

Legislative Update: Impacts

Texas Indigent Health
Care Association

Windy Johnson -
10/23/25



THE BASICS

150 REPRESENTATIVES

LED BY SPEAKER OF THE HOUSE,
REP. DUSTIN BURROWS

31 SENATORS

LED BY LIEUTENANT
GOVERNOR DAN PATRICK

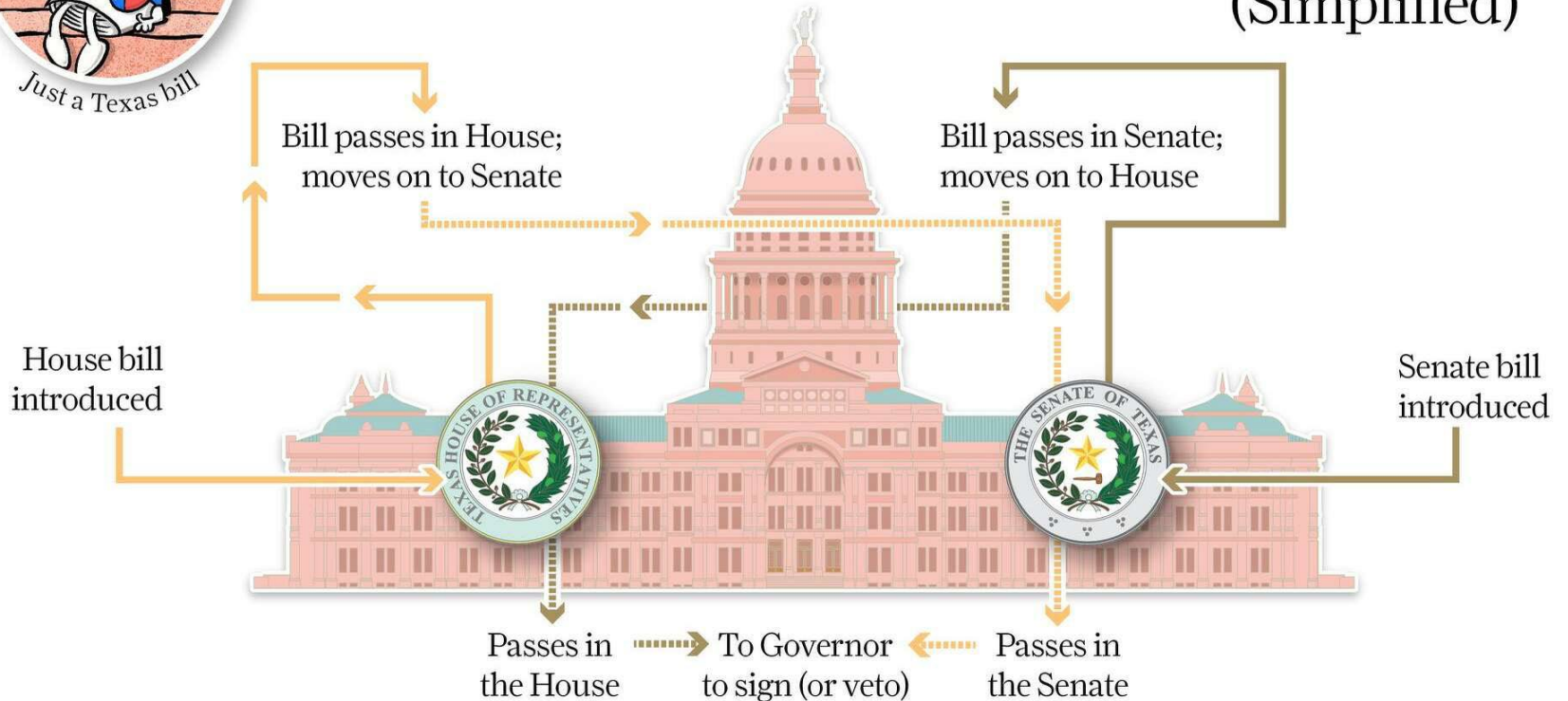
The Texas legislature is biennial, meaning it meets every other year from January to May. In even numbered years, there are interim charges the legislature reviews.



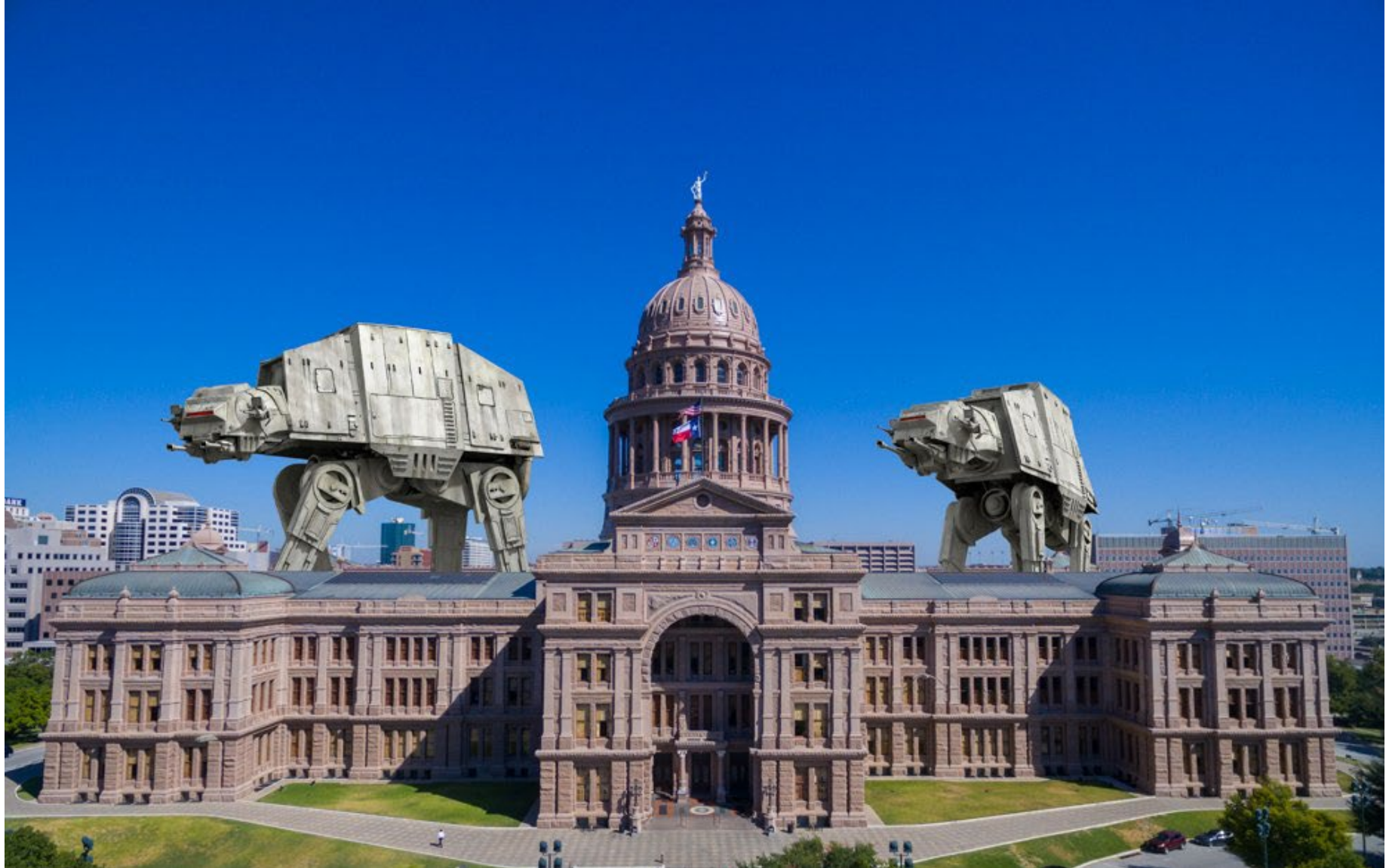


How a bill becomes law

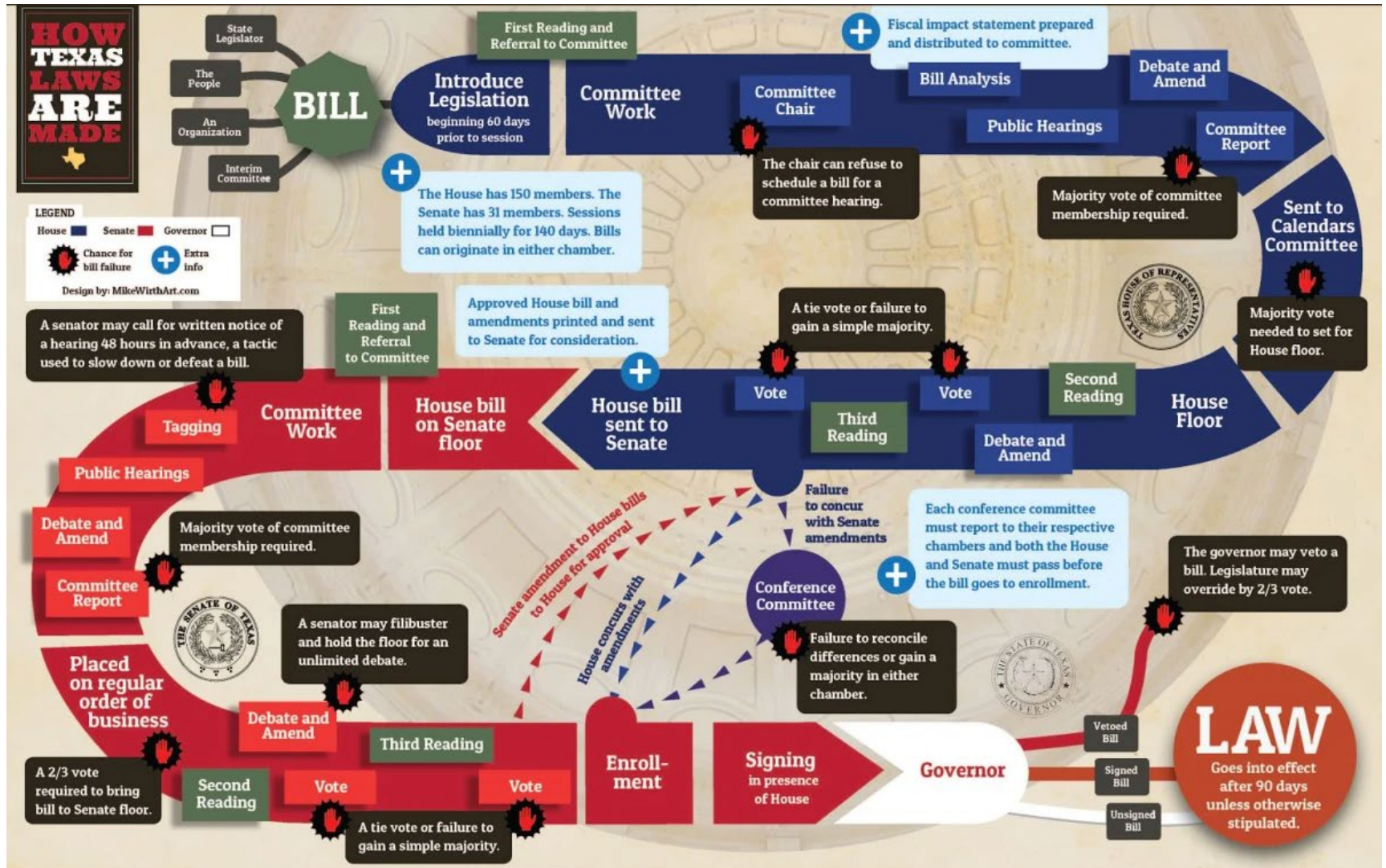
(Simplified)



140 days every 2 years...



The Real Process of How a Bill Becomes Law

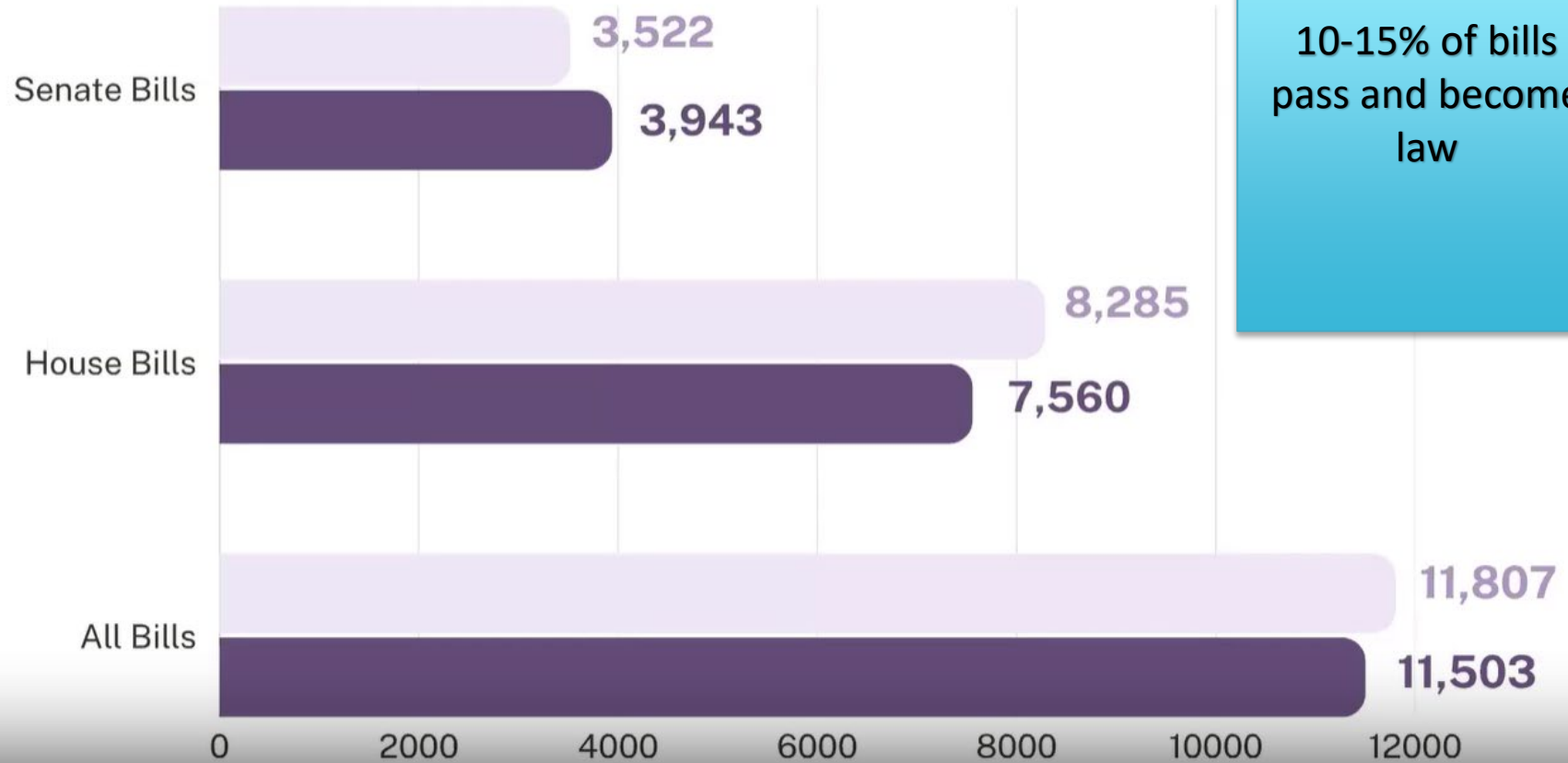


Life Cycle of Legislation



BILL STATS: 88TH V. 89TH

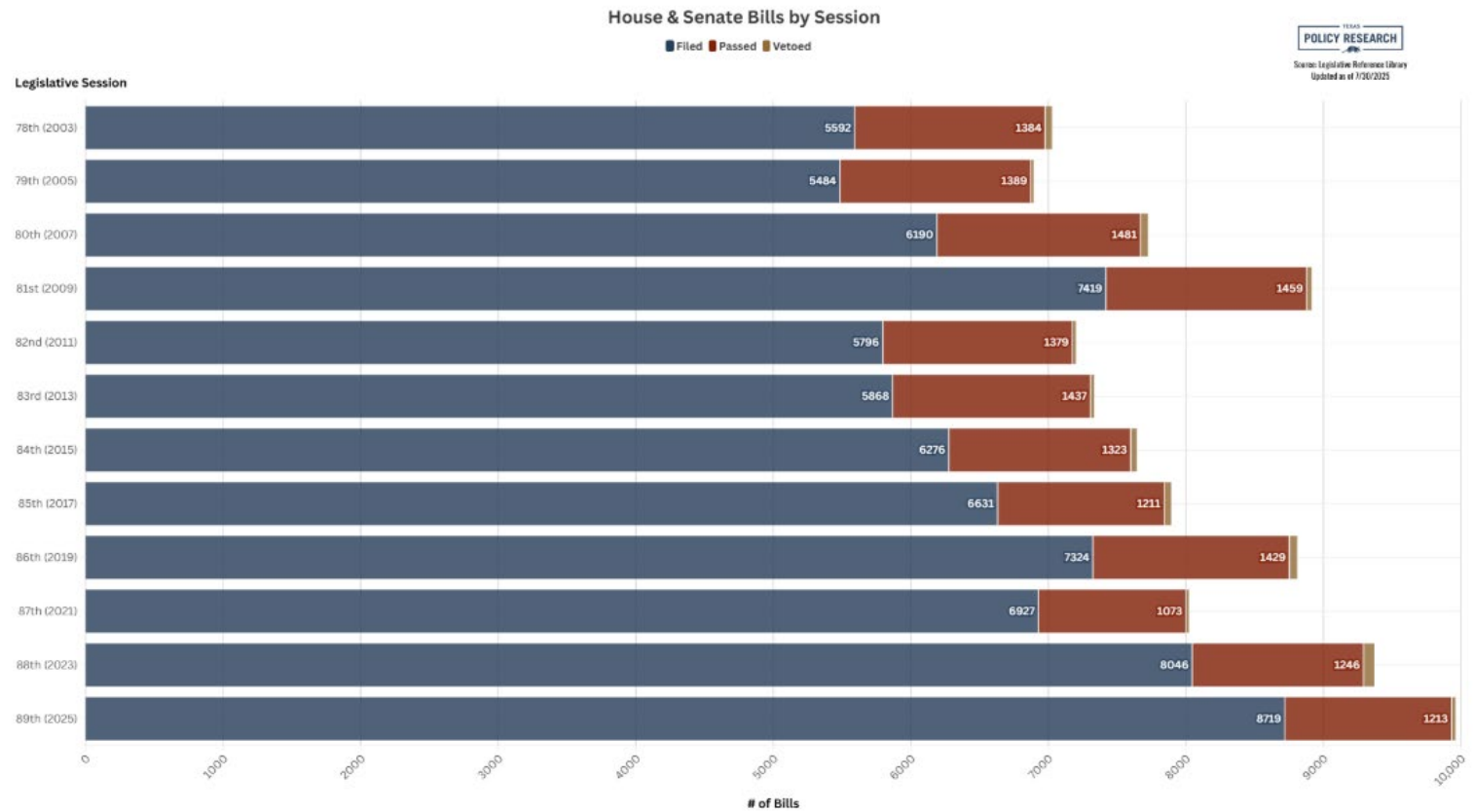
● 88th ● 89th



10-15% of bills
pass and become
law

Session by Session

Session-by-Session Comparison



Texas Revenue Context

Texas entered this biennium with a \$24B surplus.

Most funds went to property tax relief and infrastructure.

Counties expected more local support but dollars remain stretched thin.

Show me the budget and I'll show you what matters....

SB 1: The General Appropriations Act

(In millions) All functions	Estimated, budgeted 2024-25	CCR SB1 2026-27	Biennial Change	Percentage Change
Article I – General Government	\$21,639.1	\$11,908.4	(\$9,730.7)	(45.0%)
Article II – Health and Human Services	\$100,854.2	\$105,732.8	\$4,878.6	4.8%
Article III – Agencies of Education	\$123,475.2	\$134,664.7	\$11,189.5	9.1%
<i>Public Education</i>	\$90,965.0	\$100,300.0	\$9,335.0	10.3%
<i>Higher Education</i>	\$32,510.2	\$34,364.7	\$1,854.5	5.7%
Article IV - Judiciary	\$1,241.2	\$1,232.0	(\$9.2)	(0.7%)
Article V – Public Safety and Criminal Justice	\$19,485.3	\$19,771.9	\$286.6	1.5%
Article VI – Natural Resources	\$11,055.8	\$8,063.7	(\$2,992.0)	(27.1%)
Article VII – Business and Economic Development	\$49,832.2	\$48,477.9	(\$1,354.3)	(2.7%)
Article VIII - Regulatory	\$5,891.9	\$6,695.6	\$803.7	13.6%
Article IX – General Provisions	\$0.0	\$930.1	\$930.1	N/A
Article X - Legislature	\$520.8	\$540.3	\$19.5	3.7%
Total, All Articles	\$333,995.6	\$338,017.2	\$4,021.6	1.2%

Source: Appropriations for the 2026-27 Biennium, Legislative Budget Board (May 2025); the Governor's line-item veto proclamation impacting Articles VI and IX [may be accessed here](#).

Article II - HHS

SB 1: Article II, Health and Human Services

(In millions) All functions	Estimated, budgeted 2024-25	CCR SB1 2026-27	Biennial Change	Percentage Change
Department of Family and Protective Services	\$4,879.6	\$4,919.4	\$39.8	0.8%
Department of State Health Services	\$2,967.2	\$2,367.9	(\$599.3)	(20.2%)
Health and Human Services Commission	\$91,274.2	\$96,338.7	\$5,064.5	5.5%
Subtotal, Health and Human Services	\$99,121.0	\$103,626.0	\$4,504.9	4.5%
Employee Benefits and Debt Services	\$2,447.2	\$2,802.8	\$355.7	14.5%
Less Interagency Contracts	\$714.0	\$696.0	(\$18.0)	(2.5%)
Total, All Functions	\$100,854.2	\$105,732.8	\$4,878.6	4.8%

Source: Appropriations for the 2026-27 Biennium, Legislative Budget Board (May 2025)

Department of State Health Services County Indigent Health Care Total State Matching Funds 2004-2016



County Indigent Health Care Program

\$1,285,592 for the Biennium



\$406,119/year allocated for
state assistance
reimbursement to counties.

State Assistance

A county may use the money transferred in an IGT (up to 4% of the GRTL) towards the 8%



Money used from county indigent funds towards inmates may be allotted towards the 8%

Behavioral Health Appropriated

\$10.41B

for behavioral health funding across
30 state agencies

\$54M

for Youth Mobile Crisis Outreach
Teams

\$32.65M

to maintain and expand Multisystemic
Therapy (MST) capacity

\$170.2M

for the Texas Child Health Access
Through Telemedicine (TCHATT)
program

Local MH Grant Funded

- \$20 million for the **Texas Veterans + Family Alliance Grant Program** to provide mental health services for veterans and their families. HB 114 (Cortez) transfers the program to the Texas Veterans Commission.
- \$90 million for the **Mental Health Grant Program for Justice-Involved Individuals** to reduce recidivism, arrest, and incarceration among people with mental illness.
- \$55 million for the **Community Mental Health Grant Program** to support community mental health programs providing services and treatment to people experiencing mental illness.
- \$29.5 million for the **SMART Innovation Grant Program** to support community-based initiatives that improve access for children and families.
- \$38 million for the **Healthy Community Collaboratives** to provide services to persons experiencing homelessness, substance abuse, or mental illness, a \$5 million increase.

Texas Revenue & Budget Snapshot

Wins: trauma & EMS
funding, rural
telepsychiatry, hospital
add-on stability.

Gaps: only 10% of
indigent defense funded
by state, uncompensated
care & jail mental health
remain county costs.

It is illegal to milk another person's
COW.



Bills that Passed

- Senate Bill 5 - establishes the Dementia Prevention & Research Institute of Texas (DPRIT) and outlines the operation of \$3 billion in grant funding over the next decade. Lawmakers have already dedicated \$600 million over the next two years, a sign that the Legislature is confident Texas voters will support the creation of DPRIT in this November's Constitutional proposition election. Once approved, DPRIT will soon begin distributing grants for research into Alzheimer's, Parkinson's, and other dementia-related disorders. The election to approve constitutional amendments, such as DPRIT, will be held on November 4, 2025. Senate Joint Resolution 3
- House Bill 18 - establishes several programs and grant opportunities to support struggling rural hospitals and enhance access to healthcare in small Texas counties. It establishes a new state office to monitor rural hospital finances, creates an academy to train hospital leaders, and offers emergency, innovation, and support grants to help rural hospitals stay open and serve their communities. The law also increases Medicaid reimbursement for specific services and expands access to mental health and pediatric telehealth services in rural areas.

Rural EMS



- [HB 3000](#) (King/Sparks) established the Rural Ambulance Service Grant Program, authorizing grants of up to \$500,000 for counties with fewer than 10,000 residents and \$350,000 for counties with fewer than 68,750 residents to purchase ground ambulances.

MAHA

- Senate Bill 25 - establishes a statewide nutrition advisory committee to develop science-based dietary guidelines and raise awareness about the health risks of ultra-processed foods. Food manufacturers must now include warning labels on products sold in Texas if they contain certain banned or controversial additives. The law also strengthens nutrition and physical education requirements in K–12 schools and colleges, and requires doctors, nurses, and other health professionals to complete continuing education on nutrition and metabolic health.

SNAP

- Senate Bill 379 - bill bans the use of SNAP benefits to buy sweetened soft drinks—defined as sodas with added sugar or artificial sweeteners—unless they're mostly made of milk, milk substitutes, or real fruit or vegetable juice. If federal approval is required to enforce this rule, state agencies must request it before proceeding.

Mandated Federal Immigration Agreements by Sheriffs

- [SB 8](#) — Requires sheriffs in counties that operate jails or contract for jail operations to request and, if offered, enter into 287(g) agreements or similar federal program with U.S. Immigration and Customs Enforcement (ICE) to enforce federal immigration law. Mandates annual reapplication if no agreement is reached and allocates responsibility to sheriffs to dedicate resources for implementation. Creates a new grant program administered by the comptroller to reimburse counties for unreimbursed local costs related to participation, including jail costs, equipment, and training, with tiered funding based on county population.

Pretrial Release and Bail Reform

- [SB 9](#) — Prohibits appointed magistrates from granting bail in felony cases if a defendant is on bail, parole, or probation for another felony; has at least two prior stays in the penitentiary; is subject to an immigration detainer, or is charged with certain offenses.

Federal:
Medicaid Work
Requirements

Work requirements
resurfaced but not
implemented.

Risk of coverage loss for
thousands.

Counties & hospitals
would see more
uncompensated care.

Federal Policy Changes

Medicaid: block grants avoided but flexibilities narrowed.

SNAP & Medicaid cost shifts add burden.

DSH: cuts delayed, billions still at stake.

Homelessness EO 14321 shifts away from Housing First.

HHS bars undocumented immigrants from key federal programs (Head Start, MH/SUD grants, Title X, child welfare).

CIHCP Checkpoints

Established by the Indigent Health Care and Treatment Act authorized by the 69th Texas Legislature in 1985.
Unfunded Mandate

Rising demand, especially in rural counties.

Counties legally required to provide services once eligibility met.

CIHCP & County Implications

Counties also fund indigent defense, indigent parent representation, jail MH, juvenile backlogs.

All funded from same local revenue sources.

State responsibilities shift to counties.

Hospital Pressure Points

Uncompensated care rising.

Staffing shortages, wage inflation.

Psych patients boarding in ERs.

New compliance reporting.

County hospitals most affected.

Action Steps: Counties

1

Document
indigent defense
& health costs.

2

Track
uncompensated
care trends.

3

Push for state
reimbursement.

Action Steps: Hospitals

1

Maximize
supplemental
payments.

2

Partner with
county indigent
programs.

3

Engage in
waiver renewal
discussions.

Action Steps: Together

1

Share data.

2

Coordinate
advocacy.

3

Deliver unified
message: stop cost
shifts to property
taxpayers.

Wrap-Up / Q&A

COUNTIES & HOSPITALS FACE ONGOING PRESSURES.



SOME WINS, BUT GAPS REMAIN.



DOCUMENT, COLLABORATE, ADVOCATE.



QUESTIONS?