



Health and Human Services

Medical Care Advisory Committee

August 14, 2025

This summary contains supplemental information from reliable sources where that information provides clarity to the issues being discussed. Power Point tables used in the presentations may also be used in this summary. Names of individuals may be misspelled but every attempt has been made to ensure accuracy. Tables and Text have been used from executive and legislative agencies and departments' presentations and publications.





[Medical Care Advisory Committee](#) is federally mandated to review and make recommendations to the state Medicaid director on proposed rules that involve Medicaid policy or affect Medicaid-funded programs. Members:

- **Doug Svien, MCAC Chair**
Provider
Stephenville
 - **Mary Helen Tieken, RN, BSN, MCAC Vice Chair**
Registered Nurse
Floresville
 - **Salil Deshpande, M.D.**
Managed Care Organization
Representative
Houston
 - **Lou Driver**
Nursing Home Administrator
Houston
 - **Lisa Wright**
Community Health Choice
President/CEO
 - **Robert Hilliard, Jr., M.D.**
Physician, Ob/Gyn
Houston
 - **Sandy Crisp**
LPC Private Practice
Licensed Professional Mental
Health Therapist
 - **Donna S. Smith**
Physical Therapist
Austin
 - **Christina Paz**
Centro San Vicente
Doctor of Nurse Practice/NP-CEO
 - **Diana Strupp, HPAC Member**
Hospital Representative
Dallas
 - **Joseph Modesto**
Dream Therapy Center
President and CEO
 - **Carol Daulton**
Texas Health Resources
Senior Director Supplemental
Payment Program
- Subject Matter Experts (SMEs)**
- **Ryan D. Van Ramshorst, M.D.**
Texas Health and Human Services
Commission
Austin
 - **Alma Allen Johnson (DSHS)**
Senior Policy Analyst, Public
Health Policy Advancement,
Texas Department of State Health

1. Welcome, opening remarks, call to order, roll call, and disclosure of conflicts of interest. The meeting was convened by Doug Svien, Chair. A quorum was present.

2. Consideration of June 11, 2025, draft meeting minutes. The minutes were approved as drafted.



3. Medicaid and Children's Health Insurance Program (CHIP)

activities update. Valerie Mays reported a five-year federal extension of the Healthy Texas Women Waiver Program, effective July 1, 2025 through June 30, 2030, with no changes to services or eligibility. Transition is designed to be seamless for clients and providers.

The Legislative session concluded, and implementation planning is underway for new bills and directives affecting Medicaid and CHIP. HHSC will report back on specific bills upon request.

Update Senate Bill 1, Rider 23 funding for increased wages for personal attendants is directed with discontinuation of the attendant compensation rate enhancement (ACRE) programs for certain services.

23. Base Wage Increase for Personal Attendant Services.

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

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

(c) Out of funds appropriated in Strategy B.1.1, Medicaid & CHIP Contracts and Administration, HHSC shall continue to collect biennial cost reports from providers to monitor the average hourly wage and associated payroll costs, taxes, and benefits. HHSC shall calculate for each provider the total amount that was paid to the provider that is attributable to the direct care wages, payroll costs, taxes, and benefits, the amount expended by the provider for that purpose, and the ratio of expenses to



revenue to determine a direct care wage and benefits expense ratio. HHSC shall report to the Legislative Budget Board, the Lieutenant Governor, the Speaker of the House of Representatives, and the Office of the Governor on an annual basis by November 1 of each year on the findings, including a list of providers whose calculated direct care staff wage and benefits expense ratio is less than 0.90.

Details were provided on rate increases affecting multiple Medicaid waiver programs and managed care services. Amendments were submitted to CMS (federal Centers for Medicare & Medicaid Services) for approval, with a goal to align with a September 1st, 2025, effective date.

Members raised concerns about the removal of ACRE and its critical impact on providers if CMS approval is delayed. HHSC stated they are exploring options, but legal authority is limited without legislative action. There are operational and legal complexities that are still being studied.

Payment methodology transition for Medicaid nursing facilities from RUG to Patient-Driven Payment Model (PDPM) is planned for September 1, 2025, impacting multiple programs. Extensive stakeholder engagement underway.

ACRE: The 76th Texas Legislature established the Direct Care Staff Enhancement program for nursing facilities and Attendant Compensation Rate Enhancement Program for community care providers (Rate Enhancement). The 81st Texas Legislature expanded the Rate Enhancement programs for providers serving individuals with intellectual and developmental disabilities (IDD). These programs provide funding to incentivize increased compensation, including increased wages and benefits, for attendants and direct care staff.

Rate Enhancement programs are voluntary programs for Long-Term Services and Supports (LTSS) providers. Participating providers receive additional funding to their Medicaid direct care or attendant rates and agree to use that funding on compensation for direct care or attendant staff compensation. Program providers agree to spend funds to meet program requirements, or they will be subject to recoupment.

The Provider Finance Department has prepared an informational video on the Rate Enhancement Programs to inform interested providers about the programs' benefits and requirements. The annual open enrollment period begins July 1, 2024.



IL 2025-11: [Discontinuation of the Attendant Compensation Rate Enhancement Program and Rate Increases for Attendant Services](#) (.pdf)

4. Hospital Payment Advisory Committee update. Steve Hand provided an update on the June 5 HPAC meeting. Items included program approvals, Rural Hospital Payment Advisory Council update, and major Medicaid program progress (with focus on cooperation with CMS for timely approvals).

Updates were provided on:

- Comprehensive Hospital Increase Reimbursement Program (CHIRP)
- Preprint 2026 submission
- Service Delivery Area (SDA) concerns relating to inter-governmental transfer (IGT) for larger CHIRP limit
- Alternate Participating Hospital Reimbursement for Improving Quality Award (APHRIQUA) 2025 final payment schedule date and percentage
- Aligning Technology by Linking Interoperable Systems (ATLIS) program planned size for program year 2026 and assessment and milestone development years used for 2026 plan
- Uncompensated Care (UC)/ Disproportionate Shares Hospitals (DSH)

For a more detailed report see: [Hospital Payment Advisory Committee – Texas Insight](#)

5. Beneficiary Advisory Committee (BAC) update. Kathy Montalbano updated the committee on the first Beneficiary Advisory Council meeting, including federal regulatory requirements (CFR 431.12), logistics, and plans for future member recruitment and meetings.

6. Consideration of revisions to draft MCAC bylaws. The draft by-laws were presented. ***A copy was not made available to the public.*** Bylaws revisions were developed to align with new CMS access regulations, clarify committee composition and reporting requirements, and remove references to committees spun off as stand-alone (e.g., HPAC).



Clarifications were provided regarding new definitions and compliance with federal regulations on term limits and membership percentages from Beneficiary Advisory Council.

Discussion.

Members discussed the need for additional review time before voting on bylaw changes, deciding to defer action to the next meeting.

Questions were also raised about the relationship and overlapping responsibilities between federally and state-mandated committees (MAC and SMMCAC), and the inclusion of diverse program types in committee definitions.

A vote on the bylaws was postponed until the next meeting.

7. Provider Enrollment and Management System (PEMS) and PEMS+ update. The Texas Legislature invested in PEMS during the past session to improve the provider experience. This includes additional staffing and funding to improve the system.

PEMS and Provider Enrollment Process Improvements

Process and policy changes

- Agency and the Texas Medicaid & Healthcare Partnership (TMHP) staff are working to streamline the enrollment process.
- Provider workgroups to solicit stakeholder feedback

System changes

- Integration and performance improvements in progress
- Prioritization of system enhancements for PEMS development is in progress

Provider workgroups and focus groups began in April and will continue through August to gather provider input.

Surveys and workgroups in development for input from internal users.

TMHP vendors are providing input and suggestions for PEMS improvements.



Discussion. No discussion

8. Public comment. No public comment was offered.

9. Review of action items and agenda items for future meeting. Next meeting November 13, 2025

For next meeting:

Vote on Bylaws

10. Adjourn. There being no further business, the meeting was adjourned.

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