



To: Victoria Grady and the Provider Finance Department
From: Supporting Therapy and Empowering Pediatric Services
Date: July 15, 2026

Re: Long-term Services and Supports Medicaid Payment Rates

Supporting Therapy and Empowering Pediatric Services (STEPS) is a coalition of Texas pediatric therapy home care providers. The practitioners and local businesses we represent provide physical, occupational, and speech therapy to children who are covered by Texas Medicaid. Thank you for the opportunity to provide information about the issues and opportunities we are seeing in communities every day as therapy providers.

According to HHSC data, waitlists for pediatric therapy have skyrocketed, rising by 32% from December 2023 through May 2024 alone, resulting in access to care issues and leaving thousands of children waiting far too long for the critical care they need. This delayed care results in higher costs to the state.

Low reimbursement rates mean less pay for the people who make therapy possible, resulting in longer wait times. Medicaid rates for pediatric therapy were cut in 2011 and 2014; rates were partially restored in 2019 and 2021, but they have otherwise remained largely unchanged and are below pre-cut levels. And that's before considering fifteen years of inflation. These historic cuts continue to impact access to care, provider workforce, and long-term costs.

We request that HHSC review rates for physical, speech, and occupational therapy.

Restoring therapy provider wages is the number-one way for Texas to address rapidly-growing pediatric therapy waitlists and get children the care they need when they need it. As waitlists grow, providers are struggling to recruit and retain qualified staff to meet community needs. In today's market we are competing against Buccee's, Amazon, and other employers who pay better despite not requiring the same educational training and costs that is required of therapists.

The reality is that our pediatric therapists can't afford to live and operate in Texas with current rates. A speech therapist providing in-home services in 2012 received \$137.20 per encounter. Today, they receive \$118.56, which has the same buying power as \$81.30 in 2012. Pediatric therapy *is* a calling — no one goes into this profession expecting to get rich. But going more than a decade and a half without even a cost-of-living increase means that the most dedicated people will have second thoughts about continuing to operate in Texas.

Pediatric therapy workforce investments are fiscally responsible.



It is critical to ensure that children receive medically necessary therapy as timely as possible. Long wait times mean delayed care for children and longer, more expensive therapy as conditions deteriorate or fail to improve without intervention. When provided timely, pediatric therapy is highly effective in preventing poor health outcomes and high-cost events, like hospitalizations and readmissions, and can result in long-term cost containment.

Investing in high-quality early interventions is fiscally responsible and provides better health outcomes for our most vulnerable populations. Every dollar invested in high-quality early childhood intervention like pediatric therapy can yield up to \$17 in benefits, including reduced education, criminal justice, and welfare costs (*Washington State Department of Early Learning, 2005*). And according to the Texas Comptroller's Office, a \$15,000 investment in a child with significant medical delays can result in a return of \$60,000 per year (*Texas Comptroller of Public Accounts 2024 Regional Reports*). However, to provide the trained and experienced workforce necessary to meet the growing demand, we request that HHSC review the rates for physical, speech and occupational therapy.