

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

Proposed Rule Amendment to the Reimbursement  
Methodology for Inpatient Hospitals and on Proposed  
Rates effective September 1, 2011.

# **SUMMARY OF PROPOSED RULE AMENDMENT TO THE REIMBURSEMENT METHODOLOGY FOR INPATIENT HOSPITALS AND ON PROPOSED RATES**

**EFFECTIVE SEPTEMBER 1, 2011**

Included in this document is information relating to the proposed Rule Amendment to the Reimbursement Methodology for Inpatient Hospitals and on Proposed. The Health and Human Services Commission (HHSC) is responsible for the reimbursement determination for the Texas Medicaid Program.

## **Hearing**

The Texas Health and Human Services Commission (HHSC) will conduct a public hearing on Thursday, July 28, 2011, at 1:30 p.m. in the Lone Star Conference Room in Building H of the Braker Center, at 11209 Metric Boulevard, Austin, TX 78758-4021, with entrance through Security at the front of the building facing Metric Boulevard, to receive public comments on proposed amendments to the administrative rule at Title 1 Texas Administrative Code §355.8052 which governs the payment methodology for Medicaid inpatient hospital reimbursement. The public hearing will also receive public comments on proposed rates developed as a result of these proposed rule amendments. The hearing will be held in compliance with Texas Government Code §2001.029, which provides an opportunity for a public hearing, when requested, before adoption of a rule. Human Resources Code §32.0282 and the Texas Administrative Code, Title 1 (1 TAC), §355.201(e)-(f), which require public notice of and hearings on proposed Medicaid reimbursements.

Should you have any questions regarding the information in this document, please contact:

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## **Background**

The proposed rule complies with the 2012-13 General Appropriations Act (Article II, HHSC, House Bill 1, Rider 67 and Rider 61(b)(17), 82<sup>nd</sup> Legislature, Regular Session, 2011), in which HHSC was directed to develop a statewide SDA and was authorized to consider high-cost hospital functions and services, including regional differences. The proposed rule also reflects direction in Article II regarding inpatient hospital rates, including HHSC Rider 61 (b)(29), related to paying more appropriately for outliers, HHSC Rider 67, related to mitigating disproportionate losses up to September 1, 2012, and Special Provisions, Section 16(b)(5), related to reducing hospital rates by eight percent. The proposal is also in compliance with §355.201(d) regarding the adjustment of fees, rates and charges.

## **Methodology**

The payment rates were calculated in accordance with the proposed new rule at 1 TAC

§355.8052, which addresses the reimbursement methodology for inpatient hospital services.