

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

**Notice of Proposed Adjustments to Fees, Rates or Charges
for Physical, Occupational, and Speech Therapy provided by
Comprehensive Outpatient Rehabilitation
Facilities/Outpatient Rehabilitation Facilities (CORF/ORF),
Home Health Agencies (HHA), and Independent Therapists**

**Adjustments are proposed to be effective
July 15, 2016**

SUMMARY OF PROPOSED ADJUSTMENTS

To Be Effective July 15, 2016

Included in this document is information relating to the proposed adjustments to Medicaid payment rates for Physical, Occupational, and Speech Therapy provided by Comprehensive Outpatient Rehabilitation Facilities/Outpatient Rehabilitation Facilities (CORF/ORF), Home Health Agencies (HHA), and Independent Therapists. The Texas Health and Human Services Commission (HHSC) intends to submit an amendment to the Texas State Plan for Medical Assistance under Title XIX of the Social Security Act to update the fee schedules to reflect these proposed adjustments. The rates are proposed to be effective July 15, 2016.

Hearing

The Health and Human Services Commission (HHSC) conducted a public hearing to receive comments regarding the proposed adjustments to Medicaid rates detailed in this document on September 18, 2015, at 9:00 a.m. in the Public Hearing Room of the John H. Winters Building at 701 West 51st Street, Austin, Texas. HHSC considered all concerns expressed at the hearing prior to final rate approval. This public hearing was held in compliance with the provisions of Human Resources Code §32.0282 which requires a public hearing on proposed payment rate adjustments. Should you have any questions regarding the information in this document, please contact:

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Texas Health and Human Services Commission
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E-mail: megan.wolfe@hhsc.state.tx.us

Background

HHSC is responsible for the reimbursement determination functions for the Texas Medicaid Program. The proposed rate adjustments presented in this document are based on direction provided by the 2016-2017 General Appropriations Act, 84th Legislature, Regular Session, Article II, Rider 50, at pages II-96 through II-98 (Health and Human Services Section, Health and Human Services Commission).

Methodology

The specific administrative rules that govern the establishment of the fees in this proposal include these rules in 1 TAC:

- §355.201(d)(1)(A) and (D), which authorize HHSC to adjust rates for medical assistance if state law is enacted requiring a rate reduction or restricting the availability of appropriated funds.
- §355.8021, which addresses the reimbursement methodology for home health services and durable medical equipment, prosthetics, orthotics, and supplies;
- §355.8085, which addresses the reimbursement methodology for physicians and other practitioners;
- §355.8441, which addresses the reimbursement methodology for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services (known in Texas as Texas Health Steps).

Proposed Rate Adjustments

As indicated above, the proposed rate adjustments are based on direction provided by the 2016-2017 General Appropriations Act, 84th Legislature, Regular Session, Article II, Rider 50, at pages II-96 through II-98.

Proposed rate adjustments were calculated based on an analysis of Medicaid fees paid by other states and previous Texas Medicaid payments for Medicaid-reimbursable therapy services. Where current Texas Medicaid rates exceed 150 percent of the median of other states' rates for the same service, a percentage reduction is applied. An alternative percentage reduction is applied to Texas Medicaid rates that do not exceed 150 percent of the median of other states' rates for the same service and in cases where information on other states' rates is not available.

Specific proposed payment rate adjustments are listed in the attachments outlined below:

- Att 1 – CORFORF Therapies
- Att 2 – HHA Therapies
- Att 3 – Independent Therapists

These rate adjustments are estimated to result in an annual savings of \$30,683,785 for federal fiscal year (FFY) 2016, consisting of \$17,529,646 in federal funds and \$13,154,139 in state general revenue. For FFY 2017, the estimated annual savings are \$129,880,683 consisting of \$72,966,968 in federal funds and \$56,913,715 in state general revenue. For FFY 2018, the estimated annual savings are \$135,171,008 consisting of \$75,939,072 in federal funds and \$59,231,936 in state general revenue.

Written Comments

Written comments regarding the proposed payment rate adjustments were accepted in

lieu of, or in addition to, oral testimony until 5 p.m. the day of the hearing. Written comments were to be sent by U.S. mail to the Texas Health and Human Services Commission, Attention: Rate Analysis, Mail Code H-400, P.O. Box 149030, Austin, Texas 78714-9030; by fax to Rate Analysis at (512) 730-7475; or by e-mail to RADAcuteCare@hhsc.state.tx.us. In addition, written comments were accepted by overnight mail or hand delivery to Texas Health and Human Services Commission, Attention: Rate Analysis, Mail Code H-400, Brown-Heatly Building, 4900 North Lamar, Austin, Texas 78751

To review comments or submit additional comments regarding the proposed rate adjustments and/or state plan amendment or to receive copies of the proposed amendment, interested parties may contact Dan Huggins, Director of Rate Analysis for Acute Care Services, by mail at the Rate Analysis Department, Texas Health and Human Services Commission, P.O. Box 149030, H-400, Austin, Texas 78714-9030; by telephone at (512) 707-6071; by facsimile at (512) 730-7475; or by e-mail at dan.huggins@hhsc.state.tx.us. Copies of the proposal will be available for public review at the local offices of the Texas Department of Aging and Disability Services.

Persons with disabilities who wished to attend the hearing and required auxiliary aids or services were advised to contact Rate Analysis at (512) 730-7401 at least 72 hours in advance, so appropriate arrangements could be made.