



COMMISSIONER
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August 30, 2013

To: Financial Management Services Agencies

Subject: Information Letter 13-54
Consumer Directed Services Budget Workbook Revisions Related to Rate Reductions
Effective September 1, 2013, for Texas Home Living

The purpose of the letter is to provide Financial Management Services Agencies (FMSAs) guidance on actions needed to accommodate rate reductions, effective September 1, 2013, in the Texas Home Living (TxHmL) program. This letter also describes the process FMSAs must use to adjust units related to the rate change for claims submitted through the Client Assignment and Registration (CARE) system.

Rate Changes for TxHmL

Senate Bill 1, General Appropriations Act, 83rd Legislature, Regular Session, 2013, Article II, Special Provisions Relating to All Health and Human Services Agencies, Rider 51 (b) (23) requires the Health and Human Services Commission (HHSC) to align the TxHmL rates with the Home and Community-based Services (HCS) rates. HHSC approved a new payment rate for the following services:

- Community Support;
- Respite;
- Supported Employment;
- Employment Assistance;
- Day Habilitation; and
- Financial Management Services.

Additional information can be found on the HHSC Rate Analysis website at the following address: <http://www.hhsc.state.tx.us/rad/long-term-svcs/downloads/2013-thl-rates.pdf>. CDS rates are on the last page.

Notification of CDS Employers in the TxHmL Program

FMSAs must contact CDS employers in the TxHmL program to inform them about the rate reduction and request a revised CDS employer budget. To ensure that CDS employers have adequate time to develop new budgets and inform employees of any wage adjustments, DADS expects that all budget revisions be completed by October 15, 2013.

CDS Employer Budget Workbooks Adjustments

A CDS employer must complete a new budget workbook in response to the proposed rate reductions (40 TAC §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 reduced rates, the employer must adjust the salaries, benefits or employer supports to ensure the total does not exceed the new budget.

Both the employer and the FMSA representative must sign a new approval page (page 1) and write “rate decrease” on the new approval page. If there is a change in an employee’s hourly pay or benefits, the CDS employer must complete a new Form 1730, Wage and Benefits Plan. These requirements are described in 40 TAC §41.505, Payroll Budgeting.

The revised 2013 TxHmL budget workbook can be found at:

<http://www.dads.state.tx.us/providers/CDS/handbook.html>

Service Authorization Adjustments for Billing in the CARE System

For TxHmL, CDS service authorizations will be automatically converted to the new rates in the CARE system. Therefore, FMSAs do not need a new service authorization from the TxHmL service coordinators before adjusting the CDS budget workbook. FMSAs have access to the Modify Provider Service Authorization screen in the CARE system (C29) so that they can move service units when it is necessary to adjust the units because of a service rate change. Units can be moved back and forth from the rate change date.

FMSAs must not shift units between September 1-6, 2013, or until DADS posts a provider alert that the CARE system is ready for fiscal year 2014 activity.

The FMSA must use the C72: Service Delivery by IPC screen to verify the number of program units for each CDS service and the dollar amounts (billing unit) remaining. The dollar amounts represent the amount after the rate adjustment conversion. It is important to remember that the dollars shown on C72 represent services for which claims have been paid.

FMSAs with outstanding billing must adjust remaining units at the date of the rate change for the period prior to the rate decrease using CARE screen C29. In some instances a FMSA may not have submitted all the claims for services delivered prior to the rate change effective date. In order to file these claims, the FMSA may move program units between the period prior to the rate change and the period after the rate change.

To access C29, enter the effective date of the rate change for each service. *The first time FMSAs make an adjustment and move units in order to bill appropriately, please use R/Revise. Use E/Error Correct for any subsequent changes.* FMSAs should enter the program units (in service units of hours, not dollars) needed for billing prior to the rate change, then enter the number of program units available after the rate change for the remainder of the service plan period. Please refer to the HHSC rate pages for the effective dates or the rate change for each service for TxHmL.

After making the C29 adjustment 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.

Please send any questions about the content of this letter to [cgs@dads.state.tx.us](mailto:cds@dads.state.tx.us).

Sincerely,

[Signature on file]

Lynn W. Blackmore

Director

Center for Policy and Innovation