Texas Society for Advancement of Health Professions

Legislative Update

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TEXAS TECH UNIVERSITY SYSTEM

The Texas Tech University System was formed in 1996 and formally established by the State of Texas three years later in 1999.

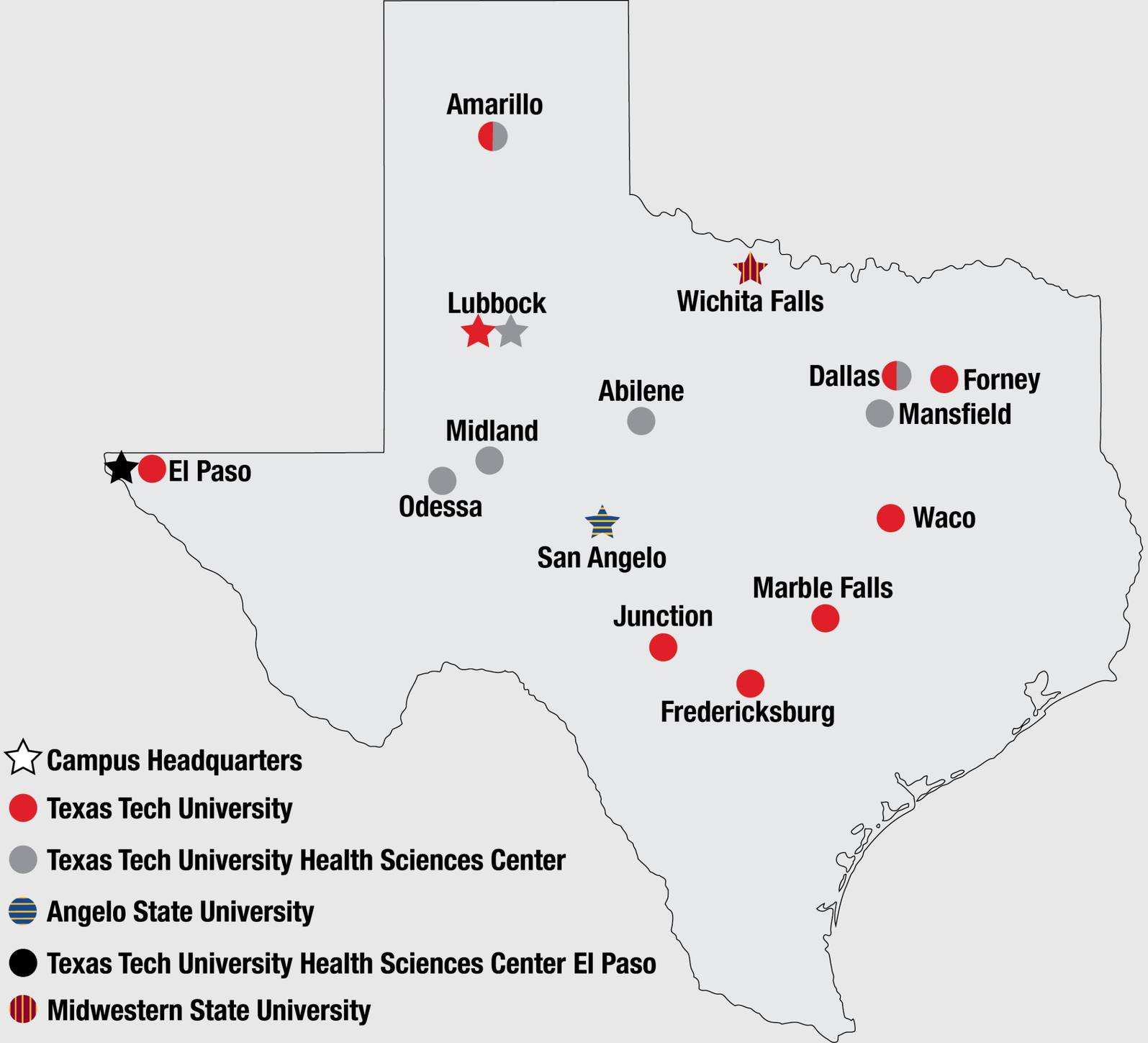
Texas Tech University
Founded: 1923
Charter Member: 1996

Texas Tech University Health Sciences Center
Founded: 1969
Charter Member: 1996

Angelo State University
Founded: 1928
Joined TTUS: 2007

Texas Tech University Health Sciences Center El Paso
Established: 2013
Joined TTUS: 2013

Midwestern State University
Founded: 1922
Joined TTUS: 2021


Amarillo
Lubbock
Wichita Falls
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Mansfield
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Midland
El Paso
Odessa
San Angelo
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Marble Falls
Junction
Fredericksburg
Campus Headquarters
Texas Tech University
Texas Tech University Health Sciences Center
Angelo State University
Texas Tech University Health Sciences Center El Paso
Midwestern State University

Summary

- Texas enters 2026 with significant state and federal policy shifts that directly affect allied health education, financing, practice regulation, and workforce pipelines.
- **State level:**
  - 89th Texas Legislature enacted notable changes on: AI use in utilization review, provider–payer contracting models, health data and pricing transparency, and nutrition/health education standards.
- **Federally:**
  - The One Big Beautiful Bill Act (OBBBA) reshapes coverage and financing: new Medicaid work requirements and verification routines, expiration of enhanced ACA premium subsidies, and major changes to federal student loan limits and repayment options.

The Governor's Healthcare Workforce Task Force and Why it Matters to Allied Health (Oct. 2024)

- **Creation of a Statewide Health Professions Workforce Coordinating Council (HPWCC)**
  - Dec. 1, 2025, Governor announced with four appointments : Clifford Porter (physician at Texas Direct Medical Care/Senior Fellow at Texas Public Policy Foundation); Bryan Sisk (SVP and CNO at memorial Hermann Health System); Candice Smith (CEO of Deaf Smith County Hospital District); Cheletta Watkins (Exec. Medical Dir. for Blue Cross and Blue Shield of Texas). Fifteen state agencies and licensing boards appoint at least one ex-officio member.
    - Allied health takeaway: As the HPWCC is stood up, allied health programs should look for ways to engage/have representation to ensure coordination with state partners. Next meeting is January 15 @ 10:00am – open to the public.

- **Call-out of "Gateway" and Allied Health Professions**
  - The report devotes a section to "Gateway" health occupations.
    - Allied health takeaway: The pipeline recommendations are explicitly provided to reduce entry barriers, standardize progression from CTE into degrees, and increase hands-on training capacity.
    - This is about volume + velocity in getting qualified allied professionals to patient care. Look for opportunities to engage TEA/THECB/TWC.

Healthcare Workforce Task Force Cont'd.

- **Modernize the "production model" (with allied–nursing bridge options)**
  - Allied health takeaway: Look for stackable credentials and cross-profession articulation; allied programs should position their graduates for seamless transitions (for those who choose) while protecting the integrity and workforce value of allied roles.

- **Clinical placements, preceptors, and faculty capacity**
  - There was a recommendation to study feasibility for a statewide coordination system, regional collaboratives, and program evaluation to spread what works, specifically related to consistent placements and preceptors.
    - Allied health takeaway: Will need to continue to watch to see what is being discussed regarding the coordinated placement system and faculty/preceptor support.

The 89th Texas Legislature (2025): What You Should Know

- **Artificial Intelligence**
  - (SB 815)
    - Limits the use of AI by utilization review agents: AI cannot be the sole or partial basis for “adverse determination” (medical necessity/appropriateness). This may include denying, delaying, or modifying services.
      - Allied health takeaway: Prior authorization decisions affect PT/OT episodes, imaging, lab testing, respiratory therapies, dietetic consults, other services. SB 815 maintains clinician authority in medical necessity determinations and may curb algorithm-only denials.
  - (HB 149)
    - Requires health care providers to disclose AI usage in health care services or treatment to patients before or during care (or post-emergency).
      - Allied health takeaway: When AI is used in health care services or treatment, patients must be informed. It has to be in clear, conspicuous, plain-language.

  - **Reconciliation:**
    - AI-assisted care seems to be an innovation question (mitigated by informed patients), while AI-driven denials are a coverage gatekeeping risk that demands human accountability.
    - AI can inform care; humans must own denials.

The 89th Texas Legislature (2025): What You Should Know

- **Payment & Contracting Models (HB 2254)**
  - Authorizes health plans to contract for primary care services using fee-for-service, risk-sharing, capitation, or combinations; though centered on primary care, multidisciplinary teams including allied health are impacted through integrated delivery and referral pathways.
    - Allied health takeaway: Expect experimentation with hybrid payment arrangements in integrated clinics; allied health participation will require clarity on coverage, referrals, and outcomes metrics (i.e., which services are included in bundled payments; how patients are assigned to providers; performance metrics).

- **Education Enhancements (HB 120)**
  - Strengthens statewide CTE systems - advising, dual credit, rural pathways, facility funding, and credential opportunities.
    - Allied Health takeaway: Supports CTE-to-Allied Health pathways

89th Session Cont'd

- **Data, privacy & Transparency (SB 1188; SB 331; HB 1314)**
  - SB 1188: Role-based EHR access controls, biological-sex documentation rules, parental access to minors' EHRs, and explicit AI provisions allowing practitioner to use AI for diagnostic purposes with patient disclosure and mandatory human review/approval of AI-generated records; SB 331: Expands pricing transparency to additional facilities meeting the ≥ $10M gross-revenue threshold; HB 1314: Strengthens pre-service cost-estimate and price-information access requirements for scheduled services
    - Allied-health takeaway: Update front-office and patient-financial counseling workflows, align portal content and cost-estimate scripts with transparency mandates, and standardize AI-use disclosures in patient communications and consent packets; ensure EHR requirements are met.

- **Sensitive test results delay (SB 922)**
  - Allows a 3-day delay in electronic release of certain high-impact results (e.g., likely cancer or serious genetic findings), giving clinicians time to contact patients first.
    - Allied health takeaway: imaging/pathology workflows, radiology technologist protocols, and patient-communication training need refresh.

- **Health and Nutrition Education (SB 25)**
  - Updates physical activity requirements and health/nutrition standards across K–12, higher education, and continuing education for certain health professionals.
    - Allied health takeaway: Mandates continuing education in nutrition for a broad range of licensed healthcare professionals (MD/DO, Nurses, PAs, Dieticians); therefore programming must incorporate updated CE modules aligned with the new Texas Nutrition Advisory Committee guidelines.

Profession-specific highlights

- **Physical Therapy**
  - Direct access expanded (HB 4099 - Passed): Patients may see a PT (≥ 1 year licensed) for up to 30 consecutive days without a referral.
  - Copay parity (HB 3695 - Not passed): Would have capped PT visit copays at the primary-care level when no referral is required; advanced through Insurance Committee but did not pass.
    - Takeaway: Would anticipate continued efforts to quantify cost-offsets via early PT access.

- **Physician Assistants**
  - Non-compete reforms (SB 1318 - Passed): Limits duration/scope and protects continuity of care (cap of one year; 5-mile maximum; and mandatory buyout); includes other practitioners beyond physicians.
  - PA Licensure Compact (HB 1731/SB 1609 – Not passed): Efforts were made to join the PA Interstate Licensure Compact. HB 1731 passed the House but was left pending in Senate Business & Commerce; SB 1609 remained in committee.
    - Takeaway: expect that efforts for compact and portability to return
  - Schedule II delegation (HB 1948 – Not passed): Would have extended physician-delegated Schedule II authority to PAs/APRNs in more settings; referred to Public Health and no hearing occurred.
    - Takeaway: outpatient pain/psychiatry/palliative workflows remain same for now.

- **Occupational Therapy**
  - OT Licensure Compact (HB 932 – Not passed): Passed the House but stalled in Senate.
    - Takeaway: portability still a gap; would expect to see this to come back in 2027.

Profession-specific highlights cont'd

- **Dieticians**
  - Dietitian statute clean-up (SB 627 - Passed): Modernizes Ch. 701 Occupations Code (removes obsolete "provisional licensed dietitian" references; clarifies renewal/penalty language).
  - Nutrition & health standards (SB 25 - Passed): "Make Texas Healthy Again" law adds nutrition education requirements, protects K-8 physical activity, establishes a Nutrition Advisory Committee, and introduces additive warning labels across timelines.
    - Takeaway: strengthen interprofessional prevention curricula (dietetics, PT/OT community health).

- **Radiographers/Imaging**
  - Mammography reports update (SB 1084 - Passed): Aligns breast density notifications with FDA's final rule; improves patient education continuity.
  - Sensitive delays (SB 922 – Passed): Allows a 3-day delay in electronic release of certain high-impact results.
    - Takeaway: imaging centers should revise patient notifications and portal timing.

- **Social Work**
  - Licensure Compact (HB 3503 – Not passed): Would have enabled multistate practice
    - Takeaway: expect renewed compact and portability discussions
  - School-based duties (SB 201 – Not passed): Would have defined and strengthened school social workers' role
  - Loan repayment (SB 646 – Passed): Added licensed master social workers to eligible providers for loan repayment

Texas Agency Sunsets: Strategic Watchlist

- Multiple agencies central to allied health practice, public health, and workforce infrastructure are under Sunset review during 2025–2027:
  - **Health and Human Services Commission (HHSC)** – Medicaid administration, behavioral health, rural health, eligibility systems.
  - **Department of State Health Services (DSHS)** – licensing interfaces, lab reporting, public health programs.
  - **Texas Health Services Authority (THSA)** – health information exchange support and interoperability initiatives.
  - **DFPS, Maternal Mortality & Morbidity Review Committee, Perinatal Advisory Council, Governor's Committee on People with Disabilities, Public Health Funding & Policy Committee** – cross-cutting influences on social care, maternal/child health, disability services.
- Look for opportunities to submit input during public comment windows (e.g., most have comments open through April 2026) to shape recommendations.

Federal Landscape: OBBBA

- **OBBBA Coverage & Medicaid Changes**
  - Work & community engagement requirements, plus more frequent eligibility checks, begin phasing in. Analysts estimate 5-7 million will lose Medicaid coverage, with federal Medicaid spending cut by hundreds of billions.
    - Texas (a non-expansion state) will feel indirect effects via safety-net financing and patient mix.

- **ACA Enhanced Premium Subsidies** (Expired Dec 31, 2025)
  - With enhanced ACA subsidies expiring, premiums rise and uninsured counts increase; analysts anticipate hospitals and clinics will encounter more uncompensated care and reduced plan enrollment

- **Proponents' Rationale**
  - Federal Spending Control: Reduce deficit and long-term program costs.
  - Program Integrity: Work requirements and eligibility checks to curb fraud.
  - Consumer Empowerment: Expanded HSAs for more personal control.
  - Innovation Incentives: Push toward telehealth, value-based care, and efficiency.
  - State Flexibility: Greater authority for states to design Medicaid programs.

- **Allied health takeaway**
  - Potential for higher rates of coverage disruption, which can increase uncompensated care, missed therapy visits, reduced adherence to treatment plans, and delayed diagnostics
    - Particularly affecting PT/OT plans of care, respiratory therapy visits, and nutrition counseling continuity.

FEDERAL Landscape: Student Loans

- **Effective July 1, 2026 (OBBBA Student Loan Overhaul):**
  - Grad PLUS loans are eliminated
  - Borrowing caps: Graduate programs - $20,500/year (aggregate $100,000); Professional programs - $50,000/year (aggregate $200,000)
  - Grandfathering: Borrowers with PLUS loans disbursed before July 1, 2026, remain under old terms.
  - Definition of “Professional” program pending final rule:
    - Initial ED list includes: medicine, dentistry, pharmacy, veterinary medicine, law, optometry, osteopathic medicine, podiatry, theology, and clinical psychology.
    - Fisk flagged: Many allied health programs (e.g., PT, OT, PA, audiology, speech-language pathology, social work, public health) may be classified non-professional, limiting borrowing to graduate caps.

- **Stakeholder alert**
  - The National Academies of Practice (NAP) publicly urged ED to reinstate key health fields as “Professional” programs, warning that new loan caps tied to classification will strain affordability and pipeline capacity across allied professions.

- **Program-level impact**
  - If allied health programs are finalized as non-professional under ED’s definition, students would be limited to the lower graduate caps.

Rural Health Transformation

- **“Rural Texas Strong”**
  - Texas received $1.4 billion over five years (~$281 million annually; this includes the ~$100 million a year equal-share allocation), the largest award of any state, through the CMS Rural Health Transformation Program.
  - Initiatives:
    - Make Rural Texas Healthy Again: chronic disease prevention, wellness, and nutrition programs.
    - Rural Texas Patients in the Driver’s Seat: establish consumer-facing health portals and facilitate HIE; increase remote patient monitoring
    - Lone Star Advanced AI and Telehealth: telehealth platforms and AI-enabled workflows.
    - The Next Generation of the Small Town Doctor and Team: Make grant awards to providers that focus on career developments, scholarships, relocation, residency training programs.
    - Unified Care Infrastructure and Rural Cyber Protection: Bolster cybersecurity defenses across rural providers.
    - Infrastructure and Capital Investments: Equipment needs, minor building alterations and renovations.

End-of-Year Policy Updates

- **Continuing Resolution through Jan. 30**
  - Prevents funding gaps for CMS, HRSA, NIH, and rural health programs.

- **CMS Telehealth & Rural Flexibilities Extended**
  - Key waivers and provider flexibilities continue through 2026
    - Removal of geographic/originating site restrictions; audio-only and in-home telehealth; expanded provider categories (e.g., PT, OT, speech/language, audiology); FQHCs/RHCs and behavioral and non-behavioral health services

- **ACA Premium Subsidies**
  - With enhanced premium subsidies expired, ACA marketplace premiums have surged by a reported ~114%, with significant enrollment declines expected
  - Subsidy extensions efforts remaining underway:
    - House passed a 3-year extension on Jan. 8 (230-196 vote)
    - Senate leadership has stated the House bill is unlikely to pass, but a bipartisan working group is working on a 2-year compromise.

End-of-Year Policy Updates Cont'd.

- **Medicare Laboratory Testing Cuts**
  - CMS plans to implement up to 15% reductions to Medicare payments for about 800 clinical laboratory tests, effective Jan. 31.
  - The American Clinical Laboratory Association is lobbying Congress to pass the Reforming and Enhancing Sustainable Updates to Laboratory Testing Services Act, which would overhaul how Medicare sets payment rates for lab tests.

- **340B rebate pilot**
  - Was set to take place Jan. 1, but is paused amid legal challenge; litigation is ongoing with implementation suspended pending further court direction
  - Anticipated that this would shift risk to safety-net providers

Key Risks

- **Enrollment declines**
  - If federal rules classify many allied health degrees as “non-professional,” borrowing caps will limit access to affordable financing.
  - High-cost programs, especially at private institutions, face disproportionate risk, constraining workforce supply and widening rural shortages.

- **Uncompensated care surge**
  - ACA subsidy expiration and Medicaid work requirements under OBBBA will increase coverage churn and uninsured rates.
  - Safety-net hospitals and rural clinics, key training sites for allied health, may reduce rotations or hiring due to financial strain.

- **Administrative burden Growth**
  - Expanded verification, prior authorization reforms, and transparency mandates add complexity to workflows.
  - Without redesign and automation, these requirements pull time from patient care and increase burnout risk for allied professionals.

Opportunities

- **Engagement in Sunset Reviews**
  - Influence modernization of HHSC and DSHS systems
  - Support the streamline for eligibility, data exchange, and licensure processes to reduce paperwork and improve patient navigation.
  - Educate on allied health workforce priorities, especially regarding training sites and preceptor support.

- **Innovative Financing Partnerships**
  - Look for local (e.g., hospital districts) support, philanthropy, and employer-sponsored benefits to stabilize rural allied positions.
  - Leverage Rural Health Transformation Program grants (Texas: ~$281M/year combined streams) for telehealth, equipment upgrades, and workforce incentives.

- **Curriculum Refresh & Workforce Development**
  - Build competencies in coverage navigation, price transparency communication, AI literacy, and interprofessional care to meet new regulatory expectations.
  - Integrate nutrition and prevention standards (SB 25) and pipeline alignment strategies from HB 20/HB 120 to strengthen early-entry pathways.
  - Position allied health professionals to lead in telehealth delivery, remote monitoring, and AI-assisted workflows.

- **Clinical Placement Modernization**
  - Participate in statewide efforts to coordinate clinical rotations and share practice lab resources, reducing bottlenecks and expanding capacity for allied disciplines.
  - Continue to evaluate what would be needed to enhance statewide training/preceptor infrastructure.

Telling Your Story

- Policy is shaped by stories. ***Make sure allied health is heard.***

- Why It Matters
  - Legislators and stakeholders often know physicians and nurses, but not the breadth of allied health impact.

- What to Share
  - Patient Impact: How PT, OT, dieticians, imaging, respiratory care, social work, lab science, etc. change lives.
  - Workforce Reality: Shortages, rural access challenges, and the role of allied professionals in care teams.
  - Education Pipeline: Barriers students face (loan caps, clinical placement limits) and solutions that work.

- How to Tell It
  - Use data + narrative: Pair workforce stats with real stories from classrooms and clinics.
  - Highlight interprofessional collaboration: Show how allied health drives outcomes in chronic disease, rehab, and prevention.
  - Frame as economic and community impact: Jobs created, rural health strengthened, cost savings through early intervention.
  - Be visible: Share success stories with TSAHP, legislators, and media.

Thank you!

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