

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

July 7, 2015

**Proposed Payment Rates for
24 Hour Residential Child Care and
Supervised Independent Living Program
and
Sub-Acute Inpatient Treatment 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 2:00 p.m. on July 15, 2015, in the Public Hearing Room in the Brown Heatly Building, 4900 N. Lamar Boulevard, Austin, Texas, with entrance through Security at the front of the building facing Lamar Boulevard. Public comments will be received on proposed payment rates for the 24-Hour Residential Child Care and Supervised Independent Living Program (24RCC/SIL) program and a new Sub-Acute Inpatient Treatment program operated by the Department of Family and Protective Services (DFPS). All payment rates are proposed 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 reimbursements before such rates are approved by HHSC.

PROPOSED RATES

HHCS proposes to increase the rates for all levels of service (LOS) for Child Placing Agencies (CPAs), the Specialized and Intense LOS for the General Residential Operations / Residential Treatment Center (GROs / RTCs) settings, the Statewide Blended rate and the exceptional foster care rate ceiling for Foster Care Redesign and to adopt a rate for the new Psychiatric Inpatient Sub-Acute Treatment program. The proposed rates are on Attachment 1. The Foster Care Redesign Statewide Blended rate calculations are included on Attachment 2.

METHODOLOGY AND JUSTIFICATION

The proposed payment rates were determined in accordance with the 2016-17 General Appropriations Act that included funds to support rate increases for certain services in the 24RCC/SIL program as well as funds to support a new Sub-Acute Inpatient Treatment Program. See General Appropriations Act, 84th Leg., R.S., art. II, at II-45 (DFPS, Rider 42). HHSC calculated the proposed payment rates in accordance with the proposed amended rate setting methodology for 24RCC/SIL to be codified at title 1, section 355.7103 of the TAC and the proposed new rate setting methodology for the Sub-Acute Inpatient Treatment Program to be codified at title 1, section 355.7107 of the TAC. The proposed amendment and new section were published in the June 26, 2015, issue of the *Texas Register*.

Should you have any questions regarding the information in this document, please contact Guerin Heckman, Rate Analyst at (512) 707-6067 or guerin.heckman@hhsc.state.tx.us.

**ATTACHMENT 1 - 24 HOUR RESIDENTIAL CHILD CARE
PROPOSED PAYMENT RATES EFFECTIVE SEPTEMBER 1, 2015**

Service	Current Payment Rate	Proposed	Percent Change
Basic Child Placing Agency - per day	\$41.94	\$44.08	5.10%
Basic Foster Family - per day	\$23.10	No Change	No Change
Basic General Residential Operations - per day	\$45.19	No Change	No Change
Moderate Child Placing Agency - per day	\$76.31	\$80.20	5.10%
Moderate Foster Family - per day	\$40.44	No Change	No Change
Moderate General Residential Operations - per day	\$103.03	No Change	No Change
Specialized Child Placing Agency - per day	\$101.65	\$106.83	5.10%
Specialized Foster Family - per day	\$51.99	No Change	No Change
Specialized General Residential Operations - per day	\$148.11	\$162.30	9.58%
Intense Child Placing Agency - per day	\$186.41	\$195.92	5.10%
Intense Foster Family - per day	\$92.43	No Change	No Change
Intense General Residential Operations - per day	\$260.17	\$260.95	0.30%
Emergency Care Services - per day	\$122.20	\$129.53	6.00%
Intensive Psychaitric Transition Program (IPTP) - per day	\$374.33	No Change	No Change
Sub-Acute Inpatient Treatment Program - per day	New Service	\$650.00	N/A
Minimum Daily Amount to be Reimbursed to a Foster Family			
Basic - per day	\$23.10	No Change	No Change
Moderate - per day	\$40.44	No Change	No Change
Specialized - per day	\$51.99	No Change	No Change
Intense - per day	\$92.43	No Change	No Change

Foster Care Redesign Blended Rates

Catchment Area	Current Weighted Average Rates	Proposed Rate	Percent Change
Regions 2 & 9	\$66.94	\$73.55	9.87%
Region 3	\$64.85	\$70.86	9.27%
Exceptional Care	\$352.70	\$465.13	31.88%

Attachment 2 - Calculation of Statewide Blended Rates vs. Catchment Areas with Foster Families at CPA Rate for Foster Care Redesign Cost Neutral based on Projected 16/17 Distribution of LOS and Placement Type

Table 1. Proposed Non-Foster Care Redesign 24-RCC Rates (2016-2017 Biennium)

	Basic	Moderate	Specialized	Intense	Other
ES	na	na	na	na	\$129.53
CPA	\$44.08	\$80.20	\$106.83	\$195.92	na
RTC	\$45.19	\$103.03	\$162.30	\$260.95	na
Foster Family	\$23.10	\$40.44	\$51.99	\$92.43	na
IPTP	na	na	na	na	\$374.33

Table 2. 2016-17 DOS Forecast by Placement Type and LOC from "201506_FCT_TotalPaidDaysbyRegionbyStratabyLOC_dstbn_7615.xlsm"

Note: Includes Relative Care / Excludes FCRD units, Child-specific contracts, SIL

TYPE	Basic	Moderate	Specialized	Intense	ES	IPTP	Total
ES	-	-	-	-	412,517	-	412,517
CPA (excluding DFPS foster homes)	4,981,705	1,565,632	763,235	41,073	-	-	7,351,644
DFPS foster homes	807,636	2,519	4,184	-	-	-	814,339
RTC	320,086	269,850	781,164	202,597	-	-	1,573,697
IPTP	-	-	-	-	-	27,054	27,054
Total	6,109,427	1,838,001	1,548,583	243,669	412,517	27,054	10,179,251

Table 3. Blended Rate based on 2016-2017 rates and FY16/17 forecast units of service for CPA, RTC, ES and IPTP only

	Basic	Moderate	Specialized	Intense	ES	IPTP
ES (Rate * DOS)	\$0.00	\$0.00	\$0.00	\$0.00	\$53,433,309.17	\$0.00
CPA (Rate * DOS)	\$219,593,536.85	\$125,563,697.65	\$81,536,407.17	\$8,046,928.92	\$0.00	\$0.00
DFPS FH (Rate * DOS)	\$18,656,402.97	\$101,859.51	\$217,524.92	\$0.00	\$0.00	\$0.00
RTC (Rate * DOS)	\$14,464,674.80	\$27,802,696.45	\$126,782,983.02	\$52,867,571.49	\$0.00	\$0.00
IPTP (Rate * DOS)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,126,962.92
Grand Total						\$739,194,555.84
Statewide Average Blended Rate (Grand Total from Table 3 / Total DOS from Table 2)						\$72.62

Table 4. Blended rate by LOC (e.g., weighted average across placement types)

	Basic	Moderate	Specialized	Intense	ES	IPTP
Wtd. Ave. Rate by LOC	\$41.36	\$83.50	\$134.66	\$249.99	\$129.53	\$374.33
Wtd. Ave. Rate * total DOS for LOC	\$252,714,615	\$153,468,254	\$208,536,915	\$60,914,500	\$53,433,309	\$10,126,963
Sum						\$739,194,556
Check (Sum / total DOS)						\$72.62

Table 5 Distribute ES DOS to LOCs (trial and error until resulting wtd ave rate equals \$72.60)

	Basic	Moderate	Specialized	Intense	IPTP	Total
Days with ES Dist to LOC	6,200,139.25	1,928,177.60	1,708,887.55	293,212.36	48,834.46	10,179,251
Days * Rate	256,466,908.35	160,997,726.48	230,123,941.41	73,299,756.04	18,280,203.59	739,168,535.87
% of ES going to LOC	21.99%	21.86%	38.86%	12.01%	5.28%	100.00%
Check						\$72.62

Attachment 2 - Calculation of Statewide Blended Rates vs. Catchment Areas with Foster Families at CPA Rate for Foster Care Redesign Cost Neutral based on Projected 16/17 Distribution of LOS and Placement Type

Table 10. Rate by Strata (Index for strata from Table 9 * Wtd. Ave. Blended Rate of \$72.60)

	Rate	Rate * DOS
A - Infants-Age <1	\$56.53	116,807,584.44
B - Age 1-13, Care <2 Years	\$58.99	213,099,685.64
C - Age 1-13, Care 2+ Years	\$92.32	315,896,250.96
D - Age 14-17	\$95.20	63,423,774.05
Total		709,227,295.09
Check (Total / DOS)		\$72.62

Table 11. DOS for each level by strata from "201506_FCT_TotalPaidDaysbyRegionbyStratabyLOC_dstbn_7615.xlsm"

Region	A - Infants-Age <1	B - Age 1-13 Care <2 Years	C - Age 1-13 Care 2+ Years	D - Age 14-17	Total
1	130,037	272,312	255,474	49,996	707,818
2	77,772	136,265	143,685	20,361	378,083
3 (catchment area only)	351,017	621,461	442,193	119,748	1,534,418
4	128,985	282,760	229,517	62,692	703,954
5	91,151	149,664	119,460	18,189	378,464
6	416,979	701,102	780,875	138,095	2,037,052
7	244,308	467,517	336,347	105,409	1,153,582
8	343,749	603,778	638,222	108,112	1,693,860
9	80,035	130,104	153,393	25,162	388,693
10	29,008	59,478	68,383	17,634	174,502
11	211,739	365,539	363,899	87,647	1,028,824
Total	2,104,779	3,789,979	3,531,447	753,046	10,179,251

Table 12. Calculate Wtd Ave Rate for Each Catchment Area

	A - Infants-Age <1	B - Age 1-13 Care <2 Years	C - Age 1-13 Care 2+ Years	D - Age 14-17	Wtd Ave Rate
Regions 2 & 9	157,806	266,368	297,078	45,523	\$73.55
3 (catchment area only)	351,017	621,461	442,193	119,748	\$70.86
Statewide Average Blended Rate					\$72.62

Ties back to mix of children by LOC and Placement Type forecast for 16/17.