



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

THOMAS M. SUEHS
EXECUTIVE COMMISSIONER

December 11, 2009

To: Community Based Alternatives (CBA) Providers;
Integrated Care Management (ICM) Providers;
CBA and ICM Assisted Living/Residential Care Providers;
Community Living Assistance and Support Services (CLASS) Providers;
Day Activity and Health Services (DAHS) Providers;
Deaf-Blind Multiple Disabilities (DBMD) Providers;
Primary Home Care (PHC) Providers; and
Residential Care (RC) Providers

Subject: Information Letter No. 09-180
Changes to rules regarding Attendant Compensation Reports and reinvestment of recouped funds

Purpose

The purpose of this letter is to inform providers about changes recently adopted to Title 1 of the Texas Administrative Code §355.112 regarding Attendant Compensation Reports and reinvestment of recouped funds for providers participating in the Attendant Compensation Rate Enhancement

Overview

Section 355.112 establishes the Attendant Compensation Rate Enhancement. The Health and Human Services Commission (HHSC), under its authority and responsibility to administer and implement Medicaid payment rates, has updated this rule to modify Attendant Compensation Report submittal requirements to use cost reports in place of Attendant Compensation Reports in most situations, and to eliminate reinvestment of recouped funds. The new rule language was effective November 1, 2009.

Elimination of Stand-Alone Attendant Compensation Reports

Currently the Attendant Compensation Rate Enhancement program mandates that each provider that receives enhanced funds submit an abbreviated enhancement cost report on the state fiscal year (the Attendant Compensation Report) in addition to the full cost report that is submitted on the provider's fiscal year for rate determination purposes. The amendments to §355.112 change this requirement as follows:

- For services delivered on or before August 31, 2009, providers must still file Attendant Compensation Reports. Providers whose cost reporting period is equal to the state fiscal year (FY) and received approval from HHSC Rate Analysis to submit a combined cost report may submit a combined cost report in place of the Attendant Compensation Report for FY 2009.
- For services delivered from September 1, 2009, to August 31, 2010, participating providers may be required to submit Transition Attendant Compensation Reports in addition to required cost reports. The Transition Attendant Compensation Report reporting period will include those days in calendar years 2009 and 2010 not included in either the 2009 Attendant Compensation report or the provider's 2011 cost report.
- Thereafter, participating providers will be required to complete additional items added to the cost report to accommodate the information necessary to verify compliance with spending requirements but will no longer be required to submit separate Attendant Compensation Reports except in certain limited situations.

Transition Attendant Compensation Reports will be due to HHSC Rate Analysis on October 31, 2010 and will incorporate different reporting periods depending upon the provider's 2010 cost reporting end-month as follows:

2010 Cost Report End-Month	2010 Transition Attendant Compensation Report Reporting Period	Reports required to calculate enhancement compliance for FY 2010
January 2010	9/1/2009 – 1/31/2010	Transition Report Only
February 2010	9/1/2009 – 2/28/2010	Transition Report Only
March 2010	9/1/2009 – 3/31/2010	Transition Report Only
April 2010	9/1/2009 – 4/30/2010	Transition Report Only
May 2010	9/1/2009 – 5/31/2010	Transition report Only
June 2010	9/1/2009 – 6/30/2010	Transition Report Only
July 2010	9/1/2009 – 7/31/2010	Transition Report Only
August 2010	None	2010 Cost Report Only
September 2010	9/1/2009 - 9/30/2009	Transition Report and 2010 Cost Report
October 2010	9/1/2009 – 10/31/2009	Transition Report and 2010 Cost Report
November 2010	9/1/2009 – 11/30/2009	Transition Report and 2010 Cost Report
December 2010	9/1/2009 – 12/31/2009	Transition report and 2010 Cost Report

Elimination of Reinvestment Process

Reinvestment is the process whereby funds recouped from participants failing to meet their spending requirements during a specific fiscal year are redistributed to participants who exceeded their spending requirements during that same fiscal year. For services delivered on or before August 31, 2009, HHSC will reinvest recouped funds in the attendant compensation rate enhancement to the extent there are qualifying contracts. For services delivered beginning September 1, 2009, and thereafter, HHSC will not reinvest recouped enhanced attendant compensation rate funds. Instead of reinvesting these recouped funds, the funds will be returned to the state and the federal Centers for Medicare and Medicaid Services as appropriate.

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CBA, ICM, CLASS, DAHS and DBMD providers should contact Doug Odle, Rate Analyst with HHSC Rate Analysis, at 512-491-1374 or doug.odle@hhsc.state.tx.us if they have any questions regarding the new rules.

PHC providers should contact Brandon Wilson, Rate Analyst with HHSC Rate Analysis at 512-491-1369 or brandon.wilson@hhsc.state.tx.us if they have any questions regarding the new rules.

RC and CBA/ICM AL/RC providers should contact Laura Marble with HHSC Rate Analysis at 512-491-1354 or laura.marble@hhsc.state.tx.us if they have any questions regarding the new rules.

Please share this information with any other interested parties.

Sincerely,

[signature on file]

Pam McDonald, Director
Rate Analysis for Long Term Care