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State/Territory Name: Texas

State Plan Amendment (SPA) : 23-0021

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

October 11, 2023

Emily Zalkovsky, Director
State Medicaid/CHIP Director
Health and Human Services Commission
Mail Code: H100
Post Office Box 13247
Austin, Texas 78711

RE: Texas TN 23-0021

Dear Director Zalkovsky,

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#23-0021, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 25, 2023. The proposed amendment updates the rate methodology and payment rates for Primary Home Care (PHC) and Community Attendant Services (CAS) to support base wage increases for certain personal attendants. The proposed amendment also revises the initial cost report database to calculate the direct care cost component to be the most recent PHC Medicaid cost report database.

Based upon the information provided by the State, we have approved the amendment with an effective date of September 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Monica Neiman at: Monica.Neiman@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
2 3 0 0 2 1

2. STATE
T X

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
September 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
Social Security Act §1905(a)(24) and §1915-42 CFR §440.167

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY **2023** \$ **8,343,217**
b. FFY **2024** \$ **91,562,846**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
**Attachment 4.19-B
Page 6c
Page 6d**


8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
**Attachment 4.19-B
Page 6c (TN 22-0003)
Page 6d (TN 06-14(A))**

9. SUBJECT OF AMENDMENT
The proposed amendment updates the rate methodology and payment rates for Primary Home Care (PHC) and Community Attendant Services (CAS) in support of increasing the base wage for certain personal attendants under Medicaid and other programs administered by HHSC to \$10.60 per hour, in accordance with the 2024-25 General Appropriations Act, House Bill 1, 88th Texas Legislature, Regular Session, 2023 (Article II, HHSC, Rider 30(a)). The proposed amendment also revises the initial cost report database to calculate the direct care cost component to be the most recent PHC Medicaid cost report database.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Emily Zalkovsky

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
September 25, 2023

15. RETURN TO
**Emily Zalkovsky
State Medicaid Director
Post Office Box 13247, MC: H-100
Austin, Texas 78711**

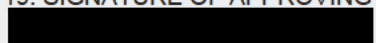
FOR CMS USE ONLY

16. DATE RECEIVED
September 25, 2023

17. DATE APPROVED
October 11, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
September 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS
Pen and ink change approved by the state and processed by CMS on 179 Form box 5 to remove: "and 1915" that was added by the state in error.

14. Reimbursement Methodology For Primary Home Care Services, continued

- (A) Recommended payment rate for the service support cost area. The total units of service for each provider agency are summed until the median hour of service is reached. The corresponding projected expense is the weighted median cost component. The weighted median cost component is multiplied by 1.044 to calculate the recommended payment rate for the service support cost area.
- (2) Total recommended payment rate.
 - (A) For non-priority clients. The recommended payment rate is determined by summing the service support cost area described in IX(I)(A) and the attendant cost area from IX(I)(B).
 - (B) For Priority 1 clients. The recommended payment rate is determined by summing the service support cost area described in IX(I)(A) and the attendant cost area from IX(I)(C).
- (3) Increases to the attendant cost area. All rates are available through the agency's website as outlined in Attachment 4.19-B, Page 1.
 - (A) For services provided on or after January 1, 2022, the non-priority attendant cost area described in IX(I)(B) is equal to the rate in effect December 31, 2021, plus \$0.01. The priority attendant cost area described in IX(I)(C) is equal to the rate in effect December 31, 2021, plus \$0.01. These rates were posted on the agency's website on January 1, 2022.
 - (B) For services provided on or after September 1, 2023, the non-priority attendant cost area described in IX(I)(B) is equal to the rate in effect on August 31, 2023, plus \$2.49. The priority attendant cost area described in IX(I)(B) is equal to the rate in effect on August 31, 2023, plus \$2.43. These rates were posted on the agency's website on September 1, 2023.

X. Attendant Compensation Rate Enhancement.

- (1) Attendant compensation cost center. This cost center will include attendant employee salaries and/or wages (including payroll taxes, worker's compensation, or employee benefits), contract labor costs, and personal vehicle mileage reimbursement for attendants.
- (2) Rate year. The rate year begins on September 1 and ends on August 31 of the following year.
- (3) Open enrollment. Each contracted provider must notify HHSC in a manner specified by HHSC of its desire to participate or its desire not to participate in the Attendant Compensation Rate Enhancement and its desired level of participation.
- (4) Determination of attendant compensation rate component for nonparticipating contracts. An attendant compensation rate component will be calculated separately for both Priority and Nonpriority services for nonparticipating contracts as follows:
 - (A) Determine for each contract included in the most recent Medicaid cost report database, the attendant compensation cost center from X(1) for both Priority and Nonpriority services.
 - (B) Adjust the cost center data from X(4)(A) to account for inflation utilizing the inflation factors from the cost reporting year to the prospective rate year.
 - (C) For Priority and Nonpriority separately, for each contract included in the most recent cost report data base, divide the result from X(4)(B) by the units of service for Priority or Nonpriority as appropriate to calculate the projected cost per unit of service.
 - (D) Provider projected costs per unit of service are ordered from low to high along with each provider's corresponding units of service separately for both Priority and Nonpriority services. The units of service are summed until the median hour of service is reached. The corresponding projected expense per unit of service is the weighted median cost component. This result is multiplied by 1.044.
 - (E) The attendant compensation rate component will be limited to available levels of appropriated state and federal funds.

TN: 23-0021 Approval Date: October 11, 2023

Supersedes TN: 06-14(A) Effective Date: 09-01-23