

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

October 8, 2013

**Proposed Payment Rates
For
Medicaid Hospice**

Payment rates are proposed to be effective October 1, 2013

SUMMARY OF PROPOSED PAYMENT RATES

Effective October 1, 2013

The Health and Human Services Commission (HHSC) will conduct a public hearing at 9:00 a.m. on October 22, 2013, in the Public Hearing Room in the Brown Heatly Building at 4900 North Lamar, Austin, Texas 78751, with entrance through Security at the front of the building facing Lamar Boulevard. Public comments will be received on proposed payment rates to be effective October 1, 2013, for hospice routine home, continuous home, inpatient respite, and general inpatient care.

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, Government Code §531.021 and the Texas Administrative Code (TAC) Title 1, §355.105(g), which require public notice and hearings on proposed Medicaid payment rates.

PROPOSED RATES

The proposed rates are outlined in the attachments to this packet. The attachments consists of two payment rates schedules. One payment rate schedule applies to hospice providers that have submitted required quality data and the other payment rate schedule applies to hospice providers that have not submitted the required quality data.

Hospice providers are now required to comply with section 3004 of the Affordable Care Act and the implementing regulation at 78 *Federal Register* 48234 (August 7, 2013-CMS-1449-F). Section 3004 of the Affordable Care Act amended the Social Security Act to authorize a quality reporting program for hospices. Section 1814(i)(5)(A)(i) of the Social Security Act requires that beginning with federal fiscal year (FFY) 2014 and each subsequent FFY, the Secretary shall reduce the market basket update by 2 percentage points for any hospice provider that does not comply with the quality data submission requirements.

METHODOLGY AND JUSTIFICATION

The Code of Federal Regulations at 42 CFR 418.306(c) requires hospice rates to be adjusted annually by a wage index that is available only through the internet on the Centers for Medicare and Medicaid Services (CMS) Web site. CMS determines the hospice rate amounts. The “Hospice Wage Index for Fiscal Year 2014” which specifies the adjusted hospice rates for federal fiscal year 2014 was published through the internet on August 7, 2013. The Medicaid payment rates were published September 13, 2013. The federal fiscal year 2014 hospice rate adjustments are effective from October 1, 2013 through September 30, 2014.

Should you have any questions regarding the information in this document, please contact Luis A. Morales, Rate Analyst at (512) 707-6084 or luis.morales@hhsc.state.tx.us.