

Children's Hospitals:
Where Healing Begins and Hope Grows

89th Legislative Session Priorities

Children's hospitals provide lifesaving care to children living in more than 97% of Texas counties and to thousands of kids who come from outside the state seeking the world's best medical care. Texas legislators must ensure that this outstanding care remains available to any child who needs it.

Ensure Medicaid Rates are Stable, Predictable, and Adequate for Children's Hospitals

Support Medicaid inpatient rates that more closely reflect the cost of care

- Medicaid inpatient base rates – called Standard Dollar Amounts (SDAs) – have not been updated in over a decade. During this time, healthcare costs have risen significantly. Medicaid base rates are the foundation for all other Medicaid payments, including supplemental and directed payments. It is vital that the SDAs are appropriate and more closely reflect the cost of care. This is especially crucial for children's hospitals, where, on average, Medicaid covers 60% of all inpatient days.
- CHAT requests that the Legislature require HHSC to (1) develop a plan, with industry input, to address and rebase hospital rates on a regular schedule, and (2) not modify the children's hospital inpatient base rate without the appropriate state investment.

Maintain the current children's hospital definition

- Texas Medicaid has set high standards that hospitals must meet to receive the children's hospital reimbursement rate. This rate addresses the higher cost structure that children's hospitals face in caring for children with the most complex conditions. Expanding the definition of a children's hospital does not improve the care that children receive. CHAT requests that the Legislature maintain the current definition of a children's hospitals for the purposes of Medicaid reimbursement.



Support Access to Care


Support outpatient care closer to home


- Facility fees are an essential component of paying for the care children receive and help keep lifesaving care available outside of the hospital. CHAT requests that the Legislature not prohibit facility fees for outpatient services, as this will limit access to care for children and potentially increase healthcare costs because more children will have to seek care at the hospital.

Invest in the mental healthcare continuum by adding Intensive Outpatient and Partial Hospitalization Programs (IOPs and PHPs) as Medicaid-covered benefits

- These services can help patients transition out of a residential or inpatient hospital setting or prevent a hospital stay altogether. They are often more appropriate and cost-effective treatments for children.

Increase the Pediatric Workforce

-  Specialized care for children requires ongoing training and investment in the healthcare workforce. Investing in recruitment and retention programs for pediatric healthcare providers and specialists will increase our workforce and children's access to care.



Kids are special and so are children's hospitals. Help them both by supporting a stable Medicaid program, access to care, and a strong pediatric workforce.

