

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

August 7, 2014

**Proposed Medicaid Nursing Facility and
Hospice-Nursing Facility Payment Rates**

Payment rates are proposed to be effective
September 1, 2014

SUMMARY OF PROPOSED PAYMENT RATES

Effective September 1, 2014

The Health and Human Services Commission (HHSC) will conduct a public hearing at 9:00 a.m. on August 7, 2014, in the Public Hearing Room in the John H. Winters Building, 701 West 51st Street, Austin, Texas, with entrance through Security at the front of the building facing 51st Street. Public comments will be received on proposed Nursing Facility (NF) and Hospice-NF Medicaid payment rates to be effective September 1, 2014.

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 RATES AND MINUTES

See the attached tables for proposed rates and minutes.

Table 1 of the attachment shows the current NF payment rates by RUG-III and supplemental reimbursement group as well as the add-on payments for general and professional liability insurance.

Table 2 shows the proposed NF payment rates by RUG-III and supplemental reimbursement group as well as the proposed add-on payments for general and professional liability insurance.

Table 3 – not applicable for SFY 2015; no changes to the minimum required minutes.

Table 4 shows the current and proposed NF enhancement level increments.

HOSPICE-NURSING FACILITY RATES

Hospice Room and Board rates for recipients in a NF are equal to 95% of the statewide average rate, including enhancements, which would have been paid by the State for NF services for individuals in each RUG-III category. Rates for hospices and NFs participating in enhanced rates will be reconciled at a later date to account for any failure to meet staffing and/or spending requirements under the Nursing Facility Direct Care Staff Rate enhancement program.

METHODOLOGY AND JUSTIFICATION

The proposed Medicaid payment rates incorporate appropriations provisions from the 2014-15 General Appropriations Act, S. B. 1, 83rd Legislature, Regular Session, 2013

(Article II, DADS, Rider 40), which appropriated funds to provide for a six percent rate increase in fiscal year 2015 based on rates in effect on August 31, 2013, for NFs and Hospice-NFs. HHSC's proposed payment rates were calculated in accordance in accordance with the rate setting methodology at Texas Administrative Code (TAC) Title 1, Chapter 355, Subchapter A, §355.307, Reimbursement Setting Methodology; §355.308, Direct Care Staff Rate Component; and §355.312, Reimbursement Setting Methodology – Liability Insurance Costs. These rates and minutes 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 1 TAC Chapter 355, Subchapter B, §355.201, Establishment and Adjustment of Reimbursement Rates by the Health and Human Services Commission.

Should you have any questions regarding the information in this document, please contact Laura Marble, Rate Analyst at (512) 707-6078 or laura.marble@hhsc.state.tx.us.