

**TEXAS HEALTH AND HUMAN SERVICES COMMISSION  
RATE ANALYSIS DEPARTMENT**

**Proposed Medicaid Payment Rates for Home and  
Community-based Services and Texas Home Living**

**Payment rates are proposed to be effective  
February 1, 2011.**

- Revised December 29, 2010 -

## **SUMMARY OF PROPOSED MEDICAID PAYMENT RATES**

### **Effective February 1, 2011**

Included in this document is information relating to proposed Medicaid payment rate reductions for Home and Community-based Services (HCS), Texas Home Living (TxHmL) and associated services. HHSC is responsible for reimbursement determination for the Texas Medicaid Program.

### **Hearing**

HHSC will conduct a public hearing to receive comments regarding the proposed Medicaid rates on January 7, 2011, at 11:00 a.m. in the Brown-Heatly Building Public Hearing Room, 4900 North Lamar Boulevard, Austin, Texas. This public hearing is held in compliance with the provisions of Human Resources Code §32.0282(a), which requires a public hearing on proposed payment rates. Should you have any questions regarding the information in this document, please contact:

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### **Background**

On December 6, 2010, the Governor, Lieutenant Governor and House Speaker sent a letter to all State Agencies asking them to identify savings of 2.5 percent of their original general revenue and general-revenue-dedicated appropriations for fiscal year 2011. In response to this letter, HCS and TxHmL reimbursement rates are proposed to be reduced by two percent below the rates that are currently in effect. Reimbursement rates for HCS and TxHmL Attendant Compensation Rate Enhancement add-ons are not proposed to be reduced.

For each service, rate reductions are distributed proportionally across cost areas based on the ratio of the rate for the cost area as determined in accordance with the published reimbursement methodology for the HHSC Consolidated Budget for Fiscal Years 2012-2013 to the current rate for the cost area.

Rates professional services that are common across multiple Home and Community-Based Services Waivers are not proposed to be reduced. These services include: nursing services provided by a registered nurse, nursing services provided by a licensed vocational nurse, physical therapy, occupational therapy, speech/language therapy, behavioral support services, audiology services, and nutrition/dietary services.

## **Methodology**

The proposed rates were determined in accordance with the rate setting methodologies at Texas Administrative Code (TAC) Title 1, Chapter 355, Subchapter F, §355.723, Reimbursement Methodology for Home and Community-Based Services, and §355.791, Reporting Costs and Reimbursement Methodology for the Texas Home Living (TxHmL) Program. These rates were subsequently adjusted in accordance with 1 TAC Chapter 355, Subchapter A, §355.101, Introduction, and §355.109, Adjusting Reimbursement When New Legislation, Regulations or Economic Factors Affect Costs and 1 TAC Chapter 355, Subchapter B, §355.201, Establishment and Adjustment of Reimbursement Rates by the Health and Human Services Commission.

## **Proposed HCS and TxHmL Rates**

See the attached tables for proposed HCS and TxHmL rates.

Table 1 of the attachment shows the current HCS rates by service type, level of need (LON) and cost area. Table 2 shows the proposed HCS rates by service type, LON and cost area. Table 3 shows the percent change from current HCS rates to proposed HCS rates by service type, LON and cost area. Table 4 shows the proposed HCS Consumer Directed Services rates by service type and Table 5 shows those HCS services not proposed to have a rate reduction.

Table 6 shows the current TxHmL rates by service type and cost area. Table 7 shows the proposed TxHmL rates by service type and cost area. Table 8 shows the percent change from current TxHmL rates to proposed TxHmL rates by service type and cost area. Table 9 shows the proposed TxHmL Consumer Directed Services rates by service type and Table 10 shows those TxHmL services not proposed to have a rate reduction.

## **Rates for Associated Services**

Payment rates for the 24-Hour Residential Habilitation and Supported Employment services in the Consolidated Waiver Program and the Supported Employment and Employment Assistance services in the Deaf Blind Multiple Disabilities Waiver are tied by Texas Administrative Code rule to reimbursement rates for HCS. These rates are proposed to be reduced by two percent below the current rates.