



Cost Comparison Report

**As required by the
2024-25 General Appropriations Act,
House Bill 1, 88th Legislature,
Regular Session, 2023
(Article II, Health and Human
Services Commission, Rider 4)**

**Health and Human Services
Commission**

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TEXAS
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1. Introduction

The 2024-25 General Appropriations Act, Senate Bill 1, 88th Legislature, Regular Session, 2023 (Article II, Health and Human Services Commission, Rider 4), directs the Health and Human Services Commission (HHSC) to prepare a report analyzing the costs of state- and federally-funded residential and non-residential services for persons with intellectual disabilities and related conditions for which it is the Medicaid operating agency.

Institutional services are delivered at state-operated and non-state operated intermediate care facilities for individuals with an intellectual disability or related conditions (ICFs/IID). ICF/IID services include residential services, habilitation services, medical services, skills training, and adjunctive therapy services.

Non-institutional services are provided by two 1915(c) Medicaid waiver programs: Home and Community-based Services (HCS) and Texas Home Living (TxHmL). HCS and TxHmL services include adaptive aids, case management, counseling, and therapies (audiology, speech/language pathology, occupational therapy, physical therapy, dietary services, social work, and psychology), minor home modifications, dental treatment, nursing, residential assistance, respite, day habilitation (Individualized Skills and Socialization as of March 2023), and supported employment. The HCS service array also includes residential services provided in three- and four-bed group homes.

Medicaid-reimbursed acute care services, such as hospitalization and doctor visits, provided to consumers in non-state operated ICFs/IID, HCS, and TxHmL are paid by HHSC. For the state supported living centers (SSLCs), these costs are covered in the per diem reimbursement rate.

2. Background

This report includes an analysis of the total average monthly Medicaid costs for persons served in each of the following settings:

1. SSLCs
2. ICFs/IID other than SSLCs
3. HCS residential
4. HCS non-residential
5. TxHmL

The cost data includes all Medicaid expenditures, both programmatic and acute care, for these populations, as well as the distribution of each population by level of need (LON). The costs for SSLCs include Statewide Cost Allocation Plan (SWCAP), Department Indirect Cost Allocation Plan (DICAP), maintenance and construction costs, employee benefit costs, and other federally allowable administrative, medical, and overhead costs.

Except for SSLC cost data, this report covers the period of fiscal year 2023 (September 1, 2022 through August 31, 2023). The SSLC cost data in this report covers the period of fiscal year 2022 (September 1, 2021 through August 31, 2022).

This report shows monthly Medicaid costs per consumer for the five different settings identified above. Where the state is the service provider (SSLCs), these costs are not intended to be used for the purpose of determining the incremental impact of increasing or reducing the number of consumers in that setting. As a service provider, the SSLCs have certain operating costs that will not be impacted with a small increase or decrease in the number of consumers served. When the change in numbers of consumers is significant enough to impact these operating costs, they will be changed in different degrees depending on how many consumers are admitted or discharged and the number of facilities involved.

Where the State is paying providers for services, such as ICFs/IID other than SSLCs and the HCS/TxHmL waivers, the annual costs per consumer lend themselves more readily to determining the incremental budget impact of changing caseloads.

Levels of Need

Five LONs have been developed to ensure that consumers' individual needs are met. The consumer's LON is based on his/her score on the Inventory for Client and Agency Planning (ICAP). In the ICF/IID program, a consumer's LON may be adjusted upward to account for special medical or behavioral conditions. An adjustment may be made for an HCS consumer to account for behavioral conditions.

- **Intermittent (LON 1)**

This individual does not need 24-hour care, demonstrates very independent living skills, with no significant maladaptive behavior noted. Staff intervention is typically reminders with some guidance required.

- **Limited (LON 5)**

This individual has skills ranging from fairly independent to some personal care reminders/guidance needed. Behavior intervention or hands-on personal care assistance may be required. The individual may have psychiatric disorders, which are fairly well-controlled with medications. Staff intervention ranges from reminders to 24-hour guidance and support.

- **Extensive (LON 8)**

This individual has skills ranging from no self-help skills (due to physical limitations) to demonstrating some basic self-help skills. Staff intervention includes personal care assistance utilizing hands-on techniques.

- **Pervasive (LON 6)**

This individual may have limited self-help skills or some independent basic self-help skills but may demonstrate challenging behavior requiring intervention. The individual may require one-on-one supervision or care for safety reasons, but not for 16 hours a day.

- **Pervasive Plus (LON 9)**

This individual requires one-on-one supervision for at least 16 hours per day.

3. Cost Comparison – Fiscal Year 2023

Table 1. Monthly Average Cost per Individual Served by Setting

State Operated ICF/IID (SSLC)^a	
Long-term Care Costs – Average	\$21,443.99
Administrative/Overhead Costs	\$8,005.00
Total State Operated ICF/IID Costs	\$29,448.99
Non-State Operated ICF/IID (Community ICF/IID)	
Long-term Care Costs – Average	\$4,779.48
Acute Care Cost - Average	\$468.04
Total Non-State Operated ICF/IID Costs	\$5,247.52
HCS Waiver: Residential	
Long-term Care Costs – Average	\$5,611.65
Acute Care Cost - Average	\$952.26
Total HCS Waiver: Residential Costs	\$6,563.91
HCS Waiver: Non-Residential	
Long-term Care Costs – Average	\$2,963.99
Acute Care Cost - Average	\$709.10
Total HCS Waiver: Non-Residential Costs	\$3,673.09
HCS Waiver: All Settings	
Long-term Care Costs – Average	\$3,775.52
Acute Care Cost - Average	\$783.63
Total HCS Waiver: All Settings Costs	\$4,559.15
TxHmL Waiver	
Long-term Care Costs – Average	\$2,201.02
Acute Care Cost - Average	\$748.34
Total TxHmL Costs	\$2,949.36

^a Data are based on fiscal year 2022 cost report as fiscal year 2023 cost report has not been audited.

Table 2. Non-state ICF/IID by Facility Size: Average Number of Individuals Served Per Month

Level of Need	Small	Medium	Large	Total
Intermittent (LON 1)	999	146	5	1,150
Limited (LON 5)	2,108	225	40	2,373
Extensive (LON 8)	502	27	15	544
Pervasive (LON 6)	176	2	1	179
Pervasive Plus (LON 9)	15	1	2	18
Overall - Total	3,800	401	63	4,264

Table 3. Non-state ICF/IID by Facility Size: Monthly Average Cost Per Individual

Level of Need	Small	Medium	Large	Average
Intermittent (LON 1)	\$4,232.10	\$3,450.14	\$3,197.95	\$4,128.24
Limited (LON 5)	\$4,816.69	\$4,024.07	\$3,590.16	\$4,720.67
Extensive (LON 8)	\$5,548.81	\$4,737.08	\$4,093.89	\$5,469.98
Pervasive (LON 6)	\$6,954.12	\$5,806.61	\$6,072.88	\$6,936.85
Pervasive Plus (LON 9)	\$12,033.32	\$11,874.10	\$11,370.21	\$11,964.94
Overall - Average	\$4,888.03	\$3,882.11	\$3,930.72	\$4,779.48

Table 4. Comparison of Consumers by LON

Level of Need	State Operated ICF/IID ^a	State Operated ICF/IID	Non-state Operated ICF/IID	Non-state Operated ICF/IID	Total ICF/IID	Total ICF/IID	HCS Waiver	HCS Waiver	TxHmL Waiver	TxHmL Waiver	Total Waiver	Total Waiver
	#	%	#	%	#	%	#	%	#	%	#	%
Intermittent (LON 1)	317	12.12	1,150	26.97	1,467	21.33	7,545	26.25	1,151	41.58	8,696	27.60
Limited (LON 5)	1,174	44.92	2,373	55.65	3,547	51.58	13,134	45.70	1,373	49.64	14,507	46.04
Extensive (LON 8)	798	30.55	544	12.76	1,342	19.51	5,573	19.39	219	7.93	5,792	18.38
Pervasive (LON 6)	318	12.19	179	4.20	497	7.23	2,322	8.08	24	0.85	2,346	7.45
Pervasive Plus (LON 9)	6	0.22	18	0.42	24	0.35	167	0.58	-	-	167	0.53
Total^b	2,613	100.00	4,264	100.00	6,877	100.00	28,741	100.00	2,767	100.00	31,508	100.00

^a Date for State Operated ICF/IID includes clients in SSLCs, Corpus Christi Bond Homes, and Texana Behavioral Treatment and Training Center.

^b Due to rounding, LON figures may not sum to their respective totals.

Table 5. Average Dollars Paid by Month for HCS Waiver Services for People Who Came off the Interest List in Fiscal Year 2023^{a,b}

Residence Type	LON	Mean	Number of People	Std. Deviation	Min.	Max.
Non-Residential^c	1	\$2,064.21	333	\$1,065.94	\$0.00	\$8,018.37
	5	\$2,453.44	673	\$1,165.87	\$0.00	\$8,372.18
	6	\$3,852.92	122	\$1,581.57	\$173.56	\$10,019.20
	8	\$3,262.31	285	\$1,364.44	\$19.88	\$10,792.84
	9	\$380.70	1		\$380.70	\$380.70
Residential^d	Total	\$2,644.09	1,414	\$1,343.59	\$0.00	\$10,792.84
	1	\$4,592.81	61	\$1,407.16	\$432.63	\$10,391.53
	5	\$5,097.46	200	\$1,512.27	\$271.19	\$11,525.97
	6	\$5,619.35	46	\$1,614.34	\$382.54	\$10,112.52
	8	\$5,271.13	111	\$1,651.50	\$1,116.43	\$12,154.81
	9	\$8,408.35	3	\$3,109.30	\$4,935.09	\$10,932.43
Total	Total	\$5,150.75	421	\$1,598.84	\$271.19	\$12,154.81
	1	\$2,455.70	394	\$1,449.47	\$0.00	\$10,391.53
	5	\$3,059.17	873	\$1,674.96	\$0.00	\$11,525.97
	6	\$4,336.59	168	\$1,771.65	\$173.56	\$10,112.52
	8	\$3,825.39	396	\$1,707.10	\$19.88	\$12,154.81
	9	\$6,401.44	4	\$4,749.31	\$380.70	\$10,932.43
	Total	\$3,219.19	1,835	\$1,757.18	\$0.00	\$12,154.81

^a People were identified as having come off the interest list if they had a closed date in the Community Services Interest List (CSIL) and as having enrolled in the HCS Waiver if they began HCS services after the CSIL closed date.

^b Level of Need (LON) reflects the most recent assessment conducted during FY2023.

^c Non-Residential is defined as Foster/Companion Care and Own Home/Family Home.

^d Residential is defined as 3-bed Home and 4-bed Home.

Table 6. Average Dollars Paid by Month for HCS Waiver Services for People Who Transitioned from SSLCs in Fiscal Year 2023^{a,b}

Residence Type	LON	Mean	Number of People	Std. Deviation	Min.	Max.
Non-Residential^c	5	\$3,430.64	2	\$553.74	\$3,039.09	\$3,822.20
	6	\$3,114.59	2	\$1,601.55	\$1,982.13	\$4,247.06
	Total	\$3,272.62	4	\$995.23	\$1,982.13	\$4,247.06
Residential^d	1	\$6,209.51	6	\$935.04	\$4,847.99	\$7,030.08
	5	\$6,308.40	11	\$574.84	\$5,133.12	\$7,084.72
	6	\$5,502.16	13	\$1,394.90	\$2,710.22	\$8,465.96
	Total	\$5,939.25	30	\$1,105.56	\$2,710.22	\$8,465.96
Total	1	\$6,209.51	6	\$935.04	\$4,847.99	\$7,030.08
	5	\$5,865.67	13	\$1,211.95	\$3,039.09	\$7,084.72
	6	\$5,183.82	15	\$1,598.99	\$1,982.13	\$8,465.96
	Total	\$5,625.53	34	\$1,387.33	\$1,982.13	\$8,465.96

^a People were identified as having transitioned from a SSLC to HCS Waiver by the SSLCs.

^b Level of Need (LON) reflects the most recent assessment conducted during FY2023.

^c Non-Residential is defined as Foster/Companion Care and Own Home/Family Home.

^d Residential is defined as 3-bed Home and 4-bed Home.

List of Acronyms

Acronym	Full Name
CSIL	Community Services Interest List
DICAP	Department Indirect Cost Allocation Plan
HCS	Home and Community-based Services
HHSC	Health and Human Services Commission
ICAP	Inventory for Client and Agency Planning
ICF	Intermediate Care Facilities
IID	Individuals with an Intellectual Disability
LON	Level of Need
SSLC	State Supported Living Centers
SWCAP	Statewide Cost Allocation Plan
TxHmL	Texas Home Living