

Private Freestanding Behavioral Health Hospitals: The Backbone of Texas' Inpatient Behavioral Health System



TEXAS ASSOCIATION OF
BEHAVIORAL HEALTH SYSTEMS

2025 Legislative Priorities

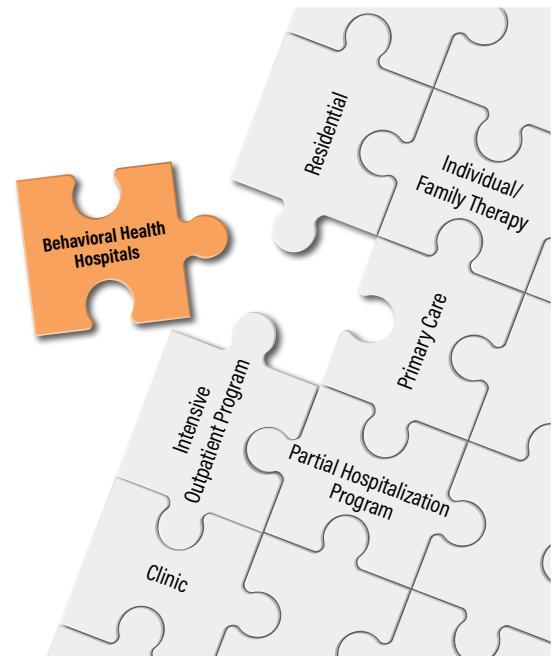
Ensuring Outstanding Inpatient Behavioral Health Care for All Texans

Texans have three different options for inpatient behavioral health care: private freestanding behavioral health hospitals, psychiatric departments of traditional hospitals and state-owned behavioral health hospitals.

Texas' private freestanding behavioral health hospitals represent over 70 percent of the non-state-owned behavioral health inpatient beds in Texas. In addition, private freestanding behavioral health hospitals treat every type of patient, from children to seniors, and serve a significant portion of the state's Medicaid population.

The Challenge

Texas faces a daunting mental health crisis. Private freestanding behavioral health hospitals serve as the backbone of inpatient behavioral health care, and it is critical that the hospitals have the resources necessary to meet the state's behavioral health crisis.



The Solutions

Medicaid Payments

2007 was the last Medicaid payment increase for private freestanding behavioral health hospitals. TABHS encourages lawmakers to address the base rate and to develop add-on payment components to target the needs of complex patients.

IMD Exclusion

Remove the federal exclusion through a waiver to allow for coverage of inpatient stays in freestanding behavioral health hospitals for adults age 21 to 64 who are currently eligible for Medicaid.

IOP & PHP Coverage

Include Intensive Outpatient Program (IOP) and Partial Hospitalization Program (PHP) as Medicaid covered benefits. These benefits are already covered in the commercial insurance market and Medicare.

Patient Protection: Expanded Background Checks

Require criminal background checks of employees with access to patients who are not currently required to complete a background check due to facility or professional licensure.

