



## TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHRIS TRAYLOR  
EXECUTIVE COMMISSIONER

August 12, 2015

To: Home and Community-Based Services (HCS) Providers  
Texas Home Living (TxHmL) Providers

Subject: Information Letter 15-50  
Reimbursement Rates Effective September 1, 2015 – ACTION REQUIRED

Dear Contracted Provider:

Rider 39 of the 2016-2017 General Appropriations Act (Article II, House Bill 1, 84th Legislature, Regular Session, 2015) appropriated funds for rate increases for Supervised Living, Residential Support Services and Day Habilitation services in the Home and Community-Based Services (HCS) and Texas Home Living (TxHmL) waiver programs. Providers will continue to receive the rates for other HCS / TxHmL services that were in effect on August 31, 2015. The new reimbursement rates for Supervised Living, Residential Support Services and Day Habilitation services are included in the letter as Attachment 1.

As a part of the appropriations, Rider 39 requires HHSC to establish a system of spending accountability that ensures each HCS / TxHmL provider expends at least 90 percent of all funds received through the HCS / TxHmL Medicaid payment rates on HCS / TxHmL Medicaid services as captured by the provider's Medicaid cost report.

If, after examining their historical revenues and expenditures, an HCS / TxHmL provider believes they will not meet the spending accountability requirements for a particular rate period, HHSC will allow the provider to choose not to receive the rate increases for Supervised Living, Residential Support Services and Day Habilitation for the HCS / TxHmL program ("opt out"). An HCS / TxHmL provider who opts out of receiving the rate increases will not be subject to the spending accountability requirements.

If an HCS / TxHmL provider chooses to receive the HCS / TxHmL rate increases for Supervised Living, Residential Support Services and Day Habilitation, they will be subject to the spending accountability requirements referenced in the HCS and TxHmL reimbursement methodology at 1 Texas Administrative Code §355.723 and may be subject to recoupment of the rate increase if at least 90 percent of all funds received through the HCS / TxHmL Medicaid payment rates are not expended on HCS / TxHmL Medicaid services as captured by the provider's Medicaid Cost

Information Letter 15-50

Reimbursement Rates Effective September 1, 2015 – ACTION REQUIRED

August 12, 2015

Page 2

Report. HHSC will limit possible recoupments under the new spending accountability provisions to the rate increases from funds appropriated under Rider 39 for Supervised Living, Residential Support Services and Day Habilitation for the HCS / TxHmL program.

If an HCS / TxHmL provider chooses to receive the rate increases there is no action they must take. If an HCS / TxHmL provider chooses to opt out of the rate increases they must notify the HHSC Rate Analysis Department they are opting out of receiving the rate increases for the period of September 1, 2015, through August 31, 2017. **HCS / TxHmL providers must use the online form on the HHSC Rate Analysis website at the link below to provide notification they are opting out no later than 5:00 pm on August 28, 2015:**

<http://registration.hhsc.state.tx.us/LTssoptoutvendorsearch.aspx>

HHSC will host free webinars to answer any questions HCS / TxHmL providers may have about the new spending accountability requirements. Providers may view the webinar schedule and register on the HHSC Rate Analysis website at:

<http://www.hhsc.state.tx.us/Rad/long-term-svcs/hcs/index.shtml>

Please direct questions about this communication to Elena Hudson, Rate Analyst, Long-Term Services and Supports, Rate Analyst Department at [elena.hudson@hhsc.state.tx.us](mailto:elena.hudson@hhsc.state.tx.us) or (512) 730-7463.

Sincerely,

*[Signature on File]*

Pam McDonald

Director, HHSC Rate Analysis

Information Letter 15-50

Reimbursement Rates Effective September 1, 2015 – ACTION REQUIRED

August 12, 2015

Attachment 1 – Page 3

**Supervised Living (3-bed) and Residential Support Services (4-bed) - base rate per day**

<b>Services</b>	<b>Attendant Compensation</b>	<b>Other Direct Care</b>	<b>Indirect Care</b>	<b>Total</b>
Intermittent(LON 1)	\$62.44	\$8.08	\$62.96	\$133.48
Limited (LON 5)	\$69.68	\$9.03	\$63.23	\$141.94
Extensive (LON 8)	\$80.26	\$10.40	\$63.61	\$154.27
Pervasive (LON 6)	\$97.98	\$12.70	\$64.22	\$174.90
Pervasive+ (LON 9)	\$169.11	\$21.90	\$66.71	\$257.72

**Day Habilitation - base rate per day**

<b>Services</b>	<b>Attendant Compensation</b>	<b>Other Direct Care</b>	<b>Indirect Care</b>	<b>Total</b>
Intermittent(LON 1)	\$8.42	\$1.73	\$15.47	\$25.62
Limited (LON 5)	\$10.61	\$2.37	\$15.43	\$28.41
Extensive (LON 8)	\$14.62	\$4.03	\$15.53	\$34.18
Pervasive (LON 6)	\$23.16	\$6.92	\$15.60	\$45.68
Pervasive+ (LON 9)	\$107.61	\$26.32	\$15.57	\$149.50