

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

**Proposed Medicaid Payment Rates for Hospital
Inpatient Services**

**Payment rates are proposed to be effective
September 1, 2015**

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective September 1, 2015

Included in this document is information relating to the proposed Medicaid payment rates for Inpatient Hospital Services. The rates are proposed to be effective September 1, 2015.

Hearing

The Health and Human Services Commission (HHSC) will conduct a public hearing to receive comments regarding the proposed Medicaid rates detailed in this document on July 21, 2015, at 1:30 p.m. in the Health and Human Services, Brown Heatly Building Public Hearing Room, 4900 North Lamar Blvd., Austin, Texas. Entry is through security at the main entrance of the building facing Lamar. HHSC will consider concerns expressed at the hearing prior to final rate approval. This public hearing is held in compliance with the provisions of Human Resources Code §32.0282 and the Texas Administrative Code, Title 1 (1 TAC), §355.201, which require a public hearing on proposed payment rates. Should you have any questions regarding the information in this document, please contact:

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HHSC also will broadcast the public hearing; the broadcast can be accessed at <http://www.hhsc.state.tx.us/news/meetings.asp>. The broadcast will be archived and can be accessed on demand at the same website.

Background

HHSC is responsible for the reimbursement determination functions for the Texas Medicaid Program. Proposed rates are calculated utilizing established methodologies that conform to the Social Security Act and related federal regulations, the federally approved Texas Medicaid State Plan, all applicable state statutes and rules, and other requirements. The proposed reimbursement rates were determined in accordance with proposed rules developed in response to direction received from the 2016-2017 General Appropriations Act (Article II, House Bill1, 84th Legislature, Regular Session, 2015), including increases described in the Special Provisions Relating to all Health and Human Services Agencies, Sec. 32 and Sec. 59. Proposed rules were published in the June 26, 2015, issue of the *Texas Register*.

Methodology

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

- §355.8052, which addresses payment for inpatient hospital services.

Proposed Rates

Reimbursement for Hospital inpatient services will be revised as follows:

- Urban hospitals – Currently, a Standard Dollar Amount (SDA) Trauma add-on is used for reimbursing urban hospitals that are designated as Trauma facilities. To be eligible for the trauma add-on, a hospital must be designated as a trauma hospital by the Texas Department of State Health Services. Proposed rates will increase the trauma add-on for eligible hospitals. The increase will be accomplished by increasing the percentage used to calculate the add-on.

- Urban and Children’s hospitals - A new SDA “Safety-Net” add-on is proposed for reimbursing hospitals using the existing statewide rate with an additional add-on payment. To be eligible for the add-on, a hospital must be an urban or children's hospital that provides inpatient services to a large percentage of Medicaid or uninsured patients. The hospital must meet the eligibility and qualification requirements described in §355.8065.