



89th Texas Legislative Session Summary: 2026-2027 General Appropriations Act

The 89th Legislature finalized a \$338 billion budget for the 2026-2027 biennium, representing a 4.9% increase in all funds (AF) and an 8.2% increase in state funds from the 2024-25 biennium. The General Appropriations Act encompasses multiple leadership priorities, including \$1 billion for a school voucher program, a \$6 billion increase in property tax relief, \$2.5 billion to the budget for the Texas Water Fund and \$8.5 billion for teacher pay increases.

Upon signing the Act, Governor Abbott vetoed certain line items, including \$60 million from General Revenue Funds to the Health and Human Services Commission to administer the Summer Electronic Benefit Transfer program for 2027 due to uncertainty of federal matching funds for the Supplemental Nutrition Assistance Program (SNAP).

See the Legislative Budget Board summary [here](#). Read the Governor’s proclamation [here](#).

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Article II

The total appropriation for the Health and Human Services budget for 2026-2027 is \$105,732.8 billion AF, a 4.8% change from the 2024-2025 budget (\$100,854.2 billion AF).

Department of Family and Protective Services (DFPS)

The total Article II appropriation includes approximately \$4.9 billion AF for DFPS.

Department of State Health Services (DSHS)

The total Article II appropriation Includes approximately \$2.4 billion AF for DSHS.

\$1.6 billion for Goal A: Preparedness and Prevention Services

Vital statistics, health registries, border health and colonias, health data and statistics, immunizations, HIV/STD prevention, and infections disease prevention.

\$423 million for Goal B: Community Health Services

Maternal and child health, children with special health care needs, EMS and trauma care systems, and the Texas Primary Care Office.

DSHS Riders of Note

Rider 19. Maternal Mortality and Morbidity

Directs DSHS to implement and operate maternal safety initiatives statewide; expand high risk maternal care coordination services pilot; and increase public awareness and prevention activities related to maternal mortality and morbidity. The Rider also directs DSHS, in coordination with the Maternal Mortality and Morbidity Review Committee, to annually collect information related to postpartum depression screening and treatment under state health programs including Medicaid and Healthy Texas Women.

Rider 20. Adult Safety Net Program

Directs DSHS to make adult safety net vaccines available to local health departments to immunize Medicare-D patients whose insurance does not cover the vaccine at the time of presentation at the local health department.

Rider 22. Texas HIV Medication Program

Directs DSHS to apply for the maximum supplemental award for HIV Care Formula Care Grants each year and implement cost containment measures.

Rider 25. Report on Federal Public Health Funding to Local Health Entities

Directs DSHS to produce a biannual report on the allocation of federal public health funding received from the CDC.

Rider 27. Alzheimer's Disease Program

Directs DSHS to expend \$2,750,000 appropriated from the General Revenue Fund (GR) in each fiscal year on the Alzheimer's Disease Program.

Rider 31. HIV Injectable Treatment

Directs DSHS to allocate \$300,000 in fiscal year 2026 and \$300,000 in fiscal year 2027 from GR to pilot a program to provide HIV injectable treatment for up to 210 clients eligible for the Texas AIDS Drug Assistance Program (ADAP).

Rider 35. Whole Blood Pilot Program

The appropriation includes \$10,000,000 from the GR in fiscal year 2026 to establish a program to support EMS agencies administering whole blood to patients in the field suffering from extreme blood loss due to trauma, maternal hemorrhage, or other significant medical conditions, in order to stabilize them for transport to the appropriate acute care hospital. DSHS, in consultation with Regional Advisory Councils (RAC), shall determine the most cost-effective method to secure the required resources for EMS agencies to operate a whole blood pilot program. DSHS shall define the structure, process, and funding distribution for the state-wide prehospital whole blood pilot program.

Rider 36. Future Healthcare Workforce Apprenticeship Support

Included in the amounts appropriated is \$500,000 from GR in fiscal year 2026 and \$500,000 from GR in fiscal year 2027, to provide grants to hospitals to develop and implement on-site healthcare workforce apprenticeship programs. Eligible hospitals must participate in the Disproportionate Share Hospital Program.

Health and Human Services Commission (HHSC)

The total appropriation includes approximately \$96.3 billion in AF for HHSC (compared to \$91.3 billion in previous budget).

HHSC funding is based on the following caseload estimates:

- 4,160,011 average full benefit Medicaid recipients in 2026 and 4,201,205 Medicaid recipients per month in 2027.
- Average monthly enrollment in Medically Dependent Children's Program = 6,265 (2026) and 63,710 (2027)
- Average number of individuals receiving nursing facility care through managed care = 50,450 (2026) and 51,062 (2027)
- Average Aged and Medicare-Related Recipient Months Per Month = 382,331 (2026) and 392,417 (2027)
- Average Disability-Related Recipient Per Month = 370,549 (2026) and 377,221 (2027)
- Average Pregnant Women Recipient Per Month = 273,929 (2026) and 276,441 (2027)
- Average Other Adult Recipient Per Month = 132,016 (2026) and 132,064 (2027)
- Average Income-Eligible Children Recipient Per Month = 2,980,039 (2026) and 3,001,711 (2027)
- Average STAR Health Foster Care Children Recipients Per Month = 21,147 (2026) and 21,351 (2027)
- Average CHIP recipients per month (all CHIP programs) = 201,236 (2026) and 201,354 (2027)
- Average number of women receiving Healthy Texas Women Services = 23,338 (2026) and 24,504 (2027)
- Average number of WIC participants provided nutritious supplemental food = 796,000 in 2026 and 2027 (735,000 in previous budget)

\$82.6 billion for Texas Medicaid

This is an \$8.9 billion increase from the 2024-25 biennium. The budget includes the following Federal Match Assumptions (FMAP) Assumptions:

- 2026 = 59.83%
- 2027 = 59.83%
- Enhanced FMAP Assumptions: 71.88% for both 2026 and 2027

\$3.8 billion for Goal D: Additional Health Related Services

Women's Health Programs: \$460,598,088

Rider 66. Payments to Health Centers for the Healthy Texas Women Program.

Clarifies that it is Legislative intent that HHSC reimburse FQHCs for family planning services under Strategy D.1.1, Women's Health Programs, for the Healthy Texas Women Program, using a prospective payment system at a per visit rate, not to exceed three payments during a calendar year.

Riders 68-70 Provide direction related to prohibitions on abortions, abstinence education, funding for family planning instruction, and annual reports.

Rider 71. Funding for Healthy Texas Women Plus

Directs \$9.6 million AFs of allocated funds to HTW Plus.

Rider 72. Healthy Texas Women Cost Reimbursement Program.

Authorizes HHSC to operate the HTW Cost Reimbursement program if HHSC is able to do so without exceeding AF appropriations. Not more than five percent of funds expended on the HTW Cost Reimbursement program shall be expended on providers' administrative functions.

Rider 73. Primary Care and Specialty Care Provisions

Further directs HHSC on prohibitions and allowances for funds in this budget strategy.

Rider 75. Informational Listing: Women's Health Funding

This rider informs HHSC on intent for appropriated funds:

- **Healthy Texas Women (HTW) Program:** \$129,139,297 from AF in fiscal year 2026 and \$139,479,612 from AF in fiscal year 2027
- **Family Planning Program (FPP):** \$78,379,983 from AF in fiscal year 2026 and \$73,985,358 from AF in fiscal year 2027
- **Breast and Cervical Cancer Services (BCCS):** \$12,306,919 from AF in each fiscal year
- Clarifies that it is Legislative intent that \$10,000,000 from GR in fiscal year 2026 can only be utilized to address an increase in caseloads for Women's Health Programs, including an increase in enrollments for HTW, growth from Women's Preventative Mobile Health Units, or contract utilization.
- \$20,000,000 from the GR is allocated for the purposes of maintaining existing MHUs and expanding the number of MHUs prioritizing rural areas including unserved and underserved regions of the state.

Rider 76. Healthy Texas Women Short Form Application.

Clarifies that it is Legislative intent that HHSC implement a short form application for HTW

Rider 77. Rider 77. Maternal Health Outcome Program.

\$2,500,000 from GR in fiscal year 2026 and \$2,500,000 from GR in fiscal year 2027 is allocated from this strategy for grants to organizations implementing maternal health outcome programs. Any organization selected for grant funding must design and implement successful health outcome programs that reduce severe obstetric complications, offer administrative and technological support, and enhance participation in the program.

Thriving Texas Families Program: \$180 million

\$140 million in the previous budget – Rider 74 outlines reporting requirements.

Early Childhood Intervention Services: \$409,935,364

396,606,571 in the previous budget.

Community Mental Health Services

Rider 43. Community Mental Health Services for Adults

\$402,353,288 in AF in each fiscal year of the biennium (\$451,244,249 in previous budget)

Rider 44. Community Mental Health Services for Children

\$131,477,768 in AF in each fiscal year of the biennium (\$110,629,159 in previous budget)

- **Community Mental Health Crisis Services**
\$389,316,024 for the biennium (\$333,626,094 in the previous budget).
- **Mental Health Peer Support Re-entry Program**
\$1,000,000 from GR for the biennium allocated in Community Mental Health Services, is to be used to maintain a mental health peer support re-entry program. HHSC, in partnership with LMHAs 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.
- **Reporting of Waiting Lists for Mental Health Services**
Requires HHSC to submit to the Legislative Budget Board and the Office of the Governor the current waiting list and related expenditure data.
- **Mental Health Program for Veterans**
Clarifies that within the funds allocated under Community Mental Health Services, the Health and Human Services Commission shall allocate \$3,956,000 from GR in each fiscal year for the purpose of administering the mental health program for veterans.
- **Reporting of Opioid-Related Expenditures**
Requires HHSC to submit a report no later than September 1 of each year that provides information about actual annual expenditures from the previous fiscal year for opioid-related programs at HHSC.
- **Community Mental Health Grant Programs**
Clarifies that in the amounts appropriated to Community Mental Health Grant Programs includes:
 - \$10,000,000 from GR 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;

- \$45,000,000 from GR 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;
- \$27,500,000 from GR in each fiscal year of the biennium for a community mental health grant program established pursuant to Government Code, Section 531.0991;
- \$19,000,000 from GR in each fiscal year of the biennium to provide grants for Healthy Community Collaboratives pursuant to Government Code, Section 539.002;
- \$14,762,133 from GR in each fiscal year of the biennium to provide grants for community-based initiatives that promote identification of mental health issues and improve access to early intervention and treatment for children and families pursuant to Government Code 531.09915; and \$1,500,000 from GR in each fiscal year of the biennium to provide grants to establish or expand behavioral health centers or jail diversion centers pursuant to Government Code 531.09936.

Rider 52. Rural Hospital Telepsychiatry Consultations

\$3,700,000 from GR in each fiscal year of the biennium to fund telepsychiatry consultations for rural hospitals. The Rider directs HHSC to contract with a statewide organization to aggregate telepsychiatry consultations among rural hospitals to access remote psychology services through collaboration with one or more telepsychiatry networks.

Rider 53. Galveston County Crisis Stabilization Services

\$4,489,592 from GR in each fiscal year of the biennium to support crisis services at the LMHA serving Galveston County.

Rider 54. Youth Mobile Crisis Outreach Teams

\$27,000,000 from GR in each fiscal year of the biennium for youth mobile crisis outreach teams (YCOTs), including funding to establish at least eight new YCOTs, and includes direction on establishing YCOTs. HHSC is also directed to submit a report to the Legislative Budget Board, Office of the Governor, Senate Finance Committee, and House Appropriations Committee on the number of YCOTs in the state, the number of individuals served by the YCOTs, and any other information requested by the Legislative Budget Board.

Rider 56. Appropriate Care Settings for Individuals with Severe and Persistent Mental Illness and Co-Occurring Conditions Study

Directs HHSC to study and develop a proposal to implement a pilot program that provides residential intermediate care services for individuals with severe and persistent mental illness who may have co-occurring conditions, including traumatic brain injury, and intellectual or developmental disabilities, who, due to the acuity of their conditions, are inappropriate for community placement but no longer meet criteria for inpatient psychiatric care.

Rider 57. Federal Reimbursement for Certain Substance Use Services

\$533,356 from GR in fiscal year 2026 and \$652,239 from GR in fiscal year 2027 is allocated in the budget for one-time administrative and salary costs related to developing a rate setting methodology and associated cost reporting for certain services reimbursable to grant recipients of the Federal Substance Use Prevention, Treatment, and Recovery Services block grant for up to three children accompanying the child or children's mother in a residential treatment setting.

Rider 58. Rider 58. Heart of Texas Crisis Stabilization and Inpatient Services

\$2,500,000 from GR is included in each fiscal year under Community Mental Health Services to support mental health screening and assessment, crisis services, and post-crisis services at the LMHA that services the Heart of Texas region.

Rider 59. Uvalde Behavioral Health Campus

\$2,500,000 from GR in fiscal year 2026 and \$10,000,000 from GR in fiscal year 2027 for start-up and operational funding for the Uvalde Behavioral Health Campus.

Rider 60. Youth Mental and Behavioral Health

\$2,500,000 from GR in each fiscal year of the biennium to support a psychiatric residential youth treatment and mental health respite facility and educational opportunity center at the local mental health authority serving Jefferson County.

Rider 61. Rider 61. East Texas Crisis Stabilization Services

\$2,000,000 from GR in each fiscal year of the biennium to support crisis services at the local mental health authority in East Texas serving Nacogdoches County.

Rider 62. Rider 62. Comal County Mental Health Facility

\$3,000,000 from GR in each fiscal year of the biennium for operational costs for a mental health facility operated by the local mental health authority serving Comal County.

Rider 63. Dallas State Hospital

Clarifies that it is Legislative intent that HHSC operationalize the Dallas State Hospital within existing appropriations for the 2026-27 biennium before seeking to procure a contract with an entity for operations of the Dallas State Hospital.

Rider 64. Brazoria and Galveston County Mental Health Capacity

\$5,000,000 from GR in fiscal year 2026 to fund additional crisis stabilization facilities and services and provide additional state-purchased psychiatric inpatient beds at the local mental health authority serving Brazoria and Galveston Counties.

Rider 65. Tarrant County Mental Health Capacity.

\$5,000,000 from GR in fiscal year 2026 to fund additional crisis stabilization facilities and services and provide additional inpatient competency.

Other Programs Included in Goal D

- Children's Blindness Services
- Autism Program Children with Special Needs
- Title V Dental and Health Services
- Kidney Health Care
- Community Primary Care
- Abstinence Education
- Prescription Drug Savings
- Primary Health and Specialty Care
- Mental Health Services
- Indigent Health Care
- Substance Abuse Services

\$48 million for TANF Grants

\$41.5 million in the previous budget.

\$2.5 billion for WIC Services

\$1.7 billion in the previous budget. Includes benefits and nutrition education and counseling.

\$868,528,848 in Goal F: Community and Independent Living Services and Coordination

Guardianship, Non-Medicaid IDD Services, Independent Living Services, BEST program, Comprehensive Rehabilitation, Deaf & Hard of Hearing, Family Violence Services, and Child Advocacy Programs.

\$4.5 billion for Facilities

Including increases for Mental Health State Hospitals and State Supported Living Facilities. Funds also support mental health state hospitals, other state medical facilities and repair and renovation.

\$2.85 billion for Goal I: Program Eligibility Determination and Enrollment

This goal included an increase of approximately \$107million from the previous budget for TIERS capital project and funding for Integrated Eligibility and Enrollment, Community Services admin and access, TIERS and eligibility. It also includes \$217,981,952 for disability determinations.

Rider 22. Temporary Full-Time Equivalent (FTE) Authority for the Unwinding of Continuous Medicaid Coverage

Clarifies that included in the appropriated amounts under Eligibility and Enrollment, are 642.0 temporary FTEs in each fiscal year of the biennium to support the increased workload due to the unwinding of continuous Medicaid coverage.

Rider 94. Nutrition Incentives.

\$6,000,000 from GR in fiscal year 2026 for grants to organizations implementing nutrition incentive programs that qualify for federal funds under Section 4205, Agriculture Improvement Act of 2018 (7 U.S.C. Section 7517).

\$145,129,394 for the Office of Inspector General

\$123,717,417 in the previous budget.

Rider 120. Office of Inspector General Report

Requires a quarterly report related to the expansion of managed care to include:

- a) The challenges 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; and
- b) Strategies to address the challenges encountered in combating fraud, waste, and abuse throughout the entire health and human services system; and additional information outlined in the Rider.

Rider 121. Lock-In for Controlled Substances

Continues the lock-in program related to controlled substances to maximize savings and prevent substance abuse.

Rider 122. Dental and Orthodontia Providers in the Texas Medicaid Program

Directs HHSC to use funds to strengthen the capacity of the HHSC Office of Inspector General to detect, investigate, and prosecute abuse by dentists and orthodontists who participate in the Texas Medicaid program. Legislature that HHSC conduct more extensive reviews of medical necessity for orthodontia services in the Medicaid program.

\$297,810,570 for Goal O: Family Support Services

Goal O includes funding for Family & Youth Success Programs, Community Youth Development Program, Child Abuse Prevention Grants, and other at-risk prevention programs.

Maternal and Child Home Visit Programs: \$96,041,480

\$101,177,669 in the previous budget. The budget estimates the funding will support 7,046 Texans per month in both 2026 and 2027 (previous budget estimated funding would serve 6,828 per month) through Home Visiting Programs and 3,270 (previous budget estimated funding would serve 4,3464 families per month) families per month through Nurse Family Partnership.

Rider 99. Prevention Outcomes

Directs HHSC to report no later than December 1, 2026 on the effectiveness of the Family Support Services (FSS) programs. Specifically, HHSC shall report the number of families served for each program.

Rider 100. At-Risk Prevention Program and Services

\$3,050,000 from AF must be appropriated for competitive grant(s) to be awarded to one or more established statewide networks of community-based prevention programs that provide evidence-based programs delivered by trained full-time staff, and address conditions resulting in negative outcomes for children and youth. Any grantee selected to deliver these services must provide dollar-for-dollar matching funds. All other funding appropriated in Strategy O.1.4, Other At-Risk Prevention Programs, shall be used for child abuse and neglect prevention programs in accordance with the strategic plan developed by DFPS under Family Code, Section 265.005 and HHSC under Human Resources Code, Section 137.005.

Rider 102. Curriculum for Parental Engagement and Family Preservation

\$325,000 from GR in each fiscal year of the biennium for a contract with a nonprofit organization with expertise in providing curriculum-based fatherhood and parental engagement services to support family preservation, at-risk families, and reunification services.

Rider 103. Long-Term Youth and Family Support.

\$3,000,000 from GR in each fiscal year of the biennium to continue the program aimed at improving outcomes for children at highest risk of re-entering the child protective services system and expand the program into at least two additional areas of the state and provide each program funding for, model support, including, but not limited to, training and technical assistance.

Rider 104. Fatherhood EFFECT Program

\$500,000 from GR in fiscal year 2026 and \$500,000 from GR in fiscal year 2027 to provide grants to organizations that provide parent education and resources to fathers through the Fatherhood EFFECT Program.

Rider 105. Texas Service Members, Veterans, and Families Program

\$500,000 from GR in each fiscal year of the 2026-27 biennium to provide grants through the Texas Service Members, Veterans, and Families program to organizations that provide parenting support, education, counseling, and youth development programming for families with children up to 17 years of age in which at least one parent is an active service member or a veteran of the armed forces, reserves, or National Guard.

Other HHSC Budget Riders of Note

Rider 8. Hospital Payments

Included in appropriated amounts in Medicaid Client Services includes \$563,042,797 AFs in fiscal year 2026 and \$569,655,522 AFs in fiscal year 2027 to provide Medicaid hospital add-on payments for trauma care and safety-net hospitals and add-on payments and rate increases for rural hospitals. The rider directs HHSC, to the extent possible, ensure funds are included in managed care capitation rates and distributed by MCOs to hospitals.

Rider 9. Increase Consumer Directed Services

This Rider has been in the past budgets and directs HHSC to ensure education for 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.

Rider 10. Medicaid Therapy Services Reporting

This Rider has been in previous budgets and directs HHSC to report on an annual basis to the Legislative Budget Board and the Office of the Governor information related to pediatric acute care therapy services (including physical, occupational, and speech therapies) utilization by service delivery area.

Rider 14. Supplemental Payment Programs Reporting and Appropriation Authority for Intergovernmental Transfers

Requires HHSC to report to the Legislative Budget Board and the Office of the Governor certain financial and expenditure information regarding supplemental payment programs, including 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.

Rider 17. Interest List Reporting

Directs HHSC to post interest list 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.

Rider 18. Hospital Reimbursement

Sets expectations for funds appropriated for the payment of inpatient hospital fees and charges under Medicaid.

Rider 19. Access to Federal Data Services Hub

Directs HHSC to the extent allowable under state and federal law to request a consumer report containing employment and income information through the CMS Federal Data Services Hub for Medicaid eligibility determinations and redeterminations in order to achieve cost savings, improve timeliness, and minimize fraud.

Rider 20. Medicaid Provider Rate Increases

Clarifies that 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 allowed by federal laws and regulations.

Rider 21. Informational Listing: End-of-Year Waiver Slots Funding

Outlines the amount of funding included in Medicaid Client Services for end of year waiver slots.

Rider 23. Base Wage Increase for Personal Attendant Services

Included in the budget are funds to increase the base wage for personal attendant services to \$13.00 per hour, increase the associated payroll costs, taxes, and benefits percentage to 15.0 percent for services provided in residential settings and 14.0 percent for services provided in non-residential settings, and increase the associated administrative rate by \$0.24 per hour.

Rider 24. Rate Increase for Certain Maternal Fetal Medicine Radiological Services

Included in Medicaid client services is \$6,855,980 from AF in fiscal year 2026 and \$6,783,290 from AF in fiscal year 2027 to increase the Medicaid reimbursement rate for maternal fetal medicine radiological services by 10 percent. Requires, to the extent possible, HHSC to include rates MCO capitation rates and ensure they are distributed by the MCOs to the providers delivering the services that are receiving a rate increase pursuant to this rider.

Rider 25. Rate Increase for Nursing Facilities

Clarifies that included in Medicaid Client services are funds to enact SB 457, relating to the regulation of certain nursing facilities, including licensing requirements and Medicaid participation and reimbursement requirements including \$195,117,160 from AF in fiscal year 2026 and \$205,321,502 from AF in fiscal year 2027 to increase the dietary rate for nursing facilities; and \$65,039,054 from AF in fiscal year 2026 and \$68,440,501 from AF in fiscal year 2027 to increase the administrative rate for nursing facilities.

Rider 28. Provider Enrollment and Management System

Clarifies that included in Medicaid and CHIP Contracts and Administration is \$11,600,057 from AF and 14.7 FTEs in fiscal year 2026 and \$11,463,898 from AF and 14.7 FTEs in fiscal year 2027 for HHSC to make enhancements to the Provider Enrollment and Management System.

Rider 29. Electronic Visit Verification Fraud Prevention Criteria

Directs HHSC to establish clear, specific, and restricted criteria for when the use of compliance grace periods and match bypasses is permitted in the electronic visit verification process in order to prevent fraud, waste, and abuse. Requires HHSC to submit a status report no later than February 1, 2026 with specific details included in the Rider.

Rider 30. Rate Increase for Applied Behavior Analysis Services and Report on Autism Services

This Rider explains that included in Medicaid and CHIP Services is \$13,818,226 from AF in fiscal year 2026 and \$17,294,528 from AF in fiscal year 2027 to increase the Medicaid reimbursement rate for certain applied behavior analysis services to \$14.50 per unit in both

Medicaid fee-for-service and managed care models. The Rider also requires HHSC to report to the Legislative Budget Board and Governor by September 1, 2026 specific information related to utilization and compliance with the rate increases.

Rider 31. Rate Increase for Intellectual Developmental Disability Nursing Facilities

Included in Medicaid Client Services is \$1,949,513 from AF in fiscal year 2026 and \$2,027,493 from AF in fiscal year 2027 to revise the reimbursement methodology for an IIDD nursing facility special reimbursement class, in which 90.0 percent of residents have a Preadmission Screening and Resident Review positive screen for IDD, to match that of the allowable Medicare equivalent. The Rider also directs HHSC to conduct an annual review, by August 31 of each year, of reimbursement rates for IDD NF services delivered under Medicaid.

Rider 32. Reporting Requirement: Data Collection to Assess Financial Stability of Certain Medicaid Long-Term Care Providers

This Rider directs HHSC to collect information from each Medicaid long-term care provider that provides residential or facility-based services for the purpose of submitting a cost report to determine the profits and losses incurred by each provider, including any non-Medicaid revenues and costs.

Rider 33. Cost Containment.

This is a re-occurring Rider that directs HHSC to develop and implement cost containment initiatives to achieve savings of at least \$550,000,000 in General Revenue Funds for the 2026-27 biennium throughout the health and human services system. Initiatives outlined in the Rider include: increasing fraud, waste, and abuse prevention and detection; seeking to maximize federal flexibility under the Medicaid program; achieving other programmatic and administrative efficiencies; and savings from services that include emergency telemedicine services for individuals with IDD.

Rider 34. Credentialing for Providers within the STAR Health Managed Care Program

Directs HHSC to analyze and make all necessary improvements to the process for credentialing health care providers, particularly those health care providers that provide and bill for mental and behavioral health services, within the STAR Health managed care program.

Rider 35. Nutritional Support Services

Permits HHSC to authorize an MCO to offer nutritional support services in lieu of a service or setting covered under the state plan. The nutritional support services must be clinically appropriate and a cost-effective substitute for a covered Medicaid service. Also see HB 26.

Rider 36. Rate Review for Pediatric Care Center Services

Directs HHSC to annually conduct a review of reimbursement rates for pediatric care center services delivered to children under Medicaid.

Rider 37. Medicaid and CHIP Residency Verification

Directs HHSC on at least a monthly basis to verify the residency status of clients under Medicaid and CHIP to ensure that only clients who are eligible residents of this state receive benefits under those programs. The Rider authorizes HHSC to use a private third-party vendor to identify and recover improper capitation payments made to a MCOs with respect to individuals the commission determines were not eligible for benefits under those programs because the individuals were not residents of this state.

Rider 38. Diabetes Prevention Program

Directs HHSC, in consultation with DSHS, to conduct a study to evaluate the cost-effectiveness and feasibility of implementing and administering a diabetes prevention program for Medicaid recipients, including alternative interventions for Medicaid recipients at risk of developing Type 2 diabetes. No later than November 1, 2026, HHSC must submit to the Governor, the Legislative Budget Board, the Senate Finance Committee, the House Appropriations Committee, and each standing committee of the Legislature with jurisdiction over health and human services a written report containing the findings of the study conducted under this rider and any recommendations for legislative or other action based on those findings.

Rider 39. Medicaid Dental Reimbursement Rate Reallocation

Directs HHSC to reduce the reimbursement rate for certain dental services to the amount in effect on February 28, 2025; and if the procedure code was impacted by policy changes resulting from HHSC's biennial review of dental services reimbursement rates that took effect March 1, 2025, maintain the reimbursement rate implemented under the policy; and after adjusting the reimbursement implement a uniform reimbursement rate increase for certain dental codes. This Rider is in response to concerns with recent dental rate and policy review changes.

Riders 46-65 relate to mental health services and are outlined above.

Rider 92. Texas Colorectal Cancer Initiative.

Allocates \$5,000,000 from GR in each fiscal year for a pilot program to fund the treatment of colorectal cancer for uninsured and underinsured Texas residents with household incomes at or below 200 percent of the federal poverty level.

Rider 93. Rural Hospital Grant Program.

Allocates funding for HB 18 and clarifies that included in amounts appropriated above to HHSC is \$50,000,000 in General Revenue Fund in each fiscal year for HB 18 grants and \$500,000 from the General for HHSC to administer the program. The Rider states that grants awarded under this section shall be expended for the following purposes:

- (1) Recruitment, retention, and development of physician workforce, including Obstetricians-Gynecologists and Emergency Physicians, and nursing workforce in underserved areas;
- (2) Financial stabilization for rural hospitals;
- (3) Improving maternal health outcomes and increasing access to maternal care services;
- (4) Financing innovative methods to deliver care in rural areas, including using technology to expand access to care; and
- (5) Enhancing critical care transport.

The Rider also outlines Essential Access Grants. HHSC shall award grants under this subsection to rural hospitals that meet specific criteria and outlines the application process.

Rider 95. Stroke Treatment and Response.

Included in amounts appropriated in Strategy D.1.10, Additional Specialty Care, is \$2,500,000 from GR in fiscal year 2026 and \$2,500,000 from GR in fiscal year 2027 for HHSC to provide funding for services provided by mobile stroke units. The Rider clarifies that HHSC shall reimburse under Medicaid for tissue plasminogen activator (tPA) for treatment of stroke.

Rider 96. Long-Term Care Ombudsman

Included in the amounts appropriated in Strategy I.2.1, Community Services Admin & Access, is \$750,000 from GR in fiscal year 2026 and \$750,000 in General Revenue in year 2027 to support services provided by the Long-Term Care Ombudsman.

Rider 97. Guardianship Service Provider Rates

Included in the amounts appropriated in Strategy F.1.1, Guardianship, is \$662,400 from GR in each fiscal year of the biennium to increase the contracted rates for guardianship services to a maximum of \$425 per client per month.

Rider 98. Pediatric Child Care Facility Developmentally Appropriate Care

\$500,000 from GR in each fiscal year of the biennium for a grant to a pediatric care center located in Texas to support developmentally appropriate care for pediatric nursing facility residents.

Riders 106-118 provide direction related to Facilities.

Rider 124. Texas Pharmaceutical Initiative (TPI)

Provides funds for TPI including 25.6 FTEs in each year of the biennium. Requires HHSC to submit a quarterly report with information specified in the Rider.