



Date: March 16, 2023

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

Subject: Information Letter 2023-12 2022 Cost Report Units of Service  
Information for Home and Community-based Services (HCS)  
and Texas Home Living (TxHmL) Programs

The Texas Health and Human Services Commission (HHSC) requires Home and Community-Based Services (HCS) and Texas Home Living (TxHmL) providers to submit 2022 cost reports. Cost reports are due April 30, 2023.

Providers must report, on an accrual basis, paid units of service delivered during their 2022 cost reporting period in Step 5 on the cost report. Providers should report units of service for each waiver service by the level of need delivered during their cost reporting period and paid by the time the cost report is submitted. Any units of service delivered during the cost reporting period, but not paid by the time the cost report is submitted, should be reported as a non-reimbursed unit.

HCS and TxHmL providers should report all allowable costs incurred during their cost reporting period for paid and non-reimbursed units of service in accordance with Title 1 of the Texas Administrative Code Section 355.102 concerning General Principles of Allowable and Unallowable Costs; Section 355.103 concerning Specifications for Allowable and Unallowable Costs; Section 355.105 concerning General Reporting and Documentation Requirements, Methods, and Procedures; Section 355.722 concerning Reporting Costs by Home and Community-based Services (HCS) and Texas Home Living (TxHmL) Providers; the mandatory cost report training, and the 2022 HCS and TxHmL cost report instructions.

## **Obtaining 2022 Paid Units of Service through HCS/TxHmL Lookup Tool**

HCS/TxHmL providers historically utilized Client Assignment and Registration (CARE) to obtain this information. Beginning in May 2022, HCS/TxHmL claims are processed through the Texas Medicaid & Healthcare Partnership (TMHP) claims system. Due to this transition, HHSC will be providing a lookup tool for identifying paid units of service delivered during the 2022 cost reporting period for HCS and

TxHmL providers to use when completing Step 5 of the 2022 cost report. For subsequent years' cost reports, the information will be available via TMHP. The 2022 cost reporting lookup tool record will include:

- Only paid units of service (not billed or non-reimbursed units);
- Any units paid through the CARE and TMHP claims systems during the cost reporting period.

The units of service record was queried on March 9, 2023, and reflects paid units only as of the query date.

The lookup tool of paid units of service for the HCS and TxHmL 2022 cost report is available to download from the State of Texas Automated Information Reporting System (STAIRS) system. The units of service information is available under Reference materials, located at the bottom of the main screen after logging into STAIRS. A link to this report will also be included in a banner on Step 5 of the cost report.

Providers will need to select their component code and applicable cost reporting period on the report to find the applicable paid units of service. The cost reporting period is available in Step 4 of the cost report and corresponds to the rate periods identified in the unit of service tables in Step 5.

The lookup tool includes an input field where providers must input their three-digit component code. The tool also allows providers to select the applicable rate periods that correspond to their cost reporting period. The Rate Period selection is limited to three options shown below.

- 02/01/2021-08/31/2021
- 09/01/2021-08/31/2022
- 09/01/2022-12/31/2022

To retrieve units for Step 5 that will align with the Begin and End date from the reporting period in Step 4, please select the Rate Period(s) that include(s) either the Beginning or Ending date from the reporting period of your cost report.

For example, if a provider's cost reporting period has a beginning date of 01/01/2022 and an ending date of 12/31/2022, please report units in two Rate periods:

- No units will be populated in the 1st Rate period because the rate period of 02/01/2021-08/31/2021 occurred before the reporting period began on 01/01/2022;
  - Paid units between 01/01/2022 and 08/31/2022 will be reported in the second Rate Period of 09/01/2021 to 08/31/2022;
  - Remaining units between 09/1/2022 and 12/31/2022 will be reported in the 3rd Rate Period of 09/01/2022 to 12/31/2022.

The lookup tool includes a provider's units between only the Beginning and Ending dates of a cost reporting period as identified in Step 4 of the 2022 cost report.

## **Accessing STAIRS System to Complete the 2022 Cost Report**

Providers must submit their 2022 cost report through STAIRS, which is web-based and hosted by a state contractor, Fairbanks, LLC. Providers and preparers who have previously submitted a cost report via STAIRS will use the same login information to access the 2022 Cost Report.

New providers without prior STAIRS access, will be sent an email containing STAIRS login information and their username and password. The email will be sent to the Primary Entity Contact designated by HHSC Provider Finance Department (PFD). A new provider who has not received an email with their login information should contact HHSC PFD at [CostInformationPFD@hhs.texas.gov](mailto:CostInformationPFD@hhs.texas.gov).

## **Cost Report Financial Examination**

HHSC will be updating the record of paid units of service before beginning the financial examination of the 2022 cost reports. This timing will allow cost reports to be revised based on any paid claims adjudicated after the 2022 cost report was submitted. HHSC PFD's Cost Report Review Unit (CRRU) financial examiners will work individually with the provider and cost report preparer if there are material variances between the units reported and the updated paid claims data.

### **Resources**

For more information on the 2022 cost reporting requirements, please see [HHSC's Provider Finance website](#).

Please contact the HHSC Provider Finance Department Long-term Services and Supports, Center for Information and Training Team at [PFD-LTSS@hhs.texas.gov](mailto:PFD-LTSS@hhs.texas.gov) if you have questions regarding the information in this letter.

Sincerely,

*[signature on file]*

Samuel West  
Director, Long-term Services and Supports of Provider Finance Department