



Health and Human Services Executive Council March 19, 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.





1. Welcome and opening remarks. *Call to order, Meeting logistics and roll call, Welcome and remarks, Department of State Health Services commissioner's update, Department of Family and Protective Services commissioner's update, Inspector general's update*

The meeting was convened by Emily Zolkovski, Medicaid Director.

DSHS Update. (Dr. Jennifer Shuford)

- DSHS is undergoing Sunset Advisory Commission review; DSHS is responding to Sunset staff questions and coordinating with partners providing input.
- Wildfire response: Dry weather/high winds increased wildfire risk; Texas A&M Forest Service and Texas Division of Emergency Management requested activation of Emergency Medical Task Force resources.
- Wildfire status (as of last week's report): 29 fires across Texas, totaling over 18,000 acres; DSHS deployed emergency vehicles and medical staff statewide in support.
- World Cup preparations: Planning for an estimated 1–1.5 million additional visitors to Texas (games in Houston and Arlington); expected impacts to healthcare system capacity and disease surveillance; coordination with local, state, and federal partners.
- Measles: Ongoing activity nationally/globally; Texas reported 136 cases in 2026; DSHS reinstated a public dashboard listing cases by county and likely acquisition source (local, domestic travel, international travel, unknown). [Measles | Texas DSHS](#)

Inspector General (Susan Biles)

- OIG (Susan Biles) acknowledged provider frustration with enrollment screening delays; historical turnaround ~10 business days.
- Volume surge: Nearly 300% increase; OIG historically received ~22% of applications but is now receiving ~70%.
- Mitigation efforts: Added staff (nearly 40% increase), requested system improvements, and implemented process changes.
- Processing approach: Applications handled in received order, with prioritization for providers near revalidation deadlines to avoid gaps in services.



- Fraud, waste, and abuse reporting enhancement: Plan to add reporting links in Your Texas Benefits website/mobile app that route to a new, more user-friendly referral website; design underway with expected implementation in June.
- Enforcement highlight: CDS employer misuse case (loss >\$200K) referred to OAG Medicaid Fraud Control Unit; prosecuted with U.S. Attorney's Office (Northern District of Texas); guilty plea and sentence (17 years) with full restitution ordered.
- Recoveries: February recoveries \$28.7M; fiscal year-to-date total \$181M; Q2 quarterly report to be released at end of the month.

2. Agency Updates

Provider Enrollment Management System (PEMS) update. Jordan Nichols

PEMS is used for Medicaid enrollment and ongoing updates with a revalidation typically every 5 years; The OIG conducts most screening and TMHP manages the system and process.

The current system is not user-friendly and has caused provider difficulties. The Legislative investment (2025 session) is funding a PEMS revamp with goals of timely applications, transparent/predictable workflows, reduced admin burden/cost, and a fast/secure system.

Diagnosis was completed late fall 2025 and reimagine (current), build, ongoing testing; launch targeted by end of FY 2027.

Regarding Deployment planning, they are considering a phased vs full deployment; evaluating readiness (tech stability, provider and staff preparedness, data quality) and soft-launch options.

There are near-term improvements while redesign is underway: TMHP staffing increased 190% and they are reviewing applications on average within 3 business days; They have improved training/cross-training; standardized correction notices and developed clearer provider notifications/web content adding a chatbot.

There are technical fixes in the current system: optimized integrations to reduce “stuck” applications, improved architecture for speed/stability, extended time to correct application errors.

Provider enrollment work group was formed in 2025 (providers + 20 major associations) with quarterly meetings ongoing and increased outreach and hands-on support events are happening.

Revalidation had been paused for 3 years during COVID PHE; providers urged to start up to 180 days before due date. Temporary flexibility was extended through May 31 and providers missing the due date may receive an extra 180 days to complete revalidation. HHSC is working on changes so providers aren’t disenrolled while under state review (noting OIG review delays). A renewed communication is planned with MCOs, provider associations, TMHP, and HHSC and providers are encouraged to contact TMHP if stuck.

Presentation Materials

Provider Enrollment Background

- ➔ Providers must enroll to participate in Medicaid and periodically revalidate their enrollment
- ➔ State Medicaid agencies must conduct screening activities to confirm providers are eligible to participate
- ➔ Texas providers use the Provider Enrollment and Management System (PEMS)

150,000+ providers enrolled

168 provider types

System and operations managed by Texas Medicaid & Healthcare Partnership (TMHP)

Rider 28 Goals and Focus Areas

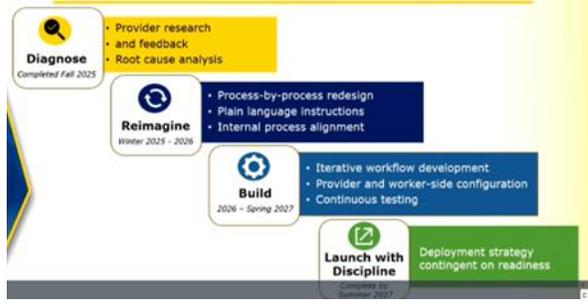
A Better Provider Enrollment Experience

- ✔ *Faster*
- ✔ *Smarter*
- ✔ *Simpler*



- Efficient and timely application completion
- Transparent and predictable enrollment processes
- Increased operational efficiency and effectiveness
- Improved system integrity and performance

PEMS Enhancement Strategy



Diagnose (Completed Fall 2025)

- Provider research and feedback
- Root cause analysis

Reimagine (Winter 2025 - 2026)

- Process-by-process redesign
- Plain language instructions
- Internal process alignment

Build (2026 - Spring 2027)

- Iterative workflow development
- Provider and worker-side configuration
- Continuous testing

Launch with Discipline

- Deployment strategy contingent on readiness

Support for Current System

Operational Improvements	Technical Improvements	Stakeholder Engagement
<ul style="list-style-type: none"> 190% increase in TMHP staffing Improved training and cross training Improved communications 	<ul style="list-style-type: none"> Optimized system integrations Improved system architecture More time for users to make corrections 	<ul style="list-style-type: none"> Provider enrollment workgroup Proactive outreach and assistance Ongoing feedback collection



Revalidation



Provider Action is Critical

- Log in to PEMS. If your due date is within 180 days, start revalidation now.
- Submitting your application is just step one. Complete the entire process by the due date to stay enrolled.

Flexibilities

- Through May 31, 2026, providers may qualify for extensions.
- Do not rely on flexibilities alone. They are temporary and will end.
- HHSC is working on changes to ensure providers aren't disenrolled while under state review.

Resources

- HHSC is developing a communication plan and partner toolkit to support revalidation messaging.

• Stuck or have questions? Email providerrelations@tmhp.com

Senate Bill 379 (89th Regular Session, Texas Legislature, 2025)

Implementation - Healthy Foods update Rachel Patton

AUSTIN - The Texas Health and Human Services Commission reminds Supplemental Nutrition Assistance Program (SNAP) recipients that they can no longer buy candy or sweetened drinks with their Lone Star Cards in Texas starting April 1, 2026.

"Texas is leading the way in aligning SNAP benefits with healthier food options," Gov. Greg Abbott said. "By implementing these changes, we encourage better nutrition and ensure this program helps families access nutritional food. I thank the Trump Administration, and the Texas Health and Human Services Commission for their work to strengthen this program and better serve Texans."

The new restrictions prohibit SNAP benefits from being used to purchase candy, gum or sweetened drinks, including beverages made with water that contain 5 grams or more of added sugar or any amount of artificial sweetener. The restrictions also apply to fruit, raisins and nuts that have been candied, crystalized, glazed or coated with chocolate, yogurt or caramel.

"I thank Gov. Abbott and the Texas Legislature for taking action to improve long-term health outcomes for SNAP recipients," HHS Executive Commissioner Stephanie Muth said. "These changes will lead to healthier food choices and support the development of healthy eating habits that last a lifetime."

Last year, Gov. Abbott [submitted a letter](#) to the U.S. Department of Agriculture Food and Nutrition Service (FNS) requesting a waiver to prohibit SNAP benefits from being used to purchase sweetened drinks and candy. The 89th Texas Legislature outlined the SNAP purchase restrictions in Senate Bill 379, which Gov. Abbott signed into law. FNS [approved the waiver](#) in August 2025.



HHSC is making Texans aware of the changes through educational material in local offices, [the HHS website](#) and social media. Retailers and other SNAP stakeholders can [find resources](#) with messages, posters and graphics in English and Spanish to help educate SNAP recipients about the upcoming limitations.

SNAP is a federal program administered by HHSC that provides food assistance to approximately 3.3 million low-income Texans. Benefits allow SNAP recipients to purchase foods like fruits and vegetables, meats, cereals, milk, plants and garden seeds.

Visit the [SNAP Food Benefits webpage](#) or dial 2-1-1 to learn about SNAP and other programs and services.

Texas submitted and received USDA/FNS approval for a waiver restricting purchase of sweetened drinks and candy with SNAP; implementation date April 1, 2026.

Sweetened drinks definition: Non-alcoholic beverage with $\geq 5g$ added sugar or any artificial sweeteners; exclusions include milk/milk substitutes, beverages with $\geq 50\%$ fruit/vegetable juice, plant-derived natural sweeteners (e.g., stevia/monk fruit) with $\leq 5g$ added sugar, and medical-grade electrolytes for illness-related dehydration.

Candy definition (per Texas Administrative Code): Confections with natural/artificial sweeteners (examples included); excludes products specifically used for cooking (e.g., chocolate chips, sprinkles).

Implementation: Retailer engagement began May 2025 with biweekly retailer meetings; stakeholder work groups began July in 2025; toolkits and materials were published (FAQs, posters, flyers, retailer signage/guidance) and public outreach via news releases/social media.

Implementation is on track for April 1, 2026. They are continuing biweekly stakeholder work groups and added technical assistance touchpoints to speak with retailers weekly. Retailers have the responsibility for identifying allowable products and HHSC is gathering retailer attestations of readiness. There is also a client survey: Pre-implementation survey launched to measure pre/post behavior changes to share with FNS.

Presentation Materials

SNAP Food Restriction Waiver (SB379) – Definitions



Sweetened Drinks – A nonalcoholic beverage made with water that contains five grams or more of added sugar or any amount of artificial sweeteners.

This does not include a beverage that contains:

- milk or milk products
- soy, rice, or similar milk substitutes
- more than 50 percent of vegetable or fruit juice by volume
- natural sweeteners derived from plants (such as Stevia, Stevia Leaf Extract, and Monk Fruit) with less than five grams of added sugar
- medical grade electrolyte drinks used for illness related to dehydration

SNAP Food Restriction Waiver (SB379) – Definitions



Candy – Defined by Texas Administrative Code, Chapter 34, Section 3.293 (a)(4), as a confection made with natural or artificial sweeteners.

Examples include:

- Candy bars
- Gum, drops and taffy
- Nuts, raisins, and fruits that have been candied, crystallized, glazed, or coated with chocolate, yogurt, or caramel; and nuts roasted with a sweetener.

The term “candy” does not include products used exclusively for cooking, such as chocolate bits and cake sprinkles, and snack items as defined by the Texas Administrative Code, Chapter 34, Section 3.293 (a)(14).

SNAP Food Restriction Waiver (SB379) – Implementation Updates



- HHSC began engaging retailers in May 2025 to discuss the impact of the changes and establish a timeframe for implementation. Bi-weekly retailer meetings are ongoing to provide guidance on the changes and prepare for implementation.
- Stakeholder workgroup meetings began in July 2025 and are ongoing to provide input on communication materials and outreach strategies to educate and inform clients of the changes.
- Toolkits for clients and retailers, as well as other documents (e.g., FAQs, client posters, flyers, retailer signage, and guidance) have been developed and posted to the agency website.



SNAP Food Restriction Waiver (SB379) – Current Status



- On target for implementation on **April 1, 2026**.
- Stakeholder workgroups are ongoing to support communication and outreach efforts, including gathering feedback and refining evaluation and retailer/client communications.
- The approved pre-implementation client evaluation survey is available now through the end of March 2026. A post-implementation survey will be available in April.
- Access the SNAP Recipient Survey by scanning the QR code or by selecting the [survey link](#).



SNAP Food Restriction Waiver (SB379) – Resources



- For details on the changes, including FAQs, visit the [SNAP Purchase Restrictions webpage](#)
- For stakeholder and retailer resources, visit the [HHSC Ambassador Toolkit webpage](#).



For more information, see [SNAP Food Benefits | Texas Health and Human Services](#)



3. Rule proposals* (Agency Rulemaking can be found at <https://www.hhs.texas.gov/regulations/policies-rules/health-human-services-rulemaking/comment-proposed-draft-rules>.)

Submitted to the *Texas Register* – Administrative Procedure Act public comment period has not closed‡

[24R031 The Texas Health and Human Services Commission \(HHSC\), on behalf of the Office of Inspector General \(OIG\), proposes amendments to rules in Texas Administrative Code \(TAC\), Title 1, Part 15, Chapter 373, concerning the Medicaid Estate Recovery Program.](#)

Summary. HHSC is clarifying and updating the rules to make sure Medicaid long term care costs are recovered more effectively. The changes help to explain who is eligible for recovery by MERP and update financial thresholds based on inflation, raising both the amount paid by Medicaid and the value of the estate before MERP can recover, meaning fewer people with limited assets will be affected. The changes help to make the rules easier to read. The changes to the rules also update references to law that took effect on April 1, 2025. These changes are not substantive.

Background. The purpose of this proposal is to clarify provisions in the Medicaid Estate Recovery Program (MERP) rules, consistent with applicable federal law at 42 U.S.C. §1396p(b)(1). HHSC, as the State Medicaid Agency, is required to operate a MERP and recover the costs of Medicaid long-term care benefits received by certain Medicaid recipients. At the same time this rule is proceeding through the rulemaking process, HHSC will be submitting a proposed State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services. The SPA will seek approval from CMS to send MERP notices to the last known address of the Medicaid recipient upon their death to ensure the decedent's heirs are aware of a possible MERP claim. This proposal also implements HB 4611, 88th Legislature, Regular Session, 2023, which makes non-substantive amendments to the Texas Government Code that make the statute more accessible, understandable, and usable.

Fiscal and Services Impact. None reported.



Rule Development Schedule

March 19, 2026	Present to HHSC Executive Council
March 20, 2026	Publish proposed rules in Texas Register
June 2026	Publish adopted rules in Texas Register
July 2026	Effective date

[24R093 HHSC proposes in TAC, Title 26, Part 1, Chapter 307, Behavioral Health Programs, new Subchapter H, concerning Coordinated Specialty Care for First Episode Psychosis Program.](#)

Summary. HHSC proposes new rules for the Coordinated Specialty Care for First Episode Psychosis (CSC-FEP) program. The CSC-FEP program serves people that are at least 15 years old and up to 30 years old and have a psychotic disorder. The new rules explain to providers the services that are part of the CSC-FEP program and who can receive them. It also explains what type of staff members the program needs and how the CSC-FEP program providers must operate the program.

Background. The Texas Health and Human Services Commission (HHSC) proposes in Texas Administrative Code, Title 26, Chapter 307, new Subchapter H, to establish rules for the Coordinated Specialty Care for First Episode Psychosis (CSC-FEP) Program. The CSC-FEP program offers outpatient mental health treatment to individuals that are at least 15 years old and up to 30 years old with a psychotic disorder. These rules codify existing regulations for the implementation and provision of CSC-FEP services in Texas. These rules will apply to local mental health authorities (LMHAs), local behavioral health authorities (LBHAs), and community centers providing CSC-FEP program services.

Fiscal and Service Impact. The proposed new rules clarify current CSC-FEP program requirements and expectations to make sure the providers understand their responsibilities. This clarity will enhance the care provided to individuals receiving CSC-FEP services.

Rule Development Schedule.

March 19, 2026	Present to HHSC Executive Council
March 20, 2026	Publish proposed rules in Texas Register
July 2026	Publish adopted rules in Texas Register



August 2026

Effective date

26R003 HHSC proposes a repeal and amendments to rules in TAC, Title 26, Part 1, Chapter 748, concerning Minimum Standards for General Residential Operations to implement section 6 of House Bill (HB) 2789 and HB 3153, 89th Regular Session, 2025, and partially implement HB 16, 89th Legislature, 2nd Special Session, 2025, and makes non-substantive changes for better readability and understanding.

Summary. The rules require general residential operations (GROs) to verify all employment history noted on the job application and to check references. The rules also require GROs to provide training on professional and appropriate conduct with children and how to respond to a behavior intervention crisis to avoid police involvement. For GROs operating as residential treatment centers, the rules remove many of the requirements relating to "No Trespassing" notices.

Background. The proposal is necessary to implement House Bill (HB) 3153 and section 6 of H.B. 2789, 89th Legislature, Regular Session, 2025. The proposal is also necessary to partially implement HB 16, 89th Legislature, 2nd Special Session, 2025.

HB 3153 added Texas Health and Safety Code, Chapter 811, to require general residential operations (GROs) to comply with certain employment requirements to prevent physical or sexual abuse of children.

Section 6 of HB 2789 amended Texas Human Resources Code (HRC) §42.068 to remove location and content requirements for "No Trespassing" notices required at GROs that are operating as residential treatment centers. Other rule projects are underway to implement the other sections of HB 2789.

HB 16 amended HRC §42.0426 to require a residential child-care facility to include crisis response training for emergency behavior intervention with a goal of limiting law enforcement involvement. A separate rule project will implement the bill for child-placing agencies.



The proposal updates existing requirements for obtaining and verifying an applicant's employment history; adds training for new employees regarding professional and appropriate relationships with children; includes crisis response training for emergency behavior intervention with a goal of limiting law enforcement; and removes location-specific and content requirements for "No Trespassing" notices.

Fiscal and Service Impact.

	SFY27	SFY28	SFY29	SFY30	SFY31
State	5170.30	347	347	347	347
Federal	0	0	0	0	0
Total	5170.30	347	347	347	347

The proposed rules will increase protections for children in GROs.

Rule Development Schedule

March 19, 2026	Present to HHSC Executive Council
March 2026	Publish proposed rules in Texas Register
August 2026	Publish adopted rules in Texas Register
August 2026	Effective date

4. Advisory committee recommendations*

Aging Texas Well Advisory Committee. [Aging Texas Well Strategic Plan Progress Update for 2026 - 2027](#)

ATWAC FY2025 priority areas include: social engagement/isolation, affordable housing, family caregiving, health and long-term care. There are Six recommendations:

- integrate aging/social connection into planning across policy areas;
- strengthen community-based infrastructure for aging in place;
- improve system coordination and person-centered navigation aligned to No Wrong Door principles;
- support/sustain aging and caregiving workforce;



- leverage technology/data (digital inclusion, telehealth, data-informed decisions) especially for rural communities;
- promote early planning and shared responsibility via awareness/education/employer engagement.

ATWAC noted many recommendations are geared toward broader state leadership; HHSC can help via cross-sector collaboration (housing, transportation, disaster readiness), aligning broadband/telehealth/digital literacy with aging outcomes, integrating caregiver supports, and reinforcing No Wrong Door navigation.

Public Comment

Diane Lane, billing and credentialing stated that it has been impossible to get providers credentialed for Medicaid to provide services. Providers must get on Medicare first, then Medicaid and MCOs. The process takes at least a year. There are also many providers showing they take Medicaid, but they do not take Medicaid clients (in mental health). This is partly because it is difficult for providers to be removed from the Medicaid provider list. CAQH could be used. United Health Care uses this, and their process is very efficient.

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

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