

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

July 7, 2015

**Proposed Payment Rates for Non-State Operated Intermediate Care
Facilities for Individuals with an Intellectual Disability and Related
Conditions (ICF/IID) and the Home and Community-based Services
(HCS) Waiver Program**

Payment rates are proposed to be effective
September 1, 2015

SUMMARY OF PROPOSED PAYMENT RATES

Effective September 1, 2015

The Health and Human Services Commission (HHSC) will conduct a public hearing at 11:00 a.m. on July 15, 2015, in the Public Hearing Room of the Brown Heatly Building, 4900 N. Lamar Boulevard, Austin, Texas, with entrance through Security at the front of the building, south entrance. Public comments will be received on proposed base rate increases for non-state operated Intermediate Care Facilities for individuals with an Intellectual Disability or Related Conditions (ICF/IID) and the Home and Community-based Services (HCS) waiver program. The programs are operated by the Department of Aging and Disability Services (DADS) but HHSC is responsible for their reimbursement determination. Proposed rate increases are to be effective September 1, 2015.

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

HHSC proposes to increase the base rates for the ICF/IID program by 2.02 percent as outlined in Attachment 1 and to increase the base rates for certain services in the HCS program as outlined in Attachment 2.

METHODOLOGY AND JUSTIFICATION

The proposed payment rates incorporate provisions in the 2016-17 General Appropriations Act that included funds to support rate increases for non-state operated ICF/IIDs and for rate increases for services determined not to be fully funded for the HCS waiver program. See the 2016-17 General Appropriations Act, H.B. 1, 84th Legislature, Regular Session, 2015 (Department of Aging and Disability Services, Riders 39 and 40). HHSC calculated the proposed payment rates in accordance with the rate setting methodologies codified at Title 1, Sections 355.456 and 355.723 of the TAC.

Rider 40 states that "Included in amounts appropriated above in Strategy A.7.1., Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID), is \$2,582,604 in General Revenue Funds and \$3,452,280 in Federal Funds in fiscal year 2016 and \$2,605,495 in General Revenue Funds and \$3,412,900 in Federal Funds in fiscal year 2017 to provide for a 2.2 percent rate increase to non-state-owned ICFs/IID." The proposed rates included in this document incorporate a 2.02 percent increase in place of a 2.2 percent increase in order to remain within appropriations based on the most recent ICF/IID caseload projections available.

Rider 39 states that "Included in amounts appropriated above in Strategy A.3.1., Home and Community-based Services (HCS) is \$3,312,029 in General Revenue Funds and \$4,428,165 in Federal Funds in fiscal year 2016 and \$3,499,872 in General Revenue Funds and \$4,584,840 in Federal Funds in fiscal year 2017 to provide for rate increases in the HCS Waiver Program. The rate increases may be targeted to any service or services determined to not be fully funded, but must be at the same level in each fiscal year."

HHSC staff identified the following HCS services and cost areas as meeting the direction of Rider 39 that rate increases may be targeted to any service or services determined to not be fully funded:

- Supervised Living/Residential Support Services (SL/RSS) - direct care attendants;
- Day Habilitation (DH) - direct care attendants, other direct care, and indirect;
- Nursing;
- Supported Home Living (SHL) - other direct care and indirect; and
- Foster Companion Care (FCC) - direct care (foster families).

Staff received input from HCS provider stakeholder representatives requesting that rate increases be directed toward SL/RSS, DH and Nursing.

Rates for nursing services are governed by 1 TAC §355.502, relating to Reimbursement Methodology for Common Services in Home and Community-Based Services Waivers. As per this rule, rates for nursing services are standardized across all long term services and supports (LTSS) programs. The current rate for an hour of RN services is \$43.39 (\$49.90 for Specialized RN) and the current rate for an hour of LVN services is \$29.69 (\$34.14 for Specialized LVN).

Section 355.502 was proposed and adopted in 2009 after DADS revised HCS and Texas Home Living (TxHmL) nursing billing guidelines to match the billing guidelines for other DADS 1915(c) waivers. There has been sustained legislative interest in equalizing rates across DADS 1915(c) waivers to the extent possible.

Provider stakeholders indicated that HCS nursing rates should be increased because nurses providing services in programs for individuals with intellectual and/or developmental disabilities (IID) are not able to delegate tasks to attendants to the same extent as nurses providing services to non-IID consumers. However, differences in levels of delegation do not influence the cost of a nursing hour; rather, such differences influence the number of nursing hours billed.

Based on provider stakeholder input and the discussion of nursing rates above, proposed rate increases for the HCS program are limited to the SL/RSS direct care attendant cost center and the DH direct care attendant, other direct care and indirect care cost centers.

Should you have any questions regarding the information in this document, please contact Maria Ebenhoeh, Rate Analyst at (512) 707-6062 or maria.ebenhoeh@hhsc.state.tx.us.

**ATTACHEMENT 1 - NON-STATE OPERATED INTERMEDIATE CARE FACILITIES
FACILITIES FOR INDIVIDUALS WITH AN INTELLECTUAL DISABILITY AND RELATED CONDITIONS (ICF/IID)
PROPOSED PAYMENT RATES EFFECTIVE SEPTEMBER 1, 2015**

	Day Habilitation Attendant Compensation	Day Habilitation Other Direct Care	Day Habilitation Indirect	Residential Attendant Compensation	Residential Other Direct Care	Residential Indirect	Total	% Change	Total Dollar Increase
Small - Intermittent	\$6.42	\$1.01	\$5.60	\$43.39	\$22.44	\$65.39	\$144.25	2.020%	\$2.85
Small - Limited	\$8.03	\$1.27	\$7.02	\$50.15	\$22.34	\$71.93	\$160.74	2.020%	\$3.18
Small - Extensive	\$10.67	\$1.67	\$9.35	\$61.38	\$22.21	\$77.54	\$182.82	2.030%	\$3.63
Small - Pervasive	\$16.04	\$2.52	\$14.02	\$83.25	\$27.58	\$80.47	\$223.88	2.020%	\$4.44
Small - Pervasive +	\$64.17	\$10.08	\$56.05	\$157.60	\$26.26	\$91.95	\$406.11	2.020%	\$8.04
Medium - Intermittent	\$6.42	\$1.01	\$5.60	\$33.48	\$19.68	\$51.85	\$118.04	2.020%	\$2.34
Medium - Limited	\$8.03	\$1.27	\$7.02	\$40.02	\$19.80	\$57.92	\$134.06	2.020%	\$2.66
Medium - Extensive	\$10.67	\$1.67	\$9.35	\$50.97	\$19.94	\$66.30	\$158.90	2.020%	\$3.14
Medium - Pervasive	\$16.04	\$2.52	\$14.02	\$61.04	\$29.59	\$67.03	\$190.24	2.030%	\$3.78
Medium - Pervasive +	\$64.17	\$10.08	\$56.05	\$155.64	\$24.51	\$75.39	\$385.84	2.020%	\$7.64
Large - Intermittent	\$6.36	\$1.00	\$5.60	\$23.62	\$15.56	\$59.95	\$112.09	2.030%	\$2.23
Large - Limited	\$7.95	\$1.25	\$7.02	\$26.76	\$16.12	\$60.54	\$119.64	2.020%	\$2.37
Large - Extensive	\$10.57	\$1.66	\$9.35	\$31.26	\$16.89	\$63.49	\$133.22	2.020%	\$2.64
Large - Pervasive	\$15.88	\$2.50	\$14.02	\$49.02	\$33.42	\$64.56	\$179.40	2.020%	\$3.55
Large - Pervasive +	\$63.56	\$9.99	\$56.05	\$143.97	\$44.48	\$69.20	\$387.25	2.020%	\$7.67

**ATTACHMENT 2 - HOME AND COMMUNITY-BASED SERVICES (HCS)
PROPOSED PAYMENT RATES EFFECTIVE SEPTEMBER 1, 2015**

Proposed Rates Effective September 1, 2015

Services	Attendant Compensation	Other Direct Care	Indirect Care	Total
Supervised Living (3-bed) and Residential Support Services (4-bed) - base rate per day				
Intermittent - Base Rate	\$62.44	\$8.08	\$62.96	\$133.48
Limited - Base Rate	\$69.68	\$9.03	\$63.23	\$141.94
Extensive - Base Rate	\$80.26	\$10.40	\$63.61	\$154.27
Pervasive - Base Rate	\$97.98	\$12.70	\$64.22	\$174.90
Pervasive+ - Base Rate	\$169.11	\$21.90	\$66.71	\$257.72
Day Habilitation - base rate per day				
Intermittent - Base Rate	\$8.42	\$1.73	\$15.47	\$25.62
Limited - Base Rate	\$10.61	\$2.37	\$15.43	\$28.41
Extensive - Base Rate	\$14.62	\$4.03	\$15.53	\$34.18
Pervasive - Base Rate	\$23.16	\$6.92	\$15.60	\$45.68
Pervasive+ - Base Rate	\$107.61	\$26.32	\$15.57	\$149.50