



Health and Human Services

State Medicaid Managed Care Advisory Committee (SMMCAC) Clinical Oversight and Administrative Simplification (COAS) Subcommittee

February 12, 2026

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.





Clinical Oversight and Administrative Simplification Subcommittee seeks to strengthen the oversight of utilization management practices to include prior authorization policies and processes used by managed care organizations (MCOs). Focuses on reducing Medicaid provider burden through administrative improvements in four areas: claims payments, eligibility information, provider enrollment processes and prior authorization submissions.

Prior authorization discussions will focus on provider process issues and Health and Human Services Commission (HHSC) oversight of MCO prior authorization data. Also discusses specific Medicaid medical benefits as needed.

This Meeting was joined in progress

In attendance: Marcella Ford, Yulanda Haynes-Mims, Lindsey Vasquez

1. Call to order, introductions, and roll call. The meeting was convened by Marcella Ford, Chair. A quorum was present.

2. Consideration of August 7, 2025, and November 6, 2025, draft meeting minutes. The minutes for both meetings were approved as drafted.

3. In lieu of services

Senate Bill 1177, 86th Legislature, Regular Session 2019

Summary An overview of SB-1177 requirements was presented which allow managed care organizations (MCOs) to offer medically appropriate, cost-effective, evidence-based services in lieu of certain Medicaid State Plan mental health/substance use services in Texas. HHSC (Health and Human Services Commission) evaluates recommended services for eligibility as in lieu of services (ILOS) in phases, based on criteria such as medical appropriateness and cost-effectiveness. Once authorized, MCOs can optionally implement these services starting the next fiscal year; they are not mandatory.

Functional Family Therapy (FFT) and Multi-Systemic Therapy (MST) will be authorized for MCOs starting September 1 of this year, targeting at at-risk youth (ages 11-18 for FFT,



12–18 for MST), with details provided on program structure, duration, and service delivery settings.

Phase three of SB-1177 implementation is under review and includes analyzing treatment/therapeutic foster care, integrated pain management programs, and Systemic Therapeutic Assessment Resources and Treatment (START). HHSC is seeking stakeholder feedback on how these services might fit as ILOS, particularly what specific Medicaid mental health/substance use services they could replace. Contact info for submitting feedback was provided. If approved, new phase three services could be implemented by MCOs beginning September 1, 2027.

Presentation

Background on S.B. 1177. MCOs can offer certain medically appropriate, cost-effective, and evidence-based services “in lieu of” mental health or substance use disorder services specified in the Texas Medicaid State Plan (Texas Government Code, Section 540.0272). The State Medicaid Managed Care Advisory Committee (SMMCAC) created a list of recommended services, however MCOs are not required to offer ILOS.

Functional Family Therapy Effective for MCO implementation on 9/1/26

Service description-- Evidence-based program for at-risk youth aged 11 to 18 years who exhibit mild to severe behavioral problems and their family members, legally authorized representative, or caregivers.

Amount and duration--Treatment is provided in 8-14 sessions for mild cases and up to 30 sessions for more acute cases; sessions are 45-60 minutes and may include multiple family members.

Multisystemic Therapy Effective for MCO implementation on 9/1/26

Service description-- Evidence-based intervention for youth aged 12-18 years at risk of severe system consequences due to serious externalizing, anti-social, or delinquent behaviors and their family members, legally authorized representative or caregivers. •

Amount and duration--MST providers work in teams of two to four therapists and a supervisor. A therapist meets with the youth or family at least weekly but often multiple



times per week, depending on need; Families receive about 60 hours of treatment over an approximate 4-month period, as well as about 35 hours of non-direct contact provided to the ecology of the youth. Therapists or their supervisors are expected to be on call 7 for families 24/7.

Behavioral Health Services Under Assessment for ILOS

Treatment/therapeutic foster care (TTFC)

Service description-- Children with serious emotional, behavioral, or medical needs are placed with caregivers trained to provide care in alignment with child's treatment plan; Texas Department of Family and Protective Services (DFPS) already offers a Treatment Foster Family Care program. HHSC will work with DFPS to identify how a potential ILOS may support this existing program.

Request for feedback-- What mental health or substance use disorder services specified in the Texas Medicaid State Plan would TTFC be in-lieu-of?

Integrated pain management program (IPMP)

Service description-- IPMPs aim to treat pain and improve functioning and quality of life while reducing the use of pain medication and other substances. Pain management services may include acupuncture, behavioral health counseling, chiropractic care, exercise, group medical visits, nutrition education, substance use treatment, yoga therapy, and legal aid.

Request for feedback-- What mental health or substance use disorder services specified in the Texas Medicaid State Plan would an IPMP be in-lieu-of?

Systemic, Therapeutic, Assessment, Resources, and Treatment (START)

Service description--START is an evidence-based crisis prevention and intervention model for people aged six and older with intellectual and developmental disabilities (IDD) and mental health (MH) needs. START provides 24/7 crisis response for individuals enrolled in the program and coordinated care to help prevent institutional placement or hospitalization.



Request for feedback--What mental health or substance use disorder services specified in the Texas Medicaid State Plan would START be in-lieu-of?

Next steps HHSC is seeking feedback by Friday, February 20th, so we can incorporate your feedback into the analysis. Please submit feedback to:

Managed_Care_Initiatives@hhs.texas.gov

HHSC will finalize the assessment of additional services and, if appropriate, authorize them for MCO implementation on 9/01/2027.

Discussion. No substantive discussion

House Bill 26, 89th Legislature, Regular Session, 2025

Summary. House Bill 26 from the 89th Texas Legislature authorizes MCOs to offer nutrition support services as ILOS for Medicaid members. Legislative requirements include permitting MCOs to offer medically appropriate, cost-effective, evidence-based nutrition counseling and instruction in lieu of services specified in the Medicaid State Plan. The bill allows for a pilot program (through August 31, 2030) for certain high-risk pregnant women in managed care, including nutrition counseling, medically tailored meals, and other evidence-based nutrition supports. The target population for the pilot is pregnant Medicaid members with chronic health conditions or risks for high-risk pregnancy (e.g., gestational diabetes, hypertension, obesity). HHSC must submit annual and one-time reports on ILOS implementation and outcomes.

The MCAC must approve the final list of proposed in lieu of services.

Regarding implementation literature reviews and research are underway to inform a draft proposal for the nutrition ILOS; stakeholder feedback (including MCAC) will be solicited in spring 2026, with the target effective date for implementation in September 2027.

Feedback will be gathered through surveys distributed to committee members and stakeholders, with interim updates planned for future meetings.



Presentation

H.B. 26 HB00026F.pdf

Requires HHSC to permit Medicaid managed care organizations (MCOs) to offer medically appropriate, cost-effective, evidence-based nutrition counseling and instruction in lieu of services specified in the Medicaid state plan.

Allows HHSC to establish a pilot that permits MCOs to offer the following in lieu of services (ILOS) to certain pregnant women through August 31, 2030:

- nutrition counseling and instruction,
- medically tailored meals, in combination with nutrition counseling and instruction,
- other evidence-based nutrition support services.

Requires HHSC to submit to the Texas Legislature:

- annual report on all Medicaid ILOS,
- one-time report on pilot ILOS.

H.B. 26 Implementation Update

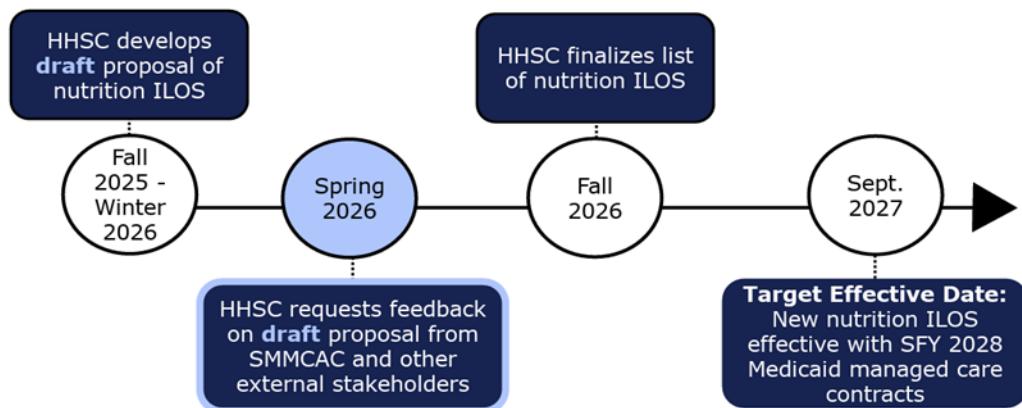
- In Progress – Literature review and research on existing Medicaid nutrition support services in Texas and other states.
- In Progress – Development of a draft support services proposal of the ILOS nutrition
- Spring 2026 – HHSC will request feedback from the SMMCAC and other key external stakeholders on the draft public comment period.

SMMCAC and External Stakeholder Engagement HHSC's goal is to engage the SMMCAC and key external stakeholders during this draft development stage before the proposal for the new ILOS is finalized. HHSC will request feedback on the following categories of nutrition support services to implement in lieu of a Medicaid state plan service.

H.B. 26 Nutrition Support Services ILOS Categories

	ILOS 1	ILOS 2	ILOS 3
ILOS Category	Nutrition Counseling and Instruction (NCI)	Medically Tailored Meals + NCI	Other evidence-based nutrition support services
Target Population	Medicaid managed care members	Medicaid managed care members with a high-risk pregnancy	Medicaid managed care members with a high-risk pregnancy

H.B. 26 High-Level Implementation Timeline



Next Steps

- March 2026:** HHSC sends survey to the SMMCAC and external stakeholders to provide feedback on the draft nutrition ILOS proposal.
- March/April 2026:** Survey closes.
- May 2026:** Next SMMCAC meeting

Discussion No discussion

4. Public comment. Written public comment was received

Adam Arndwine, Mom's Meals emphasized the importance of timely and streamlined implementation of nutrition ILOS, the role of registered dieticians, and the need to minimize administrative burdens that could delay access to medically tailored meals, particularly for high-risk pregnancies. He stressed the value of generating outcome data quickly and aligning clinical requirements with practical access. [Mom's Meals](#)



5. Review of action items and agenda items for next meeting.

Future Meetings

- May 14, 2026
- Aug. 13, 2026
- Nov. 5, 2026

Future Agenda Topics No topics offered

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

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