

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

**Proposed Medicaid Payment Rates for
Hospice-Nursing Facility and
Hospice-Intermediate Care Facility for Persons with Mental
Retardation**

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

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective September 1, 2011

Included in this document is information relating to a proposed decrease in the percentage of each nursing facility (NF) and intermediate care facility for persons with mental retardation (ICF/MR) rate included in the Medicaid Hospice-NF and Hospice-ICF/MR reimbursement rates. The Health and Human Services Commission (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 detailed in this document on June 28, 2011, at 8:30 a.m. in the Permian Basin Conference Room, Braker Center, Building H, 11209 Metric 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

The 2012-2013 General Appropriations Act (Article II, Special Provisions Relating to All Health and Human Services Agencies, Section 16, H.B. 1, 82nd Legislature, Regular Session, 2011) indicated that appropriations made in the Act reflect a two percent reduction to Hospice-NF provider rates for the 2012-13 biennium. Section 16 also indicated that the identified reductions for fiscal years 2012 and 2013 are intended to be calculated based on the rates in effect on August 31, 2010, and are in addition to cumulative rate reductions made during fiscal year 2011. In response to H.B. 1, Hospice-NF rates are proposed to be reduced by an additional two percent below the rates that were in effect August 31, 2010. This proposed reduction is in addition to the one percent reduction to the August 31, 2010 rates that became effective September 1, 2010 and will be accomplished by decreasing the percentage of each NF rate included in the Medicaid Hospice-NF reimbursement rates from 96.96 percent to 95 percent. The combined impact of these two reductions will be that Hospice-NF rates proposed to be effective September 1, 2011 will be three percent less than Hospice-NF rates in effect on August 31, 2010.

Methodology

The proposed Hospice-NF rates were determined in accordance with the rate setting methodology at Title 40 of the Texas Administrative Code (TAC), Subchapter F, §30.60, Medicaid Hospice Payments and Limitations. 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 Subchapter B, §355.201, Establishment and Adjustment of Reimbursement Rates by the Health and Human Services Commission. These rate adjustments are being made as a result of the 2012-2013 General Appropriations Act (Article II, H.B. 1, 82nd Legislature, Regular Session, 2011).

Proposed Hospice-NF Rates

The proposed Hospice-NF rates are equal to 95 percent of the current NF rates. The current NF rates may be accessed at the following website:

<http://www.hhsc.state.tx.us/rad/long-term-svcs/downloads/2011-02-nf-rates.pdf>

The proposed Hospice-NF rates can be determined by multiplying the NF rates by 0.95.

Hospice-ICF/MR Rates

Texas Administrative Code rules at 40 TAC §30.60 tie Hospice-ICF/MR rates to the same percentage of ICF/MR rates as Hospice-NF rates are of NF rates. Currently both programs are reimbursed at 96.96 percent of their associated non-Hospice rates. In order to maintain consistency between these programs, Hospice-ICF/MR rates are proposed to be reduced to 95 percent of ICF/MR rates. ICF/MR rates are proposed to be reduced effective September 1, 2011; these proposed rates can be accessed at the following website:

<http://www.hhsc.state.tx.us/rad/rate-packets.shtml>

The proposed Hospice-ICF/MR rates can be determined by multiplying the proposed ICF/MR rates by 0.95.