



COMMISSIONER  
Chris Traylor

August 11, 2011

To: Consumer Directed Services Agencies (CDSAs)

Subject: Information Letter No. 11-97  
Consumer Directed Services (CDS) Budget Workbook Revisions Related to Proposed Rate Reductions Effective September 1, 2011, for Home and Community-based Services (HCS)

The purpose of the letter is to provide you, as a CDSA, with information about the actions you must take to prepare for proposed rate reductions in the Home and Community-based Services (HCS) Program that will be effective September 1, 2011. This letter also describes the process you must use to adjust units for claims submitted through the Client Assignment and Registration (CARE) System.

### Proposed Rate Reductions for HCS

The proposed HCS rate reductions apply to services delivered through both the provider-managed and consumer directed services (CDS) options. All proposed rates are pending approval by the Health and Human Services Commission (HHSC). Please refer to the HHSC Rate Analysis webpage at <http://www.hhsc.state.tx.us/rad/rate-packets.shtml> for information on the proposed HCS rates. Once they are approved, the HCS rates will be available on the HHSC Rate Analysis webpage at <http://www.hhsc.state.tx.us/rad/mhmr/Hcs.html>.

<b>Home and Community-based Services (HCS)</b> <b>Proposed HCS CDS Rates</b> <b>Effective September 1, 2011</b> <b>Consumer Payment Rates for Determining the Consumer's Budget</b>		
Service	Current Rate	Proposed Rate
Supported Home Living	\$28.85	\$22.01
Respite	\$18.08	\$17.86
Financial Management Services (FMS) Fee	\$202.00	\$154.79

HCS CDS service authorizations will be automatically converted by the CARE system when the proposed rates are approved by HHSC. Therefore, CDSAs do not need a new service authorization from the HCS service coordinators before adjusting the CDS budget workbook.

## **Notification of CDS Employers in the HCS Program**

In conjunction with this information letter, DADS has mailed a letter to each CDS employer in the HCS program, notifying them of these changes. Employers have been instructed to work with their respective CDSA to adjust the proposed SHL and respite rates. The letter is also posted on the DADS website at <http://www.dads.state.tx.us/providers/CDS/index.cfm>.

CDS employers are required to complete a Wage and Benefits Plan Employee Compensation (Form 1730) <http://www.dads.state.tx.us/forms/1730/> and give a copy of this form to their CDS employees prior to September 1, 2011. These activities are described in 40 TAC §41.505, Payroll Budgeting.

## **CDS Employer Budget Workbook Adjustments**

A CDS employer is required to complete a new budget workbook in response to the proposed rate reductions (§41.505, Payroll Budgeting). If the total of all employees' salaries (including hourly wages, bonuses, benefits, etc.) in the employer's budget exceeds the budget calculated with the proposed rates, the employer must adjust the salaries to ensure the total does not exceed the new budget.

Both the employer and the CDSA representative must sign a new approval page (page 1) and write "rate reduction" on the new approval page.

## **September 2011 HCS Budget Workbook Revisions**

The revised HCS budget workbook will be available after the proposed HCS rates have been approved by HHSC. DADS will issue an "alert" via gov.delivery when the revised HCS workbook is posted.

## **Service Authorization Adjustments for Billing in the CARE System**

When a CDS service rate changes, the CARE system automatically converts any CDS service authorizations affected by a rate change into two segments so the service period has a single rate in effect. CDSAs have been provided access to the *C29: Modify Provider Service Authorization* screen in the CARE system so CDSAs can move service units from one segment (pre-rate change) to the other (post-rate change) for claims billing.

A CDSA should use the *C102: HCS/TXHML Authorization* screen to verify the number of units authorized for each CDS service. When a rate change occurs, the C102 screen displays each rate period separately with the bill units remaining and the amount paid for each rate period. The *C72: Service Delivery by Individual Plan of Care* screen may also be used to verify the number of program units and the dollar amounts (billing unit) remaining for each CDS service. The dollars shown on C72 represent services for which claims have been paid, the dollars remaining, and the percentage of the dollars on the plan that have been utilized. The "dollars remaining" represents the unbilled amount remaining after the rate adjustment conversion.

CDSAs with outstanding billing for services delivered before September 1, 2011, must use CARE screen C29 to move a sufficient amount of units to the period prior to the proposed rate change to allow for billing of any unbilled services. In order to file these claims, the CDSA must move program units from the period after the proposed rate change to the period before the proposed rate change.

To access screen C29, the CDSA must enter the effective date of the rate change and the service category code. *The first time a CDSA makes an adjustment and moves units to bill appropriately, "R/Revise" is used. "E/Error Correct" is used for any subsequent changes.* A CDSA must enter the program units (in service units [e.g. hours, days, etc.] not dollars) needed for billing before the rate change and also enter the number of program units available after the rate change for the remainder of the service plan period. This must be done for each CDS service where the billing prior to September 1, 2011, was not entered into the CARE system by Friday, September 3, 2011.

After screen C29 adjustments have been made for a service, the corresponding dollars remaining as shown on C72 should equal the amount of funds left for that service. After making the adjustment in C29 for each CDS service, please print C72 program units and C72 program dollars and attach it to the revised budget workbook.

If you have additional questions about the budget revision process or billing, please contact Elizabeth Jones, Consumer Direction Coordinator, at (512) 438-4855 or by e-mail at [cds@dads.state.tx.us](mailto:cds@dads.state.tx.us). If you have questions regarding the HCS rates, please contact Sarah Hambrick by e-mail at [sarah.hambrick@hsc.state.tx.us](mailto:sarah.hambrick@hsc.state.tx.us) or at (512) 491-1431.

Sincerely,

*[signature on file]*

Teresa Richard  
Director  
Center for Policy and Innovation

TR:cp