

House Committee on Human Services

March 28, 2023

HB 1571: Relating to the reimbursement under Medicaid of local educational agencies for the provision of health care services to students.

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Chair Frank and members of the House Committee on Human Services:

Thank you for the opportunity to provide input today on House Bill 1571 by Representative Lozano, which aims to improve children's access to health care services in schools and provide sustainable funding for school districts. We respectfully offer the following for the Committee's consideration:

- **Expand Access to Health Services:** Over five million children attend Texas' public schools daily, presenting an ideal opportunity to receive health services. Currently, school districts can obtain federal reimbursement through the School Health and Related Services (SHARS) program for certain health-related services provided to Medicaid-enrolled students. However, the state's current policy limits SHARS to students with disabilities on individualized education plans (IEPs). Only this sub-set of Medicaid enrolled students receive school-based services such as physical and mental health services, audiology, speech therapy, and occupational therapy. Expanding access to health services in school-based settings can improve the health and academic outcomes for Texas children.
- **Address the Youth Mental Health Crisis:** Texas is facing a growing mental health crisis among its youths, with 21 percent of children ages 3-17 experiencing a mental, emotional, developmental, or behavioral condition.ⁱ According to the newly released *Kids Count Data Book*, over half (56 percent) of Texas children with a mental or behavioral condition do not receive the treatment or counseling they need.ⁱⁱ As a result, schools are dealing with students who are not only experiencing mental health challenges, but also struggling with their ability to learn and thrive. Public schools will be challenged to respond with additional services given the expected loss of the Elementary and Secondary School Emergency Relief (ESSER) funds in September 2024. The State is uniquely positioned this biennium to address its youths' mental health crises and should prioritize access to critical mental health services for all students.
- **Provide Sustainable Funding for Health Services:** In 2014, CMS clarified federal reimbursement rules, known as the "free care policy reversal," to allow the Medicaid program to reimburse for healthcare services provided to all Medicaid-enrolled students. Since then, more than 17 states including Florida, Georgia, and Arizona, have amended

their state plans to include all eligible students, at no cost to the state, using local funds as the non-federal match. As this rule change does not require additional spending from the state to draw down federal funds, some states have seen significant financial benefits, including the state of Florida, which is estimating they could receive an additional \$50-\$100 million each year in federal funds.

RECOMMENDATION:

Texas should enhance students' access to health services at school and enable school districts to bill Medicaid for all services provided to students enrolled in the Medicaid program, not just those who have an individualized education plan (IEP). By adopting HB 1571, Texas would join other states in improving health service accessibility, supporting the well-being of students – particularly during the ongoing youth mental health crisis – and promoting healthy school environments to improve health and academic outcomes.

For additional information, please contact Christine Yanas, Vice President of Policy & Advocacy at (210) 253-3253 or at cyanas@mhm.org.

ⁱ Every Texan. 2022 Texas Kids Count Data Book. March 24, 2023. https://everytexan.org/wp-content/uploads/2023/03/Kids-Count-2022-Report_digital.pdf

ⁱⁱ Ibid.