

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

**Proposed Medicaid Payment Rates for Small and Large,  
State-Operated Intermediate Care Facilities for Persons with  
Mental Retardation (ICF/MR)**

Payment rates are proposed to be effective  
September 1, 2011

## SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective September 1, 2011

A public hearing will be held at 9:00 a.m. on September 16, 2011 in the Lone Star Conference Room of the Health and Human Services Commission (HHSC), Braker Center, Building H, located at 11209 Metric Boulevard, Austin, Texas at which time public comments will be received on proposed interim payment rates for small and large, state-operated Intermediate Care Facilities for Persons with Mental Retardation (ICF/MR). HHSC will consider concerns expressed at the hearing prior to final rate approval. This public hearing is held in compliance with Human Resources Code §32.0282 and Texas Administrative Code (TAC) Title 1, §355.105(g), which require public notice and hearings on proposed Medicaid reimbursements before such rates are approved by HHSC.

### PROPOSED INTERIM RATES

HHSC is proposing to adjust the interim Medicaid reimbursement rates paid to small and large state-operated ICF/MRs operated by the Texas Department of Aging and Disability Services so that adequate funds will be available to serve individuals residing in those facilities. The proposed interim rates account for actual and projected increases in costs to operate these facilities in fiscal year (FY) 2012.

The proposed large, state-operated ICF/MR daily rate for Medicaid residents is \$582.57. This rate is offset by \$20.44 per day to account for Medicare Part D drug costs for persons who are dually eligible for both Medicaid and Medicare. This offset recognizes that the prescription drug expenses for these residents are paid for through Medicare Part D. The proposed daily rate for Medicaid residents in small, state-operated ICF/MRs is \$595.20.

Proposed Small State-Operated ICF/MR Interim Daily Rate	\$595.20
Proposed Large State-Operated ICF/MR Interim Daily Rate (Medicaid Only)	\$582.57
Proposed Large State-Operated ICF/MR Interim Daily Rate (Dually Eligible)	\$562.13

### METHODOLOGY AND JUSTIFICATION

HHSC's proposed adjustments to the current interim rates were calculated in accordance with the rate setting methodology prescribed in 1 TAC §355.456(e) (relating to reimbursement determination for state-operated facilities).

Should you have any questions regarding the information in this document, please contact Ofelia Melendez, Rate Analyst at 512/491-1739 or [ofelia.melendez@hhsc.state.tx.us](mailto:ofelia.melendez@hhsc.state.tx.us).