

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

**Proposed Medicaid Payment Rates for Non-state
Operated Intermediate Care Facilities for Persons with Mental
Retardation**

**Payment rates are proposed to be effective
February 1, 2011.**

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES Effective February 1, 2011

Included in this document is information relating to proposed Medicaid payment rate reductions for non-state operated Intermediate Care Facilities for Persons with Mental Retardation (ICF/MR) and associated services. HHSC is responsible for reimbursement determination for the Texas Medicaid Program.

Hearing

HHSC will conduct a public hearing to receive comments regarding the proposed Medicaid rates on January 7, 2011, at 11:00 a.m. in the Brown-Heatly Building Public Hearing Room, 4900 North Lamar Boulevard, Austin, Texas. This public hearing is held in compliance with the provisions of Human Resources Code §32.0282(a), which requires a public hearing on proposed payment rates. Should you have any questions regarding the information in this document, please contact:

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Background

On December 6, 2010, the Governor, Lieutenant Governor and House Speaker sent a letter to all State Agencies asking them to identify savings of 2.5 percent of their original general revenue and general-revenue-dedicated appropriations for fiscal year 2011. In response to this letter, non-state operated ICF/MR reimbursement rates are proposed to be reduced by an additional two percent below the rates that were in effect August 31, 2010. This proposed reduction is in addition to the one percent reduction to the August 31, 2010 rates that became effective September 1, 2010. The combined impact of these two reductions will be that non-state operated ICF/MR rates proposed to be effective February 1, 2011 will be three percent less than non-state operated ICF/MR rates in effect on August 31, 2010. Reimbursement rates for ICF/MR Attendant Compensation Rate Enhancement add-ons are not proposed to be reduced.

Methodology

The proposed non-state operated ICF/MR rates were determined in accordance with the rate setting methodology at Texas Administrative Code (TAC) Title 1, Chapter 355, Subchapter D, §355.456, Rate Setting Methodology. These rates 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.

Proposed ICF/MR Rates

See the attached tables for proposed ICF/MR rates.

Table 1 of the attachment shows the ICF/MR payment rates by facility size and level of need (LON) in effect on August 31, 2010.

Table 2 shows the current ICF/MR payment rates by facility size and LON.

Table 3 shows the proposed ICF/MR payment rates by facility size and LON. Note that rates for each ICF/MR cost center are proposed to be reduced by the same percentage.

Rates for Associated Services

Payment rates for the Out-of-Home Respite in an ICF/MR and Consumer Directed Services (CDS) Out-of-Home Respite in an ICF/MR services in the Consolidated Waiver Program are tied by Texas Administrative Code rule to reimbursement rates for ICF/MR. These rates are proposed to be reduced by three percent below the rates that were in effect August 31, 2010.