EPISCOPAL HEALTH FOUNDATION

2025 in Review

Legislative and Policy Influence

In the 2025 Texas legislative session, EHF and partners helped advance several policies that take important steps in addressing chronic disease and maternal health through Medicaid. These include:

- **Expanding Diabetes Prevention:** A budget directive now requires the Texas Health and Human Services Commission (HHSC) to evaluate whether the national Diabetes Prevention Program can be offered as a covered Medicaid benefit. This program is designed to help people at high risk make lifestyle changes that prevent type-2 diabetes, potentially saving both lives and state funds.
- **Nutrition Support for Pregnant Texans:** House Bill 26 introduces a Medicaid policy tool known as In Lieu of Services (ILOS). ILOS gives Medicaid health insurance plans flexibility to cover non-medical services that are not traditionally paid for but can improve health and reduce costs. Under HB 26, Medicaid health insurance plans can now offer nutrition counseling and test a pilot program that delivers medically-tailored meals to pregnant Texans with chronic conditions. These services can be provided "in lieu of" more expensive medical care when they are shown to be clinically appropriate and cost effective. This is the first time Texas Medicaid will use ILOS to directly address food and nutrition as part of health care.
- **Investments in Maternal Health:** Lawmakers approved $5 million over the next two years to support maternal health programs across the state. These investments aim to address the high rates of maternal morbidity and mortality in Texas by strengthening access to evidence-based interventions.

Taken together, these wins signal growing recognition among state leaders that investing in prevention and non-medical services through Medicaid is both urgent and achievable.

Navigating a Shifting Federal Policy Landscape

State-level progress also reflects national momentum. With new leadership at the U.S. Department of Health and Human Services and the rise of initiatives like the "Make America Healthy Again" agenda, prevention and chronic disease management have moved higher on the federal policy agenda. Texas legislators responded by supporting policies that align with this national conversation, showing how prevention and cost-effective care strategies are shaping the future of Medicaid.

Making the Economic Case for Health Policy

Ahead of the Texas legislative session, EHF released two reports: Prevalence and Costs of Diabetes in Texas Medicaid and High-Risk Pregnancies in Texas Medicaid. These reports showed how chronic conditions and maternal health complications drive high Medicaid costs. More than 1 in 10 adult Medicaid enrollees have diabetes, and their health care costs on average more than twice as much as those without the disease. Researchers estimated that total health care costs for people with diabetes covered by Medicaid in Texas are

between $6 billion and $8 billion (Prevalence and Costs of Diabetes in Texas Medicaid) per year. Medicaid also covers more than half of all births in Texas, with high-risk pregnancies costing nearly three times more than routine deliveries (High-Risk Pregnancies in Texas Medicaid). These findings, widely shared with legislators and cited in committee hearings, underscored how prevention and targeted support can improve health while saving the state money.

Elevating Non-Medical Drivers of Health

EHF published Opportunities to Address the Non-Medical Drivers of Health in Texas which called for innovative Medicaid financing strategies to support food-as-medicine interventions and nutritional counseling. The report's recommendations were included in HHSC's Value-Based Payment and Quality Improvement Advisory Committee's biennial report to the legislature. The passage of HB 26 is the second major legislation that address non-medical drivers of health (NMDOH) in the Medicaid population. In 2023, the Texas legislature passed HB 1575, a bill that requires the development of standardized screening questions related to NMDOH needs and allows community health workers and doulas to become billable provider types under HHSC's children and pregnant women's program.

The Power of Partnerships

None of this progress happened alone. EHF partnered with Feeding Texas, the Texas Pediatric Society, and the Texas Association of Community Health Plans to advance policies that address nutrition services. EHF also provided support for a new maternal health coalition in Dallas-Fort Worth to help secure new state funding for maternal health outcomes, and worked with the Texas Diabetes Association to move the diabetes prevention directive forward. These relationships help build bipartisan support needed to pass meaningful legislation.

From Legislation to Implementation: The Long Game

Passing new legislation is only the beginning. EHF's focus now shifts to implementation, which often requires educating stakeholders, clarifying legislative intent, and sustained collaboration. Just as we saw with the successful 2023 Texas law that expanded Medicaid reimbursement for community health workers and doulas, real change comes from ensuring policies are carried out effectively the law goes into effect. While it took EHF and its partners around six months to get HB 1575 passed into law, it takes much longer to implement the bill given the complex nature of making changes within HHSC and Medicaid health plans, as well as the critical task of educating and engaging community health workers and doulas in terms of what it takes to become a Medicaid provider.

In the years ahead, EHF will continue working with state agencies, Medicaid health plans, peer funders, and community organizations to make sure these new policies translate into better health for Texans. By serving as a neutral convener and providing resources to fill gaps, EHF will help ensure that these wins move from legislation into lasting improvements in community health.