for nursing facility services reimbursed using the new PDPM methodology.

- (1) It is the intent of the Legislature that the funds in Subsection (a) support providers in maintaining the quality of services provided to Medicaid beneficiaries by stabilizing revenue levels that may otherwise be impacted by the conversion to a Texas version of the PDPM, as developed by HHSC;
- (2) In order to receive reimbursement rate increases appropriated under Subsection (a), nursing facilities must report to HHSC on their biennial cost report information regarding the use of these funds, as specified by HHSC, including information related to efforts to improve or maintain client care and quality of services; and
- (3) HHSC may not expend funds appropriated in Subsection (a) for nursing facility services in Medicaid managed care in lieu of payments that are currently authorized by the Centers for Medicare and Medicaid Services for the Quality Improvement Payment Program; and HHSC may not expend funds appropriated for nursing facility services in Medicaid fee-for-service that would not result in receipt of Federal Funds.

(b) \$1,877,800 in General Revenue and \$5,633,400 in Federal Funds (\$7,511,200 in All Funds) in fiscal year 2024 and \$1,877,800 in General Revenue and \$5,633,400 in Federal Funds (\$7,511,200 in All Funds) in fiscal year 2025 in Strategy B.1.1, Medicaid & CHIP Contracts & Administration, to make modifications to the Medicaid Management Information System (MMIS) for the implementation of the PDPM. **New Rider**

26. Informational Listing: End-of-year Waiver Slots Funding. This rider is informational only and does not make any appropriations. Appropriations above in Goal A, Medicaid Client Services, include the following:

- (a) Strategy A.1.1, Aged and Medicare-Related, STAR+PLUS Home and Community-based Services: \$941,304,984 in General Revenue Funds and \$1,466,089,763 in Federal Funds (\$2,407,394,747 in All Funds) in fiscal year 2024 for 60,806 end-of-year waiver slots and \$959,074,381 in General Revenue Funds and \$1,481,532,677 in Federal Funds (\$2,440,607,058 in All Funds) in fiscal year 2025 for 61,293 end-of-year waiver slots;

- (b) Strategy A.1.2, Disability-Related, Medically Dependent Children Program: \$424,602,498 in General Revenue Funds and \$655,792,377 in Federal Funds (\$1,080,394,875 in All Funds) in fiscal year 2024 for 6,107 end-of-year waiver slots and \$435,754,842 in General Revenue Funds and \$665,965,477 in Federal Funds (\$1,101,720,319 in All Funds) in fiscal year 2025 for 6,187 end-of-year waiver slots;
- (c) Strategy A.3.1, Home and Community-based Services: \$506,167,919 in General Revenue Funds and \$809,066,632 in Federal Funds (\$1,315,234,551 in All Funds) in fiscal year 2024 for 28,517 end-of-year waiver slots and \$520,315,970 in General Revenue Funds and \$823,292,564 in Federal Funds (\$1,343,608,534 in All Funds) in fiscal year 2025 for 29,089 end-of-year waiver slots;
- (d) Strategy A.3.2, Community Living Assistance: \$121,797,093 in General Revenue Funds and \$227,925,475 in Federal Funds (\$349,722,568 in All Funds) in fiscal year 2024 for 6,282 end of year waiver slots and \$124,808,692 in General Revenue Funds and \$231,135,832 in Federal Funds (\$355,944,524 in All Funds) in fiscal year 2025 for 6,388 end-of-year waiver slots;
- (e) Strategy A.3.3, Deaf-Blind Multiple Disabilities: \$7,324,801 in General Revenue Funds and \$12,371,962 in Federal Funds (\$19,696,763 in All Funds) in fiscal year 2024 for 310 end-of-year waiver slots and \$7,502,401 in General Revenue Funds and \$12,520,210 in Federal Funds (\$20,022,611 in All Funds) in fiscal year 2025 for 314 end-of-year waiver slots; and
- (f) Strategy A.3.4, Texas Home Living: \$25,555,609 in General Revenue Funds and \$47,605,478 in Federal Funds (\$73,161,087 in All Funds) in fiscal year 2024 for 2,934 end-of-year waiver slots and \$27,307,262 in General Revenue Funds and \$50,256,534 in Federal Funds (\$77,563,796 in All Funds) in fiscal year 2025 for 3,085 end-of-year waiver slots.

Appropriations and end-of-year waiver slots include an additional \$50,000,000 in General Revenue to increase waiver slots and reduce the interest lists. **(Carry-Over Rider with updated amounts)**

27. Funding for the Unwinding of Continuous Medicaid Coverage. Included in the amounts appropriated above in Strategy I.1.1, Integrated Eligibility and Enrollment, is \$31,098,585 in General Revenue and \$61,253,821 in Federal Funds (\$92,352,406 in All Funds) in fiscal year 2024 and \$6,794,845 in General Revenue and \$14,178,839 in Federal Funds (\$20,973,684 in All Funds) in fiscal year 2025 to provide funding for temporary full-time equivalents and to support the increased workload for the Eligibility Support Services contractor due to the unwinding of continuous Medicaid coverage. It is the intent of the Legislature that full-time equivalent positions added to temporarily assist in the unwinding of continuous Medicaid coverage be phased out by June 30, 2024. **(New Rider)**

28. 2-1-1 Texas Information & Referral Network (TIRN). Out of funds appropriated above, the Health and Human Services Commission shall allocate the following amounts for improvement of 2-1-1 TIRN:

(a) \$375,000 in General Revenue and \$379,420 in Federal Funds (\$754,420 in All Funds) in each fiscal year in Strategy I.1.1, Integrated Eligibility and Enrollment, for staff retention and hiring at contracted Area Information Centers; and

(b) \$375,000 in General Revenue and \$684,143 in Federal Funds (\$1,059,143 in All Funds) in each fiscal year Strategy I.3.1, TIERS & Eligibility Support Tech, to improve 2-1-1 analytics and functionality. **(New Rider)**

29. Deaf-Blind Multiple Disabilities Case Management. Out of funds appropriated above in Strategy A.3.3, Deaf-Blind Multiple Disabilities, the Health and Human Services Commission shall allocate \$181,994 in General Revenue and \$281,214 in Federal Funds (\$463,208 in All Funds) in fiscal year 2024 and \$184,588 in General Revenue and \$278,620 in Federal Funds (\$463,208 in All Funds) in fiscal year 2025 for Deaf-Blind Multiple Disabilities case management billing reform. **(New Rider)**

30. Information on Funding Provided for Attendant Wages.

(a) Included in amounts appropriated above to the Health and Human Services Commission (HHSC) in Goal A, Medicaid Client Services, and Strategy F.1.2, Non-Medicaid Services, is \$773,185,216 in General Revenue and \$1,176,676,992 in Federal Funds (\$1,949,862,208 in All Funds) in the biennium to increase the base wage for personal attendant services to \$10.60 per hour in fiscal years 2024 and 2025.

(b) Included in amounts appropriated above in Goal A, Medicaid Client Services, and F.1.2, Non-Medicaid Services, is \$4,493,605 in General Revenue and \$7,405,221 in Federal Funds (\$11,898,826 in All Funds) in fiscal year 2024 and \$4,894,935 in General Revenue and \$8,066,505 in Federal Funds (\$12,961,440 in All Funds) in fiscal year 2025 for the attendant care rate enhancement program.

(c) Included in amounts appropriated above in Goal A, Medicaid Client Services, for each fiscal year is \$6,246,285 in General Revenue and \$9,479,424 in Federal Funds (\$15,725,709 in All Funds) in fiscal year 2024 and \$6,242,965 in General Revenue and \$9,479,424 in Federal Funds (\$15,722,389 in All Funds) in fiscal year 2025 to increase the per level amount of the individualized and specialized services rate enhancement program to 5 cents per level.

(d) Out of funds appropriated in Strategy B.1.1, Medicaid & CHIP Contracts & Administration, HHSC shall evaluate the rate enhancement programs paid in the Medicaid program to providers to increase reimbursements for direct care and attendant care services. HHSC shall report on certain financial information regarding rate enhancement programs, including, but not limited to, the funding impact, by provider type and service, of the operation of the rate enhancement programs, the percentage of providers and services that participate in the programs, the efficacy of the programs in recruiting and retaining the workforce necessary to deliver services, and the cost of participation to providers for complying with the program requirements. HHSC shall report on the evaluation and findings and recommendations to the Governor's Office, the Legislative Budget Board, the Lieutenant Governor, and the Speaker of the House of Representatives by October 1, 2024. **(New Rider)**

32. Transition of Medicaid Only Services into Managed Care for Dually Eligible People. It is the intent of the Legislature that out of funds appropriated above in Strategy A.1.1, Aged and Medicare Related, the Health and Human Services Commission (HHSC) shall transition Medicaid-only services for dually eligible people enrolled in Medicaid managed care from services currently provided through fee-for-service Medicaid and reimbursed by the HHSC Medicaid claims administrator vendor to services provided through managed care and reimbursed by managed care organizations as part of the benefits offered to enrollees, without imposing cost-sharing on dually eligible people. **(New Rider)**

33. Ground Ambulance Reimbursement Rates. Included in amounts appropriated above to the Health and Human Services in Strategy A.1.1, Aged and Medicare-Related, is \$3,213,745 in General Revenue and \$4,889,701 in Federal Funds (\$8,103,446 in All Funds) in each fiscal year to increase the Medicaid ground ambulance mileage reimbursement rate by 25 percent. **(New Rider)**

34. Private Duty Nursing. Included in amounts appropriated above to the Health and Human Services Commission in Strategy A.1.2, Disability-Related, is \$9,134,922 in General Revenue and \$13,782,665 in

Federal Funds (\$22,917,587 in All Funds) in each fiscal year to increase the Medicaid private duty nursing reimbursement rate by two percent. **(New Rider)**

36. Medicaid and CHIP Provider Enrollment and Credentialing Portal. Included in the amounts appropriated above to the Health and Human Services Commission in Strategy B.1.1, Medicaid & CHIP Contracts & Administration, is \$500,000 in General Revenue and \$1,500,000 in Federal Funds (\$2,000,000 in All Funds) in fiscal year 2025 for the ongoing costs for the Medicaid and CHIP Provider Enrollment and Credentialing Portal. **(New Rider)**

BEHAVIORAL HEALTH

41. Contingency for Behavioral Health Funds. Notwithstanding appropriation authority granted above, the Comptroller of Public Accounts shall not allow the expenditure of General Revenue-Related Funds at the Health and Human Services Commission in Strategies D.1.1, Women's Health Programs; D.2.1, Community Mental Health Svcs Adults; D.2.2, Community Mental Hlth Svcs Children; D.2.3, Community Mental Health Crisis Svcs; D.2.4, Substance Abuse Services; D.2.5, Behavioral Hlth Waiver & Amendment; D.2.6, Community Mental Health Grants; D.2.7, Community Behavioral Health Administration; F.1.3, Non-Medicaid IDD Community Services; F.3.2, Child Advocacy Programs; F.3.3, Additional Advocacy Programs; G.2.1, Mental Health State Hospitals; G.2.2, Mental Health Community Hospitals; G.3.1, Other Facilities; G.4.1, Facility Program Support; G.4.2, Facility Capital Repairs and Renov; I.2.1, Long-Term Care Intake & Access; L.1.1, HHS System Supports; L.1.2, IT Oversight & Program Support; and M.1.1, Texas Civil Commitment Office, in fiscal year 2024 or fiscal year 2025, as identified in Art. IX, Section 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures, if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the agency's planned expenditure of those funds in fiscal year 2024 or fiscal year 2025 does not satisfy the requirements of Art. IX, Section 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditure. **Carry-Over Rider**

42. Mental Health Outcomes and Accountability. Out of funds appropriated above in Strategies D.2.1, Community Mental Health Svcs Adults; D.2.2, Community Mental Hlth Svcs Children; and D.2.3, Community Mental Health Crisis Svcs, the Health and Human Services Commission (HHSC) shall place ten percent (10%) of the General Revenue quarterly allocation from each Local Mental Health Authority and Local Behavioral Health Authority at risk. Funds placed at risk shall be subject to recoupment for failure to achieve outcome targets set by HHSC. Funds that have been recouped for failure to achieve outcome targets may be used for technical assistance or redistributed as an incentive payment according to a methodology developed by HHSC. Performance shall be assessed and payments made on a six-month interval. **Carry-Over Rider**

43. Mental Health Appropriations and Federal Matching Opportunities. Out of funds appropriated above in Strategies D.2.1, Community Mental Health Svcs Adults; D.2.2, Community Mental Hlth Svcs Children; and D.2.3, Community Mental Health Crisis Svcs, the Health and Human Services Commission (HHSC) by contract shall require that General Revenue funds be used to the extent possible to draw down additional federal funds through the 1115 Transformation Waiver or other federal matching opportunities. Nothing in this section shall relieve a Local Mental Health Authority or Local Behavioral Health Authority from an obligation to provide mental health services under the terms of a performance contract with HHSC or to reduce the amount of such obligation specified in the contract. HHSC shall report to the Legislative Budget Board and the Governor by December 1 of each fiscal year on efforts to leverage these funds. **(Carry-Over Rider)**

44. Mental Health Peer Support Re-entry Program. Out of funds appropriated above, the Health and Human Services Commission (HHSC) through a Memorandum of Understanding shall allocate up to \$1,000,000 in General Revenue for the biennium from Strategy D.2.1, Community Mental Health Svcs - Adults, to maintain a mental health peer support re-entry program. HHSC, in partnership with Local Mental Health Authorities and county sheriffs, shall operate a program that uses certified peer support specialists to ensure inmates with a mental illness successfully transition from the county jail into clinically appropriate community-based care.

HHSC shall submit a report to the Governor's Office and the Legislative Budget Board on the program that includes the total population served and client outcome measures by December 1, 2022. **Carry-Over Rider**

45. Reporting of Waiting Lists for Mental Health Services. The Health and Human Services Commission (HHSC) shall submit to the Legislative Budget Board and the Governor the current waiting list and related expenditure data for the following:

- (a) Community mental health services for adults;
- (b) Community mental health services for children;
- (c) Forensic state hospital beds; and
- (d) Maximum security forensic state hospital beds.

The data shall be submitted in a format specified by the Legislative Budget Board and shall, at a minimum, include the number of clients waiting for all services, the number of underserved clients waiting for additional services, the number of individuals removed from the waiting list, and funds expended to remove individuals on the waiting list in each fiscal quarter included in the reporting period, and the average number of days spent on the waiting list. The information above shall be provided for each Local Mental Health Authority (LMHA) and Local Behavioral Health Authority (LBHA), facility, or other contracted entity. HHSC shall distinguish between waiting lists at LMHAs and LBHAs, state facilities, or other contracted entities that are due to operational or other short-term factors and long-term waiting lists due to insufficient capacity. Data shall be submitted November 1 and May 1 of each fiscal year. **Carry-Over Rider**

46. Mental Health Program for Veterans. Out of funds appropriated above in Strategy D.2.1, Community Mental Health Services for Adults, the Health and Human Services Commission shall allocate \$5,000,000 in General Revenue in each fiscal year for the purpose of administering the mental health program for veterans established pursuant to Health and Safety Code §§1001.221-.224. **Carry-Over Rider**

47. Consolidated Reporting of Opioid-Related Expenditures. No later than October 1 of each year, the Executive Commissioner of the Health and Human Services Commission (HHSC) shall submit a report to the Legislative Budget Board, Governor, Senate Finance Committee, and House Appropriations Committee that provides information about actual annual expenditures from the previous fiscal year for opioid-related programs at HHSC, the Department of Family and Protective Services, and the Department of State Health Services. The report shall include, but not be limited to, all programs specific to opioid abuse and misuse, including prevention, treatment, recovery, intervention, and detoxification programs, and all programs available to individuals who may have an opioid-use disorder. The report shall include expenditure data by program at the method of finance level and the amount distributed by Article II

agencies to institutions of higher education for each program at the method of finance level. **Carry-Over Rider**

48. Community Mental Health Grant Programs.

(a) Informational Listing. Included in amounts appropriated above in Strategy D.2.6, Community Mental Health Grant Programs, is the following:

(1) \$10,000,000 in General Revenue in each fiscal year of the biennium for a grant program for mental health services for veterans and their families established pursuant to Government Code, Section 531.0992;

(2) \$40,000,000 in General Revenue in each fiscal year of the biennium for a grant program to reduce recidivism, arrest, and incarceration among individuals with mental illness and to reduce wait time for forensic commitment established pursuant to Government Code, Section 531.0993;

(3) \$5,000,000 in General Revenue in each fiscal year of the biennium for a grant program to reduce recidivism, arrest, and incarceration among individuals with mental illness and to reduce wait time for forensic commitment in the most populous county established pursuant to Government Code, Section 531.09935;

(4) \$27,500,000 in General Revenue in each fiscal year of the biennium for a community mental health grant program established pursuant to Government Code Section 531.0991; and

(5) \$16,500,000 in General Revenue in each fiscal year of the biennium to provide grants for Healthy Community Collaboratives pursuant to Government Code, Section 539.002.

(6) \$7,500,000 in General Revenue in each fiscal year of the biennium for an innovation grant program to support a variety of community-based initiatives that improve access to care for children and families, such as programs that reduce juvenile justice involvement, relinquishment, and preventable emergency room visits. Contingent on enactment of Senate Bill 26, or similar legislation relating to local mental health authority and local behavioral health authority audits and mental and behavioral health reporting, services, and programs, by the Eighty-eighth Legislature, Regular Session, 2023, HHSC is appropriated an additional \$7,500,000 in each fiscal year from General Revenue Funds in Strategy D.2.6, Community Mental Health Grant Programs, for the innovation grant program.

(b) **Unexpended Balance Authority within the Biennium.** Any unexpended balances remaining at the end of the first fiscal year of the biennium in Strategy D.2.6, Community Mental Health Grant Programs, are appropriated for the same purposes for the second fiscal year of the biennium.

(c) **Reporting Requirement. By November 1, 2024,** HHSC shall submit a report detailing the expenditure of funds appropriated in Strategy D.2.6, Community Mental Health Grant Programs. The report shall include the following: the number of grants awarded, amount awarded per entity, effectiveness of the grants, the number of individuals served by each grant program, and any other information requested by the Legislative Budget Board. The report shall be submitted to the Legislative Budget Board, the Governor, the Senate Finance Committee, and the House Appropriations Committee.

(d) **Other Requirements.**

(1) Contingent upon the availability of local matching funds pursuant to Government Code, Section 539.002, \$10,000,000 in General Revenue for the biennium from the amount identified above in subsection (a)(5) may be allocated to fund Healthy Community Collaboratives in rural areas. HHSC shall consider funding received by a collaborative from the Texas Department of Housing and Community Affairs prior to releasing funds in subsection (a)(5) to the collaborative.

(2) Contingent upon the availability of federal funds for this purpose, and to the extent allowed by state or federal law, HHSC may allocate not more than \$10,000,000 for the biennium for the purpose of funding capital projects that do not receive local matching funds to establish or expand Healthy Community Collaboratives.

(Carry-Over Rider w/ funding increase adjustments and (6) addition.

49. Block Grants for Community Mental Health. Out of funds appropriated above, the Health and Human Services Commission (HHSC) shall produce a report on the uses of the federal Block Grants for Community Mental Health (MHBG) funds in the previous fiscal year, including supplemental and one-time awards received by HHSC.

The report shall include:

- (a) an itemized list of each activity funded with MHBG funds;
- (b) identification of whether the activity was funded by one-time federal COVID-19 related MHBG awards and/or MHBG awards the state received through the regular federal legislative process;
- (c) a detailed description of each activity listed in subsection (a), including expenditures by funding stream; and
- (d) the total amount of federal MHBG funds expended and the actual amount of unexpended and unobligated balances.

HHSC shall submit the report to the Legislative Budget Board, Office of the Governor, Senate Finance Committee, House Appropriations Committee, and permanent committees in the Senate and House of Representatives with jurisdiction over health and human services by June 1 of each fiscal year.

(New Rider)

50. Substance Abuse Prevention and Treatment Block Grant. Out of funds appropriated above, the Health and Human Services Commission (HHSC) shall produce an annual report on the uses of the federal Substance Abuse Prevention and Treatment Block Grant (SABG) funds in the previous fiscal year, including supplemental and one-time awards, received by HHSC.

The report shall include:

- (a) an itemized list of each activity funded with SABG funds;
- (b) identification of whether the activity was funded by one-time federal COVID-19 related SABG awards and/or SABG awards the state received through the regular federal legislative process;

(c) a detailed description of each activity listed in subsection (a), including expenditures by funding stream; and (d) the total amount of federal SABG funds expended and the actual amount of unexpended and unobligated balances.

(d) the total amount of federal SABG funds expended and the actual amount of unexpended and unobligated balances.

HHSC shall submit the report to the Legislative Budget Board, Office of the Governor, Senate Finance Committee, House Appropriations Committee, and permanent committees in the Senate and House of Representatives with jurisdiction over health and human services by June 1 of each fiscal year.

(Carry-Over Rider w/ addition of (d))

51. Outpatient Integrated Care Clinic Project.

(a) Out of amounts appropriated above in Strategy G.2.2, Mental Health Community Hospitals, the Health and Human Services Commission shall expend \$6,000,000 in General Revenue in fiscal year 2024 to partner with an acute care hospital with inpatient psychiatric child and adolescent beds in Jefferson County, Texas, to establish an integrated care clinic utilizing the Collaborative Care Model (CoCM) for behavioral health integration, where staff will serve as single point of contact to coordinate and support client needs with community partners.

(b) Any unexpended balances in appropriations identified in Subsection (a) as of August 31, 2024, are appropriated for the same purpose for the fiscal year beginning September 1, 2024. **(New Rider)**

52. Informational Listing: Additional Mental Health Funding. Appropriations above for the Health and Human Services Commission (HHSC) include the following amounts in General Revenue:

(a) HHSC Frontline Staff.

(1) **Salary Increases.** \$101,729,614 in fiscal year 2024 and \$101,729,070 in fiscal year 2025 in Strategy G.1.1, State Supported Living Centers, and \$67,340,974 in each fiscal year in Strategy G.2.1, Mental Health State Hospitals, to maintain salary increases for frontline staff at HHSC facilities.

(b) Expansion of Community Inpatient Beds.

(1) **State Hospital Contracted Beds.** \$4,197,500 in each fiscal year in Strategy G.2.1, Mental Health State Hospitals, to contract for 20 competency restoration beds; and \$4,068,000 in each fiscal year in Strategy G.2.2, Mental Health Community Hospitals, to expand contracted bed capacity by 16 beds;

(2) **John S. Dunn Behavioral Sciences Center.** \$4,730,400 in each fiscal year in Strategy G.2.1, Mental Health State Hospitals, to increase funding for 144 beds at the John S. Dunn Behavioral Sciences Center; and \$6,132,000 in each fiscal year in Strategy G.2.1, Mental Health State Hospitals, to expand state hospital capacity at the John S. Dunn Behavioral Sciences Center by 24 beds. It is the intent of the Legislature that the additional beds be dedicated to addressing the state hospital forensic waitlist.

(3) **Purchased Psychiatric Beds.** \$99,098,599 in each fiscal year in Strategy G.2.2, Mental Health Community Hospitals, to maintain existing capacity and for 193 additional state-

purchased inpatient psychiatric beds, including 70 beds in rural communities and 123 beds in urban communities. HHSC shall utilize up to \$13,700,000 of this funding during the biennium to provide inpatient psychiatric beds serving the Uvalde community. HHSC shall prioritize an additional 20 contracted beds for children in DFPS conservatorship.

(4) Inpatient Capacity Expansion. \$45,834,616 in each fiscal year in Strategy G.2.2, Mental Health Community Hospitals, to contract for an additional 150 competency restoration beds.

(5) Sunrise Canyon Operational Funding. \$2,900,000 in each fiscal year in Strategy G.2.2, Mental Health Community Hospitals, to increase funding for existing Sunrise Canyon Hospital inpatient beds.

(c) Step-down Housing and State Hospital Transitions.

(1) State Hospital Transition Teams. \$2,500,000 in each fiscal year in Strategy G.2.1, Mental Health State Hospitals, to establish state hospital transition teams to support individuals statewide who are at risk of state hospital readmission by providing coordination and support to address mental health needs in the community.

(2) Step-Down Housing Expansion. \$8,500,000 in each fiscal year in Strategy D.2.1, Community Mental Health Services (MHS) for Adults, to expand step-down housing programs statewide to identify, assess, and transition patients with acute mental health and/or medical needs from hospitals to community settings with appropriate supports.

(d) Crisis Services.

(1) Crisis Stabilization Facilities. \$14,000,000 in each fiscal year in Strategy D.2.3, Community Mental Health Crisis Services (CMHCS), to fund up to five additional crisis stabilization facilities; \$2,500,000 in fiscal year 2024 for the crisis stabilization facility at the local mental health authority that services Montgomery, Walker, and Liberty Counties; \$4,000,000 in each fiscal year for crisis services at the local mental health authority that services Galveston County; and \$4,000,000 in each fiscal year for crisis services at the local mental health authority that services the Heart of Texas region; to provide a short-term alternative to hospital admission to reduce acute symptoms of mental illness. Facilities may include crisis stabilization units, crisis residential facilities, crisis respite facilities, diversion centers, extended observation units, or a mix of these.

(2) Crisis Respite Units for Youth. \$5,750,000 in each fiscal year in Strategy D.2.3, Community Mental Health Crisis Services (CMHCS), to fund four additional crisis respite units that serve youth and to pilot three peer-run units.

(3) Youth Mobile Crisis Outreach Teams. \$7,000,000 in each fiscal year in Strategy D.2.3, Community Mental Health Crisis Services (CMHCS), to establish youth mobile crisis outreach teams to reduce the risk of hospitalization from acute mental health illness and transition youth into care, including three mobile crisis outreach teams for children served by the Department of Family and Protective Services.

(e) Expansion of Programs for High-Risk Children

(1) Multisystemic Therapy. \$15,225,000 in each fiscal year in Strategy D.2.2, Community Mental Health Services (MHS) for Children, to expand multisystemic therapy, which provides community-based treatment for at-risk youth with intensive needs and their families.

(2) Coordinated Specialty Care. \$2,100,000 in each fiscal year in Strategy D.2.1, Community Mental Health Services (MHS) for Adults, to expand coordinated specialty care, which provides outpatient behavioral health services to persons experiencing an early onset of psychosis.

(3) Mental Health Services for the Uvalde Community. \$5,000,000 in each fiscal year in Strategy D.2.1, Community Mental Health Services (MHS) for Adults, to partner with the Hill Country Local Mental Health Authority to provide ongoing mental health services support for the Uvalde community.

(4) Uvalde Behavioral Health Campus. \$5,000,000 in fiscal year 2025 in Strategy G.2.2, Mental Health Community Hospitals, for start-up and operational funding for the new Uvalde Behavioral Health Campus.

(f) Behavioral Health Administration.

(1) Contracted Inpatient Bed Administration. \$585,121 in fiscal year 2024 and \$546,259 in fiscal year 2025 in Strategy D.2.7, Community Behavioral Health Administration, for administration and oversight funds for new contracted inpatient beds.

(2) Community Mental Health Grant Programs Administration. \$1,071,316 in fiscal year 2024 and \$970,050 in fiscal year 2025 in Strategy D.2.7, Community Behavioral Health Administration, for administration and oversight funds for new funding for community mental health grant programs.

(3) Budget Execution Order Sustainability. \$411,332 in fiscal year 2024 and \$368,585 in fiscal year 2025 in Strategy D.2.7, Community Behavioral Health Administration, for administration and oversight funds for new funding for multisystemic therapy, coordinated specialty care, and mental health services in the Uvalde area.

(4) Crisis Services Administration. \$345,191 in fiscal year 2024 and \$321,875 in fiscal year 2025 in Strategy D.2.7, Community Behavioral Health Administration, for administration and oversight funds for new funding for community mental health crisis services.

(5) Innovation Grants Administration. \$88,079 in fiscal year 2024 and \$80,306 in fiscal year 2025 in Strategy D.2.7, Community Behavioral Health Administration, for administration and oversight funds for new funding for innovation grants.

(New Rider)

53. Rates: Reimbursement for Federal Substance Abuse Prevention and Treatment Block Grant Services. It is the intent of the Legislature that the Health and Human Services Commission (HHSC) shall evaluate the rate setting methodology for reimbursement of services reimbursable to grant recipients of the federal Substance Abuse Prevention and Treatment Block Grant (SABG) funds and shall propose reimbursement rates for these services no later than October 1, 2023, in a format that will enable HHSC to receive public comments on the proposed rates. HHSC shall consider the public comments as well as

characteristics of the populations served, commercial and Medicaid reimbursement rates for similar services, and financial sustainability of reimbursement rates prior to adopting final rates. **(New Rider)**

54. Maintenance of Critical Services: Local Authority Workforce Capacity. Out of funds appropriated above, the Health and Human Services Commission shall allocate the following amounts for maintenance of critical infrastructure to local mental health authorities, local behavioral health authorities, and local intellectual and developmental disability authorities proportionally based on fiscal year 2023 funding levels:

- (a) \$7,111,505 in General Revenue in each fiscal year in Strategy D.2.1, Community Mental Health Svc - Adults;
- (b) \$1,810,117 in General Revenue in each fiscal year in Strategy D.2.2, Community Mental Health Svc – Children
- (c) \$1,344,234 in General Revenue in each fiscal year in Strategy D.2.3, Community Mental Health Crisis Svcs;
- (d) \$887,615 in General Revenue in each fiscal year in Strategy F.1.3, Non-Medicaid IDD Community Svcs; and
- (e) \$782,153 in General Revenue in each fiscal year in Strategy I.2.1, Long-term Care Intake & Access.

(New Rider)

55. University of Texas Health Science Center at Tyler Contracted Mental Health Beds. Out of funds appropriated above in Strategy G.2.2, Mental Health Community Hospitals, HHSC shall allocate \$889,800 in General Revenue in fiscal year 2024 and \$887,683 in General Revenue in fiscal year 2025 to increase the bed-day rate for inpatient mental health contracted beds at the University of Texas Health Science Center at Tyler. **(New Rider)**

56. Rural Hospital Telepsychiatry Consultations. Included in amounts appropriated above in Strategy D.2.1, Community Mental Health Svcs - Adults, is \$3,700,000 in General Revenue in each fiscal year of the biennium to fund telepsychiatry consultations for rural hospitals. The Health and Human Services Commission shall contract with a statewide organization to aggregate telepsychiatry consultations among rural hospitals in order to access remote psychology services through collaboration with one or more telepsychiatry networks. The statewide organization must be exempt from federal income taxation and provide services to rural hospitals, including grant and fund development to assist rural hospitals in their search for funding opportunities, education and training to provide important information to rural hospital staff, and performance and quality improvement tools to help rural hospitals deliver quality health care. Any unexpended balances remaining as of August 31, 2024, are appropriated for the same purpose for the fiscal year beginning September 1, 2024.

Rural hospitals are defined as (1) hospitals located in a county with 68,750 or fewer persons according to the 2020 U.S. Census; or (2) a hospital designated by Medicare as a Critical Access Hospital (CAH), a Sole Community Hospital (SCH), or a Rural Referral Center (RRC) that is not located in a Metropolitan Statistical Area (MSA); or (3) a hospital that has 100 or fewer beds, is designated by Medicare as a CAH, a SCH, or a RRC, and is located in an MSA. **(New Rider)**

OTHER CLIENT SERVICES

71. Education Funding. Included in the Method of Financing in Other Funds above is \$16,498,102 in each fiscal year set aside from the Special Education Allotment and transferred to the Health and Human Services Commission (HHSC).

HHSC shall enter into an Interagency Contract (IAC) with the Texas Education Agency for the purpose of providing funds to Early Childhood Intervention contractors for eligibility determination and comprehensive and transition services. The IAC shall include a listing of the specific services that the funding will support and other provisions the agencies deem necessary. HHSC shall provide a signed copy of the IAC to the Legislative Budget Board and the Office of the Governor, no later than October 1, 2024. **(Carry-Over Rider)**

72. Limitation on Federal Funds Appropriations for Early Childhood Intervention Services.

Included in the amounts appropriated above is \$56,328,470 in fiscal year 2024 and \$57,971,615 in fiscal year 2025 in Strategy D.1.3, ECI Services, and \$2,030,966 in fiscal year 2024 and \$2,030,967 in fiscal year 2025 in Strategy D.1.14, Primary Health and Specialty Care Administration, from federal Special Education Grants for Infants and Families (IDEA Part C) funds. Notwithstanding Article IX, Section 13.01, Federal Funds/Block Grants, the Health and Human Services Commission's (HHSC) total expenditures of IDEA Part C federal funds in each fiscal year in Strategy D.1.3, ECI Services, and Strategy D.1.14, Primary Health and Specialty Care Administration, may not exceed the amounts specified in this rider without written approval from the Legislative Budget Board and the Office of the Governor.

To request approval, HHSC shall submit in a timely manner a written request before expending the funds. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information by fiscal year:

- (a) A detailed explanation of the proposed use of the additional funds and whether the expenditures will be one-time or ongoing;
- (b) The available balance after the expenditure of the funds; and
- (c) An estimate of the impact to performance levels and/or targets included in this Act. **(Carry-Over Rider w/ updated amounts.)**

73. Reporting on Early Childhood Intervention. The Health and Human Services Commission (HHSC) shall submit the following to the Legislative Budget Board and the Office of the Governor as it relates to Strategies D.1.3, ECI Services, and D.1.4, ECI Respite, in a format specified by the Legislative Budget Board:

- (a) Annual report due March 1 that details:
 - (1) By provider and month of service:
 - (A) Number of children receiving follow along services and total number of children served in comprehensive services;

(B) Total amount reimbursed; and

(C) Number of hours of service delivered by service type and Medicaid versus Non-Medicaid within each service type.

(2) Total amount collected from private insurance, family cost share, and other local sources;

(3) Percent of program funded by Medicaid;

(4) Average time for complaint resolution; and

(5) Average monthly number of children receiving respite services.

(b) Report that provides, for each contractor: the number of children to be served and total ECI program budget, including Medicaid amounts; the HHSC appropriation allocation; the ECI contract amount; and other contractor revenue including actual Medicaid collection for Medicaid Administrative Claiming, Targeted Case Management, and Specialized Skills Training. The report shall be submitted two separate times, within 30 calendar days of the following milestones being reached:

(1) Finalization (signing) of contracts; and

(2) Finalization of mid-year adjustments to the contract;

(c) In the event that notification is given of intent to terminate a contract, HHSC shall provide a report on the date notice was received, the date of when termination is effective, and any termination plans related to the notice. HHSC shall provide the report as soon as all reporting information is available.

(d) Any other information requested by the Legislative Budget Board or the Office of the Governor.

(Carry-Over Rider)

74. Autism Program Provisions. Out of funds appropriated above in Strategy D.1.6, Autism Program:

a. Expenditures for Applied Behavioral Analysis (ABA) treatment services shall be only for children enrolled in the focused program; and

b. Health and Human Services Commission shall provide support to the Texas Autism Research and Resource Center. **(Carry-Over Rider)**

75. Children with Special Health Care Needs (CSHCN). The Health and Human Services Commission shall submit the following information related to the CSHCN program to the Legislative Budget Board and the Office of the Governor no later than December 1 of each year:

(a) Demographics of clients served and on the program's waitlist, including income level, insured status, and citizenship; and

(b) Caseload and prescription drug data, including related expenditures, for at least the preceding 36 months and forecast projections for the 36-month period beginning with the first month after the report is due. **(Carry-Over Rider)**

83. Unexpended Balances: Intellectual and Developmental Disabilities (IDD) Crisis Funding.

Included in amounts appropriated above in Strategy F.1.3, Non-Medicaid IDD Community Services, is \$14,000,000 in General Revenue in each fiscal year of the biennium for crisis intervention and respite services. Any unexpended and unobligated balances remaining as of August 31, 2024, are appropriated for the same purposes for the fiscal year beginning September 1, 2024. **(Carry-Over Rider)**

84. Crisis Intervention and Respite Services. Out of eligible funds appropriated in Strategy F.1.3, Non-Medicaid IDD Community Services, the Health and Human Services Commission (HHSC) is authorized to identify and use any available state supported living center space for crisis respite services to individuals with an intellectual or developmental disability. These services may be provided by HHSC, the local intellectual and developmental disability authority, or other entity that operates a crisis respite program under contract with HHSC. **(Carry-Over Rider)**

85. Multi-Assistance Center Demonstration Project.

(a) Included in amounts appropriated above to the Health and Human Services Commission is \$7,500,000 in General Revenue in each fiscal year in Strategy D.1.10, Additional Specialty Care, to support a demonstration project providing comprehensive medical, therapeutic, and non-medical services to adults and children with special needs. The funds shall assist a demonstration project utilizing a one-stop shop model, providing on-site services to adults and children with special needs in Bexar County and the South Texas region. The model shall employ staff to serve as single point of contact to coordinate and support client needs with community partners.

(b) Notwithstanding the limitations in Rider 129, Limitations on Transfer Authority, HHSC may transfer funds among strategies in its bill pattern to efficiently implement these provisions upon prior notification to the Legislative Budget Board. HHSC shall identify and pursue opportunities to use any available Federal or other non-General Revenue source of funds to implement this project. **(Carry-Over Rider w/ adjusted amount)**

88. Rural Hospital Grant Program.

(a) **Informational Listing.** Included in amounts appropriated above to the Health and Human Services Commission (HHSC) is \$25,000,000 in General Revenue in each fiscal year in Strategy F.3.3, Additional Advocacy Programs, to provide grants for financial stabilization of rural hospitals, for maternal care operations in rural hospitals, and for alternative payment model readiness for rural hospitals; and \$500,000 in General Revenue in each fiscal year in Strategy L.1.1, HHS System Supports, to administer the program.

(b) **Unexpended Balance Authority within the Biennium.** Any unexpended balances remaining at the end of August 31, 2024, are appropriated for the same purposes for the fiscal year beginning September 1, 2024.

(c) **Reporting Requirement.** By November 1, 2024, HHSC shall submit a report detailing the expenditure of funds appropriated in Strategy F.3.3, Additional Advocacy Programs. The report shall include the following: the number of grants awarded, amount awarded per entity, effectiveness of the grants, the number of hospitals served by each grant program, and any other information requested by the Legislative Budget Board. The report shall be submitted to the Legislative Budget Board, the Governor's Office, the Senate Finance Committee, and the House Appropriations Committee.

(d) Notwithstanding the limitations in Article IX, Sec. 6.10, Limitations on State Employment Levels, HHSC may increase the “Number of Full-Time-Equivalents (FTE)” appropriated above by 6.0 FTEs in each fiscal year to address staffing needs related to providing grants under this provision. **(New Rider)**

90. Enhanced Capacity for Family Violence Services. Out of funds appropriated above in Strategy F.3.1, Family Violence Services, the Health and Human Services Commission is allocated \$4,650,000 in General Revenue each fiscal year to distribute to existing family violence centers and special nonresidential projects in a manner consistent with Chapter 51 of the Human Resources Code. Funding shall be used to provide enhanced capacity for shelter services as well as legal, mental health, housing, and economic stability services for victims of family violence and to offer community education and prevention programming. **(Carry-Over Rider)**

FACILITIES

91. Behavioral Support Specialists at State Supported Living Centers. Out of funds appropriated above in Strategy G.1.1, State Supported Living Centers, San Angelo State Supported Living Center and Mexia State Supported Living Center shall provide behavioral support specialists to assist the alleged offender residents with any specialized educational needs. **(Carry-Over Rider)**

92. State Supported Living Center Oversight.

(a) **Department of Justice Settlement Agreement.** The Health and Human Services Commission (HHSC) shall provide notification when a state supported living center reaches substantial compliance with a section of the Department of Justice Settlement Agreement and is no longer subject to monitoring in that area. Notification shall be provided on a quarterly basis to the Legislative Budget Board, the Office of the Governor, and the permanent standing committees in the House of Representatives and the Senate with jurisdiction over health and human services.

(b) Cost Reporting.

(1) Not later than April 1 and October 1 of each fiscal year, HHSC shall provide a report detailing all monthly expenditures in Strategy G.1.1, State Supported Living Centers, including actual monthly expenditure data by state supported living center and support service costs. The report shall be submitted to the Legislative Budget Board in a format approved by the Legislative Budget Board.

(2) Not later than April 1 and October 1 of each fiscal year, HHSC shall provide data on cost reductions that have occurred as a result of reductions in the State Supported Living Center system census in areas including, but not limited to, staffing and employee benefits, acute care/prescription drugs, resident support (dietary, laundry, transportation, and maintenance services), and data on the impact of the declining census on collection of Quality Assurance Fee revenue.

(c) **State Supported Living Center Expenditures.** Notwithstanding any other provisions in this Act, HHSC may expend additional funds above appropriations in Strategy G.1.1, State Supported Living Centers, only upon prior written approval from the Legislative Budget Board and the Office of the Governor. Additional funds include funds related to collection of ID Medicare Receipts, ID Appropriated Receipts, ID Collections for Patient Support and Maintenance, and fees collected pursuant to the

provision of SSLC services to community members, and (2) funds necessary to avoid loss of federal funding or to preserve the health, safety, and quality of life of residents

To request authorization to expend additional funds, the agency shall submit a written request to the Legislative Budget Board and the Office of the Governor that includes the following information:

- (1) a detailed explanation of the reason for the need to spend additional funds; and
- (2) an estimate of the available funding to transfer to Strategy G.1.1, State Supported Living Centers, and the strategy(ies) in which the funds will be made available for transfer.

This request shall be considered to be approved unless the Legislative Budget Board or the Office of the Governor issue a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to spend additional funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any request for additional information from the Legislative Budget Board shall interrupt the counting of the 15 business days. **(Carry-Over Rider)**

93. Maximum Security Salaries. As a specific exception to the General Provisions of this Act governing salary rates of classified positions, funds are included above for the Health and Human Services Commission to pay employees working in designated Maximum Security Units or designated specialized Behavioral Management Units of state hospitals and state supported living centers up to a 6.8 percent increase over those salary rates provided by Article IX, Section 3.01, Salary Rates. **(Carry-Over Rider)**

94. Fire Prevention and Safety. In instances in which regular employees of state hospitals and state supported living centers located in remote areas are assigned extra duties in fire prevention programs, the following payments are authorized in addition to the salary rates stipulated by Article IX, Section 3.01, Salary Rates, relating to the position classifications and assigned salary ranges:

Fire Chief	\$ 75 per month
Assistant Fire Chief	\$ 65 per month
Fire Brigade Member	\$ 50 per month

(Carry-Over Rider)

95. State Hospital and State Supported Living Center Workforce. Out of funds appropriated above in Strategy G.1.1, State Supported Living Centers, and Strategy G.2.1, Mental Health State Hospitals, the Health and Human Services Commission (HHSC) shall evaluate compensation levels, turnover and vacancy rates and patterns, use of contractors and position type, and recruiting efforts at the state hospitals and state supported living centers. HHSC shall develop recommendations to reduce turnover and vacancy rates. No later than August 31, 2024, HHSC shall submit to the Legislative Budget Board and the Office of the Governor a report on the recommendations and initiatives taken to address these workforce issues. **(Carry-Over Rider)**

96. Expenditure Reporting at the State Hospitals. No later than April 1 and October 1 of each fiscal year, the Health and Human Services Commission shall provide a report detailing all monthly expenditures in Strategy G.2.1, Mental Health State Hospitals, including actual monthly expenditure data by state hospital and other oversight costs. The report shall be submitted to the Legislative Budget Board in a format approved by the Legislative Budget Board. **(Carry-Over Rider)**

97. Language Interpreter Services. In order to compensate employees at the state hospitals and state supported living centers for assuming the duty of providing interpreter services to consumers whose primary language is not English, the Health and Human Services Commission, upon written authorization of the appropriate agency commissioner or his/her designee, may, from funds appropriated above, increase the salary of classified employees by an amount equal to a one step increase, or 3.25 percent, so long as the resulting salary rate does not exceed the rate designated as the maximum rate for the applicable salary group. This increase shall be granted only for the regular provision of interpreter services above and beyond the regular duties of the position, and shall be removed when these services are, for whatever reason, no longer provided by the employee or when they are no longer needed by the state hospital or state supported living center. Salary increases provided for this purpose are not merit increases and shall not affect an employee's eligibility to receive a merit increase. This authorization also includes employees who provide interpreter services in American Sign Language. **(Carry-Over Rider)**

98. Surplus Property. Notwithstanding Article IX, §8.03, Surplus Property, of this Act, in order to conserve funds appropriated, surplus personal property may be transferred from one state hospital or state supported living center to another with or without reimbursement. The Health and Human Services Commission may transfer surplus personal property from a state hospital or state supported living center to a community center, as defined in the Texas Health and Safety Code §534.001(a) and (b), with or without reimbursement. Surplus personal property belonging to any state hospital or state supported living center may be sold; provided, however, that such transfers or sales shall be made under the same procedure as provided by Government Code, Chapter 2175. **(Carry-Over Rider)**

99. Patient or Client Assistance. Subject to the approval of rules and regulations of the Health and Human Services Commission, patients or clients in any state hospital or state supported living center who are assisting in the operation of the state hospital or state supported living center as part of their therapy, may receive compensation out of any funds available to the respective facilities. **(Carry-Over Rider)**

103. On-Call Pay. It is expressly provided that the Health and Human Services Commission, to the extent permitted by law, may pay compensation for on-call time for employees at mental health state hospitals and state supported living centers at the following rates: credit for one hour of base pay worked for each day of on-call during the normal work week, and two hours of base pay worked for each day of on-call during a weekend and on holidays. This credit shall be in addition to actual hours worked during normal duty hours and actual hours worked during on-call status. For employees subject to the Fair Labor Standards Act (FLSA), an hour of on-call service shall be considered to be an hour worked during the week for purposes of the FLSA only to the extent required by federal law. **(New Rider)**

104. State Hospital Salary Funding. Included in amounts appropriated above in Strategy G.2.1, Mental Health State Hospitals, is \$17,530,335 in General Revenue in each fiscal year to maintain funding for salary increases to address staffing challenges. If by December 1, 2023, the Health and Human Services Commission (HHSC) is unable to hire enough staff to allow offline state hospital beds to be utilized, **105. Cost Containment for State Hospital Construction.** It is the intent of Legislature that all costs above appropriations for completing construction of the new 200-bed adult unit, of which at least 75 beds shall be forensic, at the state hospital in Dallas be paid from appropriations or other available funding at the University of Texas Southwestern Medical Center or the University of Texas. HHSC may instead allocate the funding to contract for additional competency restoration beds. **(New Rider)**

105. Cost Containment for State Hospital Construction. It is the intent of Legislature that all costs above appropriations for completing construction of the new 200-bed adult unit, of which at least 75 beds shall be forensic, at the state hospital in Dallas be paid from appropriations or other available funding at the University of Texas Southwestern Medical Center or the University of Texas. **(New Rider)**

107. State Hospital Cost Study. The University of Texas Health Science Center at Houston shall submit annual operating cost data to the Health and Human Service Commission (HHSC) for all state-contracted inpatient mental health hospital beds funded through Goal D, Additional Health-Related Services, and Goal G, Facilities. HHSC shall analyze the data and issue a report to the Legislature by September 1, 2024. **(New Rider)**

108. One-time Funding for Facility Inflationary Costs. Included in funds appropriated above are the following one-time amounts to address increasing costs for state supported living centers and mental health state hospitals:

(a) \$4,518,050 in General Revenue in each fiscal year in Strategy G.1.1, State Supported Living Centers;

(b) \$2,764,946 in General Revenue in each fiscal year in Strategy G.2.1, Mental Health State Hospitals; and

(c) \$202,177 in General Revenue in each fiscal year in Strategy G.2.2, Mental Health Community Hospitals. **(New Rider)**

109.State Hospital Forensic Waitlist. It is the intent of Legislature that the Health and Human Services Commission (HHSC) prioritize admissions to mental health state hospitals for forensic patients to address the state hospital forensic waitlist.

Out of funds appropriated above, HHSC shall prepare a report on the census at each mental health state hospital with a breakdown of civil, forensic, and maximum-security patients. HHSC shall submit the report to the Legislative Budget Board, Office of the Governor, Senate Finance Committee, House Appropriations Committee, and permanent committees in the Senate and House of Representatives with jurisdiction over health and human services by October 1 of each fiscal year for the previous fiscal year.

(New Rider)

OFFICE OF INSPECTOR GENERAL

110. Office of Inspector General Report. Out of funds appropriated above in Strategy K.1.1, Office of Inspector General, the Office of Inspector General shall submit, on a quarterly basis, the following information related to the expansion of managed care to the Legislative Budget Board and the Governor:

(a) The challenges the Office of Inspector General is encountering in preventing, detecting, and investigating fraud, waste, and abuse throughout the entire health and human services system, including verification of services, compliance of Managed Care Organizations with program integrity requirements, quality and accuracy of encounter data, collaborative efforts with Special Investigation Units, audits of Managed Care Organizations, and any deficiencies in the agency's statutory authority.

(b) Strategies the Office of Inspector General is implementing to address the challenges encountered in combating fraud, waste, and abuse throughout the entire health and human services system.

(c) Average number of clients in the lock-in program in each quarter of the fiscal year and the fiscal year total in the fourth quarterly report of the fiscal year;

(d) Total dollars identified (millions) of potential overpayments identified for recovery resulting from activities of the Office of the Inspector General;

(e) Total number of skills trainings presented by Office of the Inspector General staff or external entities to internal staff, and trainings presented by Office of the Inspector General staff to external stakeholders; and

(f) The number of referrals to the Office of the Attorney General's Medicaid Fraud Control Unit including the fiscal year total in the fourth quarterly report of the fiscal year.

The Office of Inspector General may submit the above information in an individual report prepared in a format specified by the Legislative Budget Board or include the information in the quarterly report required pursuant to Government Code, §531.102. **(Carry-Over Rider w/ (c)(d)(e)(f) added)**

111. Lock-In for Controlled Substances. Out of funds appropriated above and consistent with Texas Administrative Code, Title 1, Part 15, Chapter 354, Subchapter K, the Office of Inspector General shall collaborate with managed care organizations to maintain a lock-in program related to controlled substances to maximize savings and prevent substance abuse. **(Carry-Over Rider)**

TRANSFERS

132. Additional Funding Sources, Medicaid. Notwithstanding any other provisions of this Act, if the appropriations provided for a Medicaid program are not sufficient to provide for expenditures mandated by either state or federal law, after accounting for any appropriations made to the agency operating the Medicaid program, and available for transfer to the Medicaid program, the Legislative Budget Board and the Office of the Governor may provide for and are authorized to direct the transfer of sufficient amounts of funds to the Health and Human Services Commission from appropriations made elsewhere in this Act.

(Carry-Over Rider)

134. Unexpended Construction Balances.

(a) Included in the amounts appropriated above to the Health and Human Services Commission (HHSC) are unexpended and unobligated balances for construction, repairs and renovations, and deferred maintenance at the state hospitals and State Supported Living Centers remaining as of August 31, 2023, (estimated to be \$0) for the 2024-25 biennium in Strategy G.4.2, Facility Capital Repairs and Renovation.

Any unexpended balances described herein and remaining as of August 31, 2024, are appropriated to HHSC for the fiscal year beginning September 1, 2024, for the same purpose.

(b) HHSC shall submit a report by March 1 and September 1 of each fiscal year to the Legislative Budget Board and the Office of the Governor. The report shall include actual expenditures of construction appropriations in the previous fiscal biennium and planned expenditures in the current fiscal biennium. The report shall provide the information by project and facility. **(Carry-Over Rider, Updated)**

137. Unexpended Balances: Social Services Block Grant Funds. As the single state agency for the Social Services Block Grant, the Health and Human Services Commission shall coordinate with other agencies appropriated Social Services Block Grant funds and shall report to the Legislative Budget Board

and the Office of the Governor by October 15 of each fiscal year the actual amount of federal Social Services Block Grant funds expended and the actual amount of unexpended and unobligated balances.

Additional information requested by the Legislative Budget Board or the Office of the Governor should be provided in a timely manner. The notification and information provided shall be prepared in a format specified by the Legislative Budget Board. **(Carry-Over Rider)**

136. Disposition of Appropriation Transfers from State-owned Hospitals.

(a) The Health and Human Services Commission (HHSC) shall use the sums transferred from state owned hospitals as provided elsewhere in the Act as necessary to apply for appropriate matching Federal Funds and to provide the state's share of disproportionate share payments and uncompensated care payments authorized under the federal Healthcare Transformation and Quality Improvement Waiver, excluding payments for physicians, pharmacies, and clinics, due to state-owned hospitals. Any amounts of such transferred funds not required for these payments shall be deposited by HHSC to the General Revenue Fund as unappropriated revenue.

(b) If a state owned hospital is eligible and chooses to participate in a hospital directed payment program authorized under the federal Healthcare Transformation and Quality Improvement Waiver, and the amount of funds deposited by HHSC under paragraph (a) of this provision is not equivalent to the amount deposited in state fiscal year 2023 based on the non-enhanced Federal Medical Assistance Percentages, HHSC shall calculate the difference and provide notice to the state-owned hospital, the Legislative Budget Board, the Comptroller of Public Accounts, and the Office of the Governor.

(c) Payments for physicians, pharmacies, and clinics are governed by Special Provisions Relating Only to Agencies of Higher Education, Section 50, Transfer of Appropriations for Participation in the Healthcare Transformation and Quality Improvement Waiver.

(d) By October 1 of each fiscal year, HHSC shall present a schedule of projected transfers and payments to the Comptroller of Public Accounts, the Office of the Governor, and the Legislative Budget Board.

(e) The Comptroller of Public Accounts shall process all payments and transfers, unless disapproved or modified by the Legislative Budget Board or the Office of the Governor. **(Carry-Over Rider)**

138. Appropriation of Unexpended Balances: Funds Recouped from Local Authorities.

Notwithstanding other provisions of this Act, any state funds appropriated for fiscal year 2024 recouped by the Health and Human Services Commission from a local mental health authority, local behavioral health authority, or local intellectual and developmental disability authority for failing to fulfill its performance contract with the State, are appropriated for the same strategy, to reallocate to other local authorities in fiscal year 2025.

HHSC shall provide a report to the Legislative Budget Board and the Office of the Governor by December 15, 2024, that includes the amount of the recoupment by strategy, the reasons for the recoupment, the local authorities involved, any performance contract requirements that were not met, and the purposes of the reallocation. **(Carry-Over Rider)**

139. Transfer Authority: Home and Community-Based Services-Adult Mental Health.

(a) Notwithstanding Rider 129, Limitations on Transfer Authority, Article II, Special Provisions Section 6, Limitations on Transfer Authority, and Article IX, Section 14.01, Appropriations Transfers, the Health

and Human Services Commission (HHSC) may transfer funds from Strategies in Goal A, Medicaid Client Services, to Strategy D.2.5, Behavioral Health Waiver and Plan Amendment, if HHSC determines that there is a demand based on program utilization.

(b) Transfers under the authority in Subsection (a) of this rider may be made only for the Home and Community-based Services-Adult Mental Health program.

(c) Authority granted by this rider to transfer funds is contingent upon a written notification from HHSC to the Legislative Budget Board and the Office of the Governor within 30 days of making a transfer.

(New Rider)

ADMINISTRATION

147. Efficiencies at Local Mental Health Authorities and Intellectual Disability Authorities. The Health and Human Services Commission (HHSC) shall ensure that the local mental health authorities and local intellectual disability authorities that receive allocations from the funds appropriated above to HHSC shall maximize the dollars available to provide services by minimizing overhead and administrative costs and achieving purchasing efficiencies. The Legislature also intends that each state agency which enters into a contract with or makes a grant to local authorities does so in a manner that promotes the maximization of third party billing opportunities, including to Medicare and Medicaid.

Funds appropriated above to HHSC in Strategies I.2.1, Long-Term Care Intake and Access, and F.1.3, Non-Medicaid IDD Community Services, may not be used to supplement the rate-based payments incurred by local intellectual disability authorities to provide waiver or ICF/IID services. **Carry-Over Rider)**

SPECIAL PROVISIONS RELATING TO ALL HEALTH AND HUMAN SERVICES AGENCIES

Sec. 4. Federal Match Assumptions and Limitations on Use of Available General Revenue Funds.

(a) **Federal Match Assumptions.** The following percentages reflect federal match assumptions used in Article II of this Act.

Federal Medical Assistance Percentage (FMAP)	<u>2024</u>	<u>2025</u>
Federal Fiscal Year	60.53%	60.50%
State Fiscal Year	60.71%	60.47%
 Enhanced Federal Medical Assistance Percentage (EFMAP)		
	<u>2024</u>	<u>2025</u>
Federal Fiscal Year	72.37%	72.35%
State Fiscal Year	72.50%	72.33%

(b) **Enhanced Match Assumptions and Reporting.** Health and human services agencies listed in Article II of this Act shall submit to the Legislative Budget Board and the Governor the monthly number of clients receiving services eligible for any enhanced federal match as well as the amount of eligible

expenditures subject to an enhanced match, by strategy. The data shall be submitted on a monthly basis in a format specified by the Legislative Budget Board. For purposes of this section, enhanced federal matches are defined as an increase to the usual matching rate (regardless of what the usual match is) that are, or become, available under Medicaid or another federally-matched program. Enhanced federal matches include, but are not limited to, those made available through the Money Follows the Person demonstration and the Community First Choice Program. Whether or not a match meets the definition of enhanced federal match for purposes of this section will be at the discretion of the Legislative Budget Board.

Any other Article II agency is still subject to the requirements of subsections (b) and (c) of this provision if any agency expenditures receive an enhanced federal match.

c. Limitations on Use of Available General Revenue Funds. Notwithstanding the limitations of Article IX, Section 13.02(a), in the event the actual FMAP and EFMAP should be greater than shown in subsection (a), or the amount of increased Federal Funds and reduced General Revenue Funds due to enhanced matches should be greater than shown in Subsection (b), or if any other matching rate becomes more favorable than the rate assumed in the General Appropriations Act, the health and human services agencies in Article II of this Act are authorized to expend the General Revenue Funds thereby made available only with the prior written approval of the Legislative Budget Board and Governor.

To request approval to expend available General Revenue Funds, an agency shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information, by fiscal year:

- (1) a detailed explanation of the proposed use(s) of the available General Revenue Funds and whether the expenditure(s) will be one-time or ongoing;
- (2) the amount available by strategy;
- (3) the strategy(ies) in which the funds will be expended and the associated amounts, including any matching Federal Funds;
- (4) an estimate of performance levels and, where relevant, a comparison to targets included in this Act; and
- (5) the capital budget and/or full-time equivalent impact.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issue a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any requests for additional information made by the Legislative Budget Board shall interrupt the counting of the 30 business days.

The Comptroller of Public Accounts shall not allow the expenditure of General Revenue Funds made available if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied. **(Carry-Over Rider)**

Sec. 10. Professional Trainees and Interns. Notwithstanding Article IX, Part 2, Section 2.01, Position Classification Plan, the Department of State Health Services and the Health and Human Services Commission may compensate professional trainees or interns in recognized educational programs related to the provision of mental health or intellectual disability services, radiation control, or any critical health care profession as determined by the Health and Human Services Executive Commissioner at any salary rate not to exceed the following amounts:

Psychiatrist Interns	\$3,548 per month
Physician Interns	\$3,042 per month
Psychologist Trainees	\$2,859 per month
Registered Nurse Trainees	\$2,387 per month
Chaplain Interns	\$2,247 per month
Physical, Occupational, or Registered Therapist Trainees	\$2,117 per month
Social Worker Trainees	\$1,998 per month
Medical Technologist Trainees	\$1,998 per month
Licensed Vocational Nurse Trainees	\$1,785 per month
Health Physicist Interns	\$2,247 per month
Health Physicist Trainees	\$1,686 per month

(Carry-Over Rider)

Sec. 12. Rate Limitations and Reporting Requirements. Notwithstanding other provisions of this Act, the use of appropriated funds for a rate paid by the Health and Human Services Commission (HHSC) or the Department of State Health Services (DSHS) shall be governed by the specific limitations included in this provision.

For purposes of this provision, "rate" is defined to include all provider reimbursements (regardless of methodology), including for medications, that account for significant expenditures. "Fiscal impact" is defined as an increase in expenditures due to either a rate change or establishment of a new rate, including the impact on all affected programs. Additionally, estimates of fiscal impacts should be based on the most current caseload forecast submitted by HHSC pursuant to other provisions in this Act and should specify method-of-financing. Fiscal estimates that impact multiple risk groups may be reported at an aggregate level and acute care services may be reported by rate category.

(a) Notification of Change to Managed Care Rates.

(1) Within seven calendar days of the establishment of preliminary premium rates for managed care organizations (MCOs) contracting with HHSC, the Executive Commissioner of HHSC shall submit the following information in writing to the Legislative Budget Board, the Governor, and the State Auditor:

- (i) a schedule showing the previous fiscal year's rate and the proposed rate, which should include information on the rate basis for the MCO reimbursements to providers;
- (ii) a schedule and description of the rate-setting process for all rates listed for subsection (1), which should include:

(a) a thorough explanation of all formulas and rounding methodologies used in the rate setting process;

(b) identification of any claims excluded from the data in calculating rates;

(c) reasoning and basis for all trends used in the rate-setting process, including an analysis of any regional or plan-specific trends that cause the overall statewide trend to increase by more than one percent and a justification for assuming those trends will continue;

(d) all analyses conducted by the Data Analysis Unit (established pursuant to Government Code §531.0082) that are pertinent to the rate-setting process; and

(e) all documentation submitted to the Centers for Medicare and Medicaid Services (CMS) pursuant to 42 C.F.R. §438.7.

(iii) an estimate of the fiscal impact, by agency, method-of-financing, and fiscal year, for each rate change listed for subsection (1).

(2) The Executive Commissioner of HHSC shall submit all available information identified in subsection (1) if the preliminary rates are changed and shall also submit the reason for these changes. The Executive Commissioner of HHSC shall submit the final proposed rates along with the information listed in subsection (1) no later than 45 calendar days prior to implementation.

(3) Within seven days of the submission requirements listed above in subsections (i) through (iii), the Executive Commissioner of HHSC shall submit a schedule identifying an estimate of the amount by which expenditures at such rate levels would exceed appropriated funding, by method-of-financing.

(b) **Orphan Drug Notification.** HHSC shall provide notification of a new or increased rate for an orphan drug within 60 calendar days following the addition of the drug as a payable benefit if managed care capitation rates are to be adjusted or the annual fiscal impact to fee- for-service expenditures is expected to exceed \$500,000 in General Revenue Funds. HHSC may allocate expenses between fee-for-service and managed care using a methodology that reflects the anticipated distribution of the client population eligible for the drug. An orphan drug must meet criteria specified in the federal Orphan Drug Act and regulations at 21 C.F.R. §316 and be required to be covered by the Medicaid program under federal law. With the notification, HHSC shall provide the fiscal impact by fiscal year and method-of-financing, the amount of drug rebates projected, and an estimate of the population to be served.

(c) **Semi-Annual Notification.** With the exception of statutorily required pricing updates on oral medications, HHSC shall provide notice on October 1 and April 1 of changed rates for:

(1) new procedure codes required to conform to Federal Healthcare Common Procedure Coding System (HCPCS) updates;

(2) revised rates occurring as a result of a regularly scheduled rate review;

(3) any rate change or new rate for which managed care capitation rates will not be adjusted and estimated to have an annual fiscal impact of less than \$500,000 in General Revenue Funds; and

(4) any orphan drug not subject to the requirements of subsection (b).

(d) **Limitation on Rates that Exceed Appropriated Funding.** With the exception of those rates specified in subsections (b) or (c), HHSC and DSHS may not pay a rate that would result in expenditures that exceed, in any fiscal year, the amounts appropriated by this Act to a strategy for the services to which the rate applies without the prior written approval of the Legislative Budget Board and the Governor.

To request authorization for such a rate, the Executive Commissioner of HHSC shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

- (1) a list of each new rate and/or the existing rate and the proposed changed rate;
- (2) an estimate of the fiscal impacts of the new rate and/or rate change by agency, method-of-financing, and fiscal year; and
- (3) the amount by which each rate would exceed appropriated funding for each fiscal year by method-of-financing.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the request for authorization for the rate and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Any requests for additional information made by the Legislative Budget Board shall interrupt the counting of the 15 business days.

(e) Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. Notifications, requests, and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

(f) The Office of the State Auditor may review the fiscal impact information provided under sections (a) through (d) along with supporting documentation, supporting records, and justification for the rate increase provided by HHSC and report back to the Legislative Budget Board and the Governor before the rate is implemented.

(g) The Comptroller of Public Accounts shall not allow the expenditure of funds for a new or increased rate if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

(Carry-Over Rider)

Sec. 13. Locality Pay. Out of funds appropriated above, the health and human services agencies listed in Article II of this Act are authorized to pay a salary supplement, not to exceed \$1,200 per month, to agency-determined employees whose duty station is located in an area of the state in which the high cost of living is causing excessive employee turnover, as determined by the agency. This salary supplement shall be in addition to the maximum salary rate authorized for that position elsewhere in this Act. In the event that an employee so assigned works on a less than full-time basis, the maximum salary supplement shall be set on a basis proportionate to the number of hours paid. **(Carry-Over Rider)**

Sec. 16. Prohibition on Use of Appropriations for the Private Operation of a State Hospital. No funds appropriated by this Act shall be used to solicit bids for the private operation of a state hospital or for the private operation of a state hospital, without approval from the Legislative Budget Board. **Carry-Over Rider**

Sec. 18. New or Additional Facilities. No funds appropriated by this Act may be spent for constructing new or additional facilities or for the purchase of sites without specific authorization of the Legislature. All facilities shall be kept where they are located by the Legislature, and all new buildings to be constructed shall be on these sites unless otherwise specifically authorized by the Legislature. For the purpose of this section, specific authorization may be granted either by basic statute or special authorization in this Act. **(Carry-Over Rider)**

Sec. 23. Reporting of Child Abuse. All health and human services agencies listed in Article II of this Act may distribute or provide appropriated funds only to recipients who show good faith efforts to comply with all child abuse reporting guidelines and requirements set forth in Chapter 261 of the Texas Family Code. **(Carry-Over Rider)**

Sec. 26. Title IV-E Funding. Sec. 26. Pursuant to the adoption of federal rules that revise the definition of “foster family home” and allow states to claim title IV-E federal financial participation (FFP) for the cost of foster care maintenance payments (FCMP), the Health and Human Services Commission shall collaborate with the Department of Family and Protective Services to develop and adopt different licensing rules or approval standards for relative or kinship foster family homes with the intent to facilitate more relative or kinship homes in qualifying for full foster care payments. It is the intent of the Legislature that the Title IV-E agency use state funds in an effort to leverage the maximum amount of federal matching funds to allow, to the greatest extent possible, verified foster family homes to claim full FCMP payment on behalf of eligible children. **(New Rider)**

GENERAL PROVISIONS

ARTICLE IX

Part 1. LEGISLATIVE INTENT

Sec.1.01. Limitations. The provisions of this article and all other articles of this Act are limitations on the appropriations made by this Act. It is the purpose of the Legislature in enacting this bill only to appropriate monies and to restrict and limit by its provisions the amount and conditions under which the appropriations can be expended.

Part 4. GRANT-MAKING PROVISIONS

Sec. 4.02. Grants.

(a) Monies appropriated by this Act for grants of money to be made by state agencies, including the agencies in the legislative branch, are appropriated for the statutory purposes as the grantor agency may specify. A state agency shall distribute grants on a reimbursement or as needed basis unless otherwise provided by statute or otherwise determined by the grantor agency to be necessary for the purposes of the grant.

(b) Monies appropriated by this Act for grants to be made by a state agency for a particular fiscal year may be distributed in subsequent fiscal years so long as the grant has been awarded and treated as a binding encumbrance by the grantor agency prior to the end of the appropriation year of the monies appropriated for grant purposes. Distribution of the grant monies is subject to Government Code, Section 403.071. **(Carry-Over Provision)**

Sec. 4.04. Limitation on Grants to Units of Local Government.

(a) The monies appropriated by this Act may not be expended in the form of a grant to, or a contract with, a unit of local government unless the terms of the grant or contract require that the monies received under the grant or contract will be expended subject to limitations and reporting requirements similar to those provided by:

- (1) Parts 2, 3, and 5 of this article (except there is no requirement for increased salaries for local government employees);
- (2) Government Code, Sections 556.004, 556.005, and 556.006; and
- (3) Government Code, Sections 2113.012 and 2113.101.

(b) In this section, "unit of local government" means:

- (1) a council of governments, a regional planning commission, or a similar regional planning agency created under Local Government Code, Chapter 391;
- (2) a local workforce development board; or
- (3) a community center as defined by Health and Safety Code, Section 534.001(b).

(Carry-Over Provision)

Part 10.

HEALTH-RELATED PROVISIONS

Sec. 10.04. Statewide Behavioral Health Strategic Plan and Coordinated Expenditures.

(a) **Informational Listing – Behavioral Health and Substance Abuse Services Appropriations.** (See HB1 for listed appropriations across all budget articles and agencies.

(b) **Statewide Behavioral Health Coordinating Council.** Each agency identified in Subsection (a), with the exception of the Texas Higher Education Coordinating Board and Article VIII agencies, shall designate an individual to serve as a member of the Statewide Behavioral Health Coordinating Council (the coordinating council), established by 2016-17 General Appropriations Act (GAA), Article IX, Section 10.04(b), Eighty-fourth Legislature, 2015, and may use monies appropriated by this Act to support the coordinating council. In addition to the agencies identified in Subsection (a), the Texas Department of Housing and Community Affairs, the Texas Workforce Commission, and the Texas Education Agency shall each designate an individual to serve as a representative on the coordinating council. The Texas Mental Health Care Consortium shall designate an individual to serve as a representative on the coordinating council. Any other state agency or institution that receives funding in this Act and provides specific behavioral health services may participate in the meetings and discussions of the coordinating council. The Mental Health Statewide Coordinator at the Health and Human Services Commission (HHSC) shall serve as chair of the coordinating council. The coordinating council shall meet at least once quarterly during fiscal years 2024 and 2025, or more frequently if determined necessary by the Mental Health Statewide Coordinator at HHSC.

HHSC shall require certain community collaboratives that receive state grant funding to present twice annually on the impact each collaborative has had on project implementation and mental health outcomes on the population served by the grant funding. These community collaboratives shall include community collaboratives as defined by Government Code, Chapter 539; community recipients of a grant for veterans' mental health pursuant to Government Code, Section 531.0992; recipients of a grant through the Mental Health Grant Program for Justice-Involved Individuals; and recipients of a grant through the Community Mental Health Grant Program. It is the intent of the Legislature that these presentations serve as an opportunity to increase collaboration for the effective expenditure of behavioral health monies between state and local entities. No provision of this Act may be construed as granting the coordinating council authority over local projects implemented by the collaboratives listed above.

(c) **Statewide Behavioral Health Strategic Plan.** The purpose of the coordinating council shall be to implement the five-year Texas Statewide Behavioral Health Strategic Plan most recently published on November 3, 2022, and originally published May 1, 2016, (the strategic plan) per 2016-17 GAA, Article IX, Section 10.04(b), Eighty-fourth Legislature, 2015. The coordinating council shall submit an annual report to the Governor and the Legislative Budget Board including the progress of the strategic plan's implementation no later than December 1 of each year of the biennium. The report shall include the coordinating council's agency participation and how the strategic plan's implementation serves to coordinate programs and services to eliminate redundancy; utilize best practices in contracting standards; perpetuate identified successful models for mental health and substance abuse treatment; ensure optimal service delivery; and identify and collect comparable data on results and effectiveness. The coordinating council shall annually update the inventory of behavioral health programs and services. The inventory shall describe how the identified programs, services, initiatives, and expenditures further the goals of the strategic plan. HHSC shall make available the five-year strategic plan update and the inventory of programs on HHSC's website no later than December 1 of each year.

The coordinating council shall also collaborate with the Board of Pharmacy and the Medical Board to create a sub-plan related to substance abuse. The sub-plan shall include challenges of existing prevention, intervention, and treatment programs; evaluation of substance use disorder prevalence; service ability; gaps in current services; and strategies for working with state agencies to expand treatment capacity.

(d) Coordination of Behavioral Health Expenditures. The coordinating council shall submit to the Executive Commissioner of HHSC for approval a coordinated statewide expenditure proposal for each agency, which shall include the appropriation amounts identified in Subsection (a). The expenditure proposal shall describe how the identified appropriations at each agency or institution would be spent in accordance with and to further the goals of the approved strategic plan. HHSC shall submit the coordinated statewide behavioral health expenditure proposal to the Legislative Budget Board by September 1, 2023, for fiscal year 2024, and by July 1, 2024, for fiscal year 2025. The strategic plan shall be considered to be approved unless the Legislative Budget Board issues a written disapproval by November 1, 2023, for fiscal year 2024, or by September 1, 2024, for fiscal year 2025.

Notwithstanding any other appropriation authority granted by this Act, the Comptroller of Public Accounts shall not allow the expenditure of General Revenue-Related monies identified in Subsection (a) by a particular agency if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the agency's expenditure proposal has not satisfied the requirements of this provision. If fiscal year 2024 or fiscal year 2025 General Revenue-Related funds are used to provide services required by federal law, are related to court-ordered treatment, or are required as the result of administrative proceedings, the funding for these services shall still be included in the proposal, but these monies shall not be contingent upon approval.

The coordinated expenditure proposal shall be developed in a format specified by the Legislative Budget Board, and shall, at a minimum, include expenditures related to each program identified in the program inventory required by Subsection (c), identified by fund type. Behavioral health-related Medicaid expenditures shall also be included as a separate line item for each agency.

(e) Report on Review of Exceptional Item Requests. No later than January 15, 2025, the coordinating council shall submit to the Executive Commissioner of HHSC and the Legislative Budget Board a report regarding the coordinating council's thorough review and complete vetting of all behavioral health exceptional item requests submitted with each agency's legislative appropriation request.

(f) Report on Suicide and Suicide Prevention. Out of monies appropriated elsewhere in this Act to HHSC, the coordinating council shall provide an update to the report on suicide and suicide prevention in Texas required by House Bill 3980, Eighty-sixth Legislature, Regular Session, 2019 (Acts 2019, 86th R.S., ch. 1317, General and Special Laws of Texas). The report shall include data and recommendations specific to suicides among veterans and foster youth in the state. The coordinating council may collaborate with the Texas Veterans Commission, the Department of Family and Protective Services, and other agencies that the coordinating council deems necessary to receive data on veterans or foster youth to help conduct the study. The coordinating council shall submit the updated report to the Legislative Budget Board and Governor's Office not later than September 1, 2024.

(g) Children's Mental Health Strategic Plan. Out of monies appropriated elsewhere in this Act to HHSC, the coordinating council shall develop a strategic plan specific to the behavioral health of children and youth. The plan shall incorporate the full continuum of care needed to support children and families and include:

- (1) descriptions of who provides what services to which children;
- (2) strategies to identify and address gaps in care;
- (3) discussion of workforce shortages;
- (4) information on funding and reimbursement; and
- (5) children-specific data and expenditure information.

The plan shall be developed by a subcommittee of the coordinating council made of members including but not limited to the Health and Human Services Commission, the Department of Family and Protective Services, the Texas Department of Juvenile Justice, the Texas Education Agency, the Department of State Health Services, and medical practitioners with expertise and facilities which provide inpatient and outpatient care. The coordinating committee shall submit the plan to the Legislative Budget Board and the Governor's Office by December 1, 2024.

(Carry-Over Provision w/ addition of (g))

Sec. 10.05. Funding for Autism Services.

(a) Appropriated elsewhere in this Act for autism services is \$21,073,084 in General Revenue Funds for the 2024-25 biennium, which is allocated to the following agencies for the following purposes:

(1) Health and Human Services Commission: General Revenue Funds totaling \$13,663,084 for the biennium for focused Applied Behavior Analysis treatment services. This amount does not include funding provided for autism services within Goal A, Medicaid Client Services.

(2) Texas Higher Education Coordinating Board (THECB): General Revenue Funds totaling \$7,410,000 for the 2024-25 biennium to distribute to autism research centers at institutions of higher education that currently provide evidence-based behavioral services and training, in the amounts and for the purposes as follows:

(A) Parent-directed Treatment: \$2,055,000 per fiscal year to serve 750 children per year;

(B) Board-certified Behavioral Analyst Training for Teachers/Paraprofessionals: \$950,000 per fiscal year to serve 2,547 children per year. The research centers may contract with educational service centers to provide this training;

(C) Research, development, and evaluation of innovative autism treatment models: \$700,000 per fiscal year;

(D) Administrative support of the programs in Subsections (a)(2)(A) through (a)(2)(C): \$150,000 per fiscal year may be expended by the THECB;

(E) If monies appropriated under Subsections (a)(2)(A), (B) or (C) exceed the monies that can be expended in accordance with the requirements of that subsection, THECB may expend the excess monies on any purpose described in Subsections (a)(2)(A), (B) or (C); and

(F) Any unexpended balances on hand at the end of fiscal year 2024 are appropriated for the same purpose for fiscal year 2025.

(b) THECB shall gather data on the above programs from each institution's autism research center and submit an annual report on the effectiveness of each program, including the number of children served, the number of parents and/or teachers/paraprofessionals trained, and the results of the research on innovative treatment models. The report shall be submitted no later than September 1 of each year to the Legislative Budget Board, Office of the Governor, the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

(Carry-Over Provision)

Sec. 10.06. Cross-Agency Coordination on Healthcare Strategies and Measures.

(a) Out of monies appropriated elsewhere in this Act, the Health and Human Services Commission (HHSC) shall coordinate with the Department of State Health Services, the Employees Retirement System of Texas, the Texas Department of Criminal Justice, and the Teacher Retirement System to compare healthcare data, including outcome measures, and to identify outliers and improvements for efficiency and quality that can be implemented within each healthcare system. To administer the data comparison, HHSC shall expend \$2.5 million per year with the Center for Healthcare Data at the University of Texas Health Science Center at Houston for data analysis, including individual benchmark and progress data for each agency. As applicable, agencies shall collaborate on the development and implementation of potential value-based payment strategies, including opportunities for episode-based bundling and pay for quality initiatives.

(b) The agencies shall meet quarterly to carry out coordination activities as described above.

(c) The agencies shall submit a report to the Legislative Budget Board and the Governor no later than September 1, 2024, describing coordination activities, efficiencies identified, individual agency policies and practices that have been improved due to the application of the data, and recommendations on future ways to reduce cost and improve quality of care in each healthcare system. **(Carry-Over Provision)**

Part 13.

FEDERAL FUNDS

Sec. 13.01. Federal Funds/Block Grants. Monies received from the United States government by a state agency or institution named in this Act are appropriated to the agency or institution for the purposes for which the federal grant, allocation, aid, payment, or reimbursement was made subject to the provisions of this Act. **(New Provision)**

Part 17.

MISCELLANEOUS PROVISIONS

Sec. 04. Veterans Services at Other State Agencies. Out of monies appropriated elsewhere in this Act, any state agency or institution of higher education, including the Veterans Commission, Department of State Health Service, Texas Military Department, Texas Workforce Commission, General Land Office, or any other state agency or institution that receives funding in this Act and provides specific services to veterans, shall provide information to veterans seeking assistance from that state agency or institution of other state agencies or institutions that provide additional veterans specific services, as identified by the

Texas Coordinating Council for Veterans Services. In addition to all modes of communication, that information shall be made available on each of the agencies' websites. **(Carry-Over Provision)**

Sec. 17.05. Agency Coordination for Youth Prevention and Intervention Services. From monies appropriated above for the purpose of juvenile delinquency prevention and dropout prevention and intervention services, the Department of Family and Protective Services, the Juvenile Justice Department, the Texas Education Agency, and the Texas Military Department shall coordinate the delivery of juvenile delinquency prevention and dropout prevention and intervention services. Juvenile delinquency prevention and dropout prevention and intervention services are programs or services that are aimed at preventing academic failure, failure on state assessments, dropout, juvenile delinquency, truancy, runaways, and children living in family conflict. Each of the agencies listed above shall coordinate services with the others to prevent redundancy and to ensure optimal service delivery to youth at risk of engaging in delinquency and/or dropping out of school. Programs shall demonstrate effectiveness through established outcomes. Not later than October 1 of each year, the agencies shall provide to the Legislative Budget Board detailed monitoring, tracking, utilization, outcome, and effectiveness information on all juvenile delinquency prevention and dropout prevention and intervention services for the preceding five fiscal year period. The reports shall include information on the impact of all juvenile delinquency and dropout prevention and intervention services and programs delivered or monitored by the agencies. Information shall be made available on each of the agencies' websites. **(Carry-Over Provision)**

Sec. 17.15 Informational Listing: Pro-rata Share of Texas Opioid Settlement Receipts Received by Municipal Areas and Regions. (See HB 1 for detailed listing) **(Carry-Over Provision)**

Sec. 17.30. Comal County Mental Health Facility. In addition to amounts appropriated elsewhere in this Act, the Health and Human Services Commission is appropriated \$1,000,000 in General Revenue Funds in fiscal year 2024 in Strategy G.2.2, Mental Health Community Hospitals, for operational costs for a mental health facility operated by the local mental health authority serving Comal County. **(New Provision)**

Sec. 17.31. Sunrise Canyon Operational Funding. In addition to amounts appropriated elsewhere in this Act, the Health and Human Services Commission is appropriated \$636,850 in General Revenue Funds in each fiscal year in Strategy G.2.2, Mental Health Community Hospitals, to increase funding for existing Sunrise Canyon Hospital inpatient beds. **(New Provision)**

Sec. 17.34. Charity Care and Hospital Transparency. In addition to amounts appropriated elsewhere in this Act, the Health and Human Services Commission (HHSC) is appropriated \$5,000,000 in General Revenue in fiscal year 2024. HHSC shall study and report on the financial and utilization data of licensed Texas hospitals that generate revenue from public sources and programs and/or benefit from tax exemptions or the use of public debt. HHSC shall contract with a third party, which may not be an entity that owns or operates a hospital, and the third party must be familiar with the Texas hospital market and data, to assist in the completion of this report. HHSC will evaluate hospital revenue and expenses, as well as public debt and the value of tax-exemptions, and the value of any charity care provided, as applicable by hospital and system. HHSC may coordinate with the Comptroller of Public Accounts, the Bond Review Board, and any other state agency or institution of higher education necessary, as well as use state and federal filings, including IRS Schedule H990 forms for all reporting hospitals, cost and payment data from hospital Medicare Cost Reports, Annual Statement on Community Benefits, community-wide need assessments, and any other data sources available to HHSC or other state agencies. By December 1, 2024, HHSC must publish findings on the external website and report its findings to the Legislature. The report shall include: (see HB 1 for details). **(New Provision)**

Part 18.

CONTINGENCY AND OTHER PROVISIONS

Sec. 18.40. Contingency for Senate Bill 26. Contingent on enactment of Senate Bill 26, or similar legislation relating to local mental health authority and local behavioral health authority audits and mental and behavioral health reporting, services, and programs, by the Eighty-eighth Legislature, Regular Session, 2023, the following adjustments are made to implement the provisions of the legislation:

(a) The Health and Human Services Commission (HHSC) is appropriated \$3,384,287 from General Revenue Funds and \$119,955 from Federal Funds for fiscal year 2024 and \$8,866,588 from General Revenue Funds and \$327,150 from Federal Funds for fiscal year 2025 in Strategy D.2.7, Community Behavioral Health Adm;

(b) HHSC is appropriated \$632,995 from General Revenue Funds and \$359,360 from Federal Funds for fiscal year 2024 and \$594,941 from General Revenue Funds and \$351,125 from Federal Funds for fiscal year 2025 in Strategy K.1.1, Office of Inspector General;

(c) Capital budget authority for HHSC is increased by \$3,300,000 for fiscal year 2024 and \$9,000,000 for fiscal year 2025; and

(d)The “Number of Full-Time Equivalents” for HHSC is increased by 11.0 in fiscal year 2024 and 11.0 in fiscal year 2025.

(New Provision)

Sec. 18.63. Contingency for Senate Bill 1677. Contingent on enactment of Senate Bill 1677, or similar legislation relating to the establishment and administration of Health and Human Services Commission programs providing mental health services to certain individuals in this state, by the Eighty-eighth Legislature, Regular Session, the Health and Human Services Commission is appropriated \$1,500,000 for fiscal year 2024 from General Revenue Funds and \$1,500,000 for fiscal year 2025 from General Revenue Funds to implement the provisions of the legislation. **(New Provision)**