



Date: August 31, 2023

To: Nursing Facility (NF) Service Providers

Subject: Information Letter 2023-36
NF Direct Care Staff Rates
Effective September 1, 2023

The Texas Health and Human Services Commission (HHSC) approved the payment for NF Direct Care Staff Rates to be effective **September 1, 2023**.

NF provides institutional care to Medicaid recipients whose medical condition regularly requires the skills of licensed nurses. These NFs must provide for the total medical, social, and psychological needs of each client, including room and board, social services, over-the-counter drugs, medical supplies and equipment, and personal needs items. The 2024-25 General Appropriations Act (GAA), Article II, Rider 24 provides "appropriations for reimbursement rate increases that will increase the wages and benefits of direct care staff." Rider 24 also requires HHSC to "implement the rate increases in a manner that will enable HHSC to ensure that at least 90 percent of the funds are expended for the benefit of direct care staff wages and benefits and shall return to the Comptroller of Public Accounts any amount recouped from a provider who does not utilize the funds in accordance with that purpose." HHSC adopted new Title 1 of the Texas Administrative Code §355.304, concerning Direct Care Staff Spending Requirements on or after September 1, 2023.

HHSC adopted these add-on rates through our regular public hearing process on July 11, 2023. The approved payment rates, effective September 1, 2023, can be accessed on the [Provider Finance Department \(PFD\) webpage](#).

Claims Submission

For Fee-for-Service claims, Providers should continue to bill using their normal billing process. Individual providers require no additional action. HHSC has updated the claiming system to reflect the new adopted rate. Claims with a service date on or after September 1, 2023, will be processed with the new adopted rate.

For Managed Care claims, providers should continue to bill using their normal billing process in consultation with their managed care organization.

Resources

Please contact the HHSC PFD Long-term Services and Supports Center for Information and Training at PFD-LTSS@hhs.texas.gov or (737) 867-7817 if you have questions regarding the rates or this letter.

Sincerely,

[signature on file]

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