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August 29, 2003

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To: Community Based Alternatives (CBA)
Home and Community Support Services (HCSS) Providers
Consumer Directed Services (CDS) Providers
Adult Foster Care (AFC) Providers
Out-of-Home Respite Providers

Subject: Long Term Care (LTC)
Information Letter No. 03-30
Community Based Alternatives (CBA) Rate Changes,
Effective September 1, 2003

The Texas Health and Human Services Commission (HHSC) approved rate changes for the Community Based Alternatives (CBA) providers effective September 1, 2003. The new rates are included on the attached Reimbursement Rate chart, which should be substituted for the 2600 section of the CBA Provider Manual until a manual revision is distributed.

The proposed state fiscal year (SFY) 2004 and 2005 payment rates (effective September 1, 2003 and September 1, 2004) incorporate provisions in House Bill (HB) 1 regarding the appropriations for community programs for SFY 2004 and 2005 and HHSC Appropriations Rider 46. HHSC appropriations Rider 46 requires that reductions to any long term care budget strategy shall be calculated without rebasing of current reimbursement rates and shall be shared equally across all Medicaid providers funded by the strategy. As a result, proposed payment rates for community-based programs have been reduced by 1.1 percent.

To achieve the 1.1 percent reduction in the Attendant Compensation Rate Enhancement add-on rates, each level of enhanced add-on for the CBA Home and Community Support Services and Consumer Directed Services providers is reduced by an amount as close to 1.1 percent as possible while still rounding to whole cents. This results in enhanced rate level 1 being \$0.04 higher than the prior level for SFY 2004 and 2005, instead of \$0.05 as in the current rate structure.

All claims for services delivered on or after September 1, 2003, will be processed using the new payment rates. Claims submitted by the provider for any services delivered on or after September 1, 2003, should be prepared using the new rates.

INCENTIVE RATES

The Attendant Compensation Rate Enhancement was established in response to the General Appropriations Act, HB 1 of the 76th Legislature to incentivize contracted providers to increase wages and benefits for community care attendants. The agency rules for the Attendant Compensation Rate Enhancement can be found in Title 1 of the Texas Administrative Code (TAC) §355.112 and 40 TAC §20.112.

Contracted providers who choose to participate in the Attendant Compensation Rate Enhancement and receive the additional funds must demonstrate compliance with enhanced wage and benefit spending requirements.

In order to stay within appropriated funds, the enhancement enrollment has been cancelled for SFY 2004. If funding becomes available, providers will have the opportunity to participate in the subsequent open enrollment period.

Please contact Alisa Jacquet, at (512) 685-3129, if you have any questions about the Attendant Compensation Rate Enhancement. Please contact your contract manager if you have any further questions regarding this information letter. Contract managers should call Rudy Gomez at (512) 438-3740 if they have questions regarding this information letter.

Sincerely,

Signature on file

Becky Beechinor
Assistant Deputy Commissioner
Long Term Care Services

BB:ck

Attachment

§49.7 — Method of Payment. Two methods of payment are used to purchase services:

- (1) Cost reimbursement. Payment is directly related to the allowable, reimbursable costs incurred by the provider agency.
 - (2) Unit rate. A provider agency with a unit rate contract receives payment according to each unit of service provided. The Texas Board of Human Services sets either a fixed unit rate or a unit rate ceiling. For services with a unit rate ceiling, the rate negotiated with the provider agency must be at or below the Board-approved ceiling; the negotiated rate then becomes the unit rate for that particular contract.
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Enhanced rates are available to contracted CBA HCSS and AL/RC providers that choose to participate in the Attendant Compensation Rate Enhancement option. The Attendant Compensation Rate Enhancement option was introduced to incentivize increased wages and benefits for community care attendants. The participant and non-participant rates are included on the following reimbursement charts. HHSC Rate Analysis is solely responsible for enrolling or dis-enrolling current and new contracted providers in the Attendant Compensation Rate Enhancement option. A provider that wants more information on the Attendant Rate Enhancement option can contact:

Health and Human Services Commission Rate Analysis
 Mail Code Y-995
 1100 West 49th Street
 Austin, Texas 78714
 (512) 685-3124

The rates for CBA-HCSS program services as of 9/1/03 are:

Service	Rate Per	Amount
Pre-Enrollment Home Health Assessment	Assessment	129.26
Nursing Services		
Registered Nurse	Hour	33.44
Licensed Vocational Nurse	Hour	25.06
Physical Therapy	Hour	64.57
Occupational Therapy	Hour	61.59
Speech Pathology	Hour	60.55
Respite In Home	Day	228.39
Adaptive Aids	Year	10,000.00
Minor Home Modifications	CAP	7,500.00
Ongoing Minor Home Modification — Repair/Replacement	Year	300.00

Personal Assistance Services (PAS)

Twenty levels of participant rates are available to providers participating in the Attendant Compensation Rate Enhancement. Participant levels 2 through 20 increase in \$.05 increments.

Service	Rate Per Unit of Service
Non-participant	9.82
Participant — Level 1	9.86
Participant — Level 2	9.91
Participant — Level 3	9.96
Participant — Level 4	10.01
Participant — Level 5	10.06
Participant — Level 6	10.11
Participant — Level 7	10.16
Participant — Level 8	10.21
Participant — Level 9	10.26
Participant — Level 10	10.31
Participant — Level 11	10.36
Participant — Level 12	10.41
Participant — Level 13	10.46
Participant — Level 14	10.51
Participant — Level 15	10.56
Participant — Level 16	10.61
Participant — Level 17	10.66
Participant — Level 18	10.71
Participant — Level 19	10.76
Participant — Level 20	10.81

The rates for CBA Consumer Directed Services effective 9/1/03 are:

Consumer Directed Services (CDS)	CDS Agency	Client
Personal Assistance Services	\$ 0.99	\$ 9.03
In-Home Respite	23.74	204.65
Out-of-Home Respite:		
Adult Foster Care Level 1	11.87	20.58
Adult Foster Care Level 2	11.87	34.14
Adult Foster Care Level 3	11.87	67.40
AL/Single Occupancy Apartment	11.87	43.02
AL/Double Occupancy Apartment	11.87	34.29
Residential Care Non-Apartment	11.87	26.93
Nursing Facility	11.87	NF TILE – \$11.87

Adaptive Aids and Medical Supplies

Cost of Adaptive Aid or Medical Supply by Range					
<\$500	\$500 to \$999.99	\$1,000 to \$1,499.99	\$1,500 to \$1,999.99	\$2,000 to \$2,499.99	\$2,500 to \$2,999.99
Requisition Fee Amount					
9.89% of cost of item	\$53.44	\$91.83	\$104.50	\$117.55	\$132.73
Cost of Adaptive Aid or Medical Supply by Range					
\$3,000 to \$3,499.99	\$3,500 to \$3,999.99	\$4,000 to \$4,499.99	\$4,500 to \$4,999.99	\$5,000 & Over	
Requisition Fee Amount					
\$139.26	\$145.40	\$151.93	\$158.46	\$167.10	

Minor Home Modifications

Cost for Minor Home Modification by Range						
<\$500	\$500 to \$999.99	\$1,000 to \$1,499.99	\$1,500 to \$1,999.99	\$2,000 to \$2,499.99	\$2,500 to \$2,999.99	\$3,000 to \$3,499.99
Requisition Fee Amount						
9.89% of cost of item	\$79.16	\$117.55	\$130.22	\$162.09	\$194.34	\$224.69
Cost for Minor Home Modification by Range						
\$3,500 to \$3,999.99	\$4,000 to \$4,499.99	\$4,500 to \$4,999.99	\$5,000 to \$5,499.99	\$5,500 to \$5,999.99	\$6,000 to \$6,499.99	\$6,500 & Over
Requisition Fee Amount						
\$255.43	\$281.15	\$306.49	\$332.21	\$357.94	\$390.80	\$424.04

The rates for CBA-AFC program services as of 9/1/03 are:

Service	Rate Per	Amount
Adult Foster Care Level 1	Day	18.71
Adult Foster Care Level 2		32.27
Adult Foster Care Level 3		65.52
Adult Foster Care Respite		
Adult Foster Care Level 1		32.45
Adult Foster Care Level 2		46.01
Adult Foster Care Level 3		79.27

The **non-participant** rates for CBA-AL/RC program services as of 9/1/03 are:

Service	Rate Per	Amount
Assisted Living-Apartment	Day	39.69
Residential Care-Apartment		30.97
Residential Care-Non-Apartment		23.61
Personal Care 3		63.92
Assisted Living Respite		
Assisted Living-Apartment		54.89
Residential Care-Apartment		46.16
Residential Care-Non-Apartment		38.80

The **participant** rates for CBA-AL/RC program services as of 9/1/03 are:

Service	Rate Per	Participant Level 1 Amount
Assisted Living – Apartment		
AL 1 Tile Levels 201, 203, 204 & 205	Day	60.27
AL 2 Tile Levels 202, 206 & 207		56.17
AL 3 Tile Level 208		50.57
AL 4 Tile Level 209		52.77
AL 5 Tile Level 210		47.55
AL 6 Tile Level 211		46.13
Residential Care – Apartment		
AL 1 Tile Levels 201, 203, 204 & 205		53.68
AL 2 Tile Levels 202, 206 & 207		49.58
AL 3 Tile Level 208		43.98
AL 4 Tile Level 209		46.19
AL 5 Tile Level 210		40.97
AL 6 Tile Level 211		39.54
Residential Care - Non-Apartment		
AL 1 Tile Levels 201, 203, 204 & 205		37.74
AL 2 Tile Levels 202, 206 & 207		33.64
AL 3 Tile Level 208		28.05
AL 4 Tile Level 209		30.24
AL 5 Tile Level 210		25.03
AL 6 Tile Level 211		23.60

Twenty levels of participant rates are available to providers participating in the Attendant Compensation Rate Enhancement. The following amounts are added to the level one rates above to calculate the total rate for each level.

Participant Level	Amount Added to Level 1
Participant — Level 2	.09
Participant — Level 3	.14
Participant — Level 4	.19
Participant — Level 5	.24
Participant — Level 6	.29
Participant — Level 7	.34
Participant — Level 8	.39
Participant — Level 9	.44
Participant — Level 10	.49
Participant — Level 11	.54
Participant — Level 12	.59
Participant — Level 13	.64
Participant — Level 14	.69
Participant — Level 15	.74
Participant — Level 16	.79
Participant — Level 17	.84
Participant — Level 18	.89
Participant — Level 19	.94
Participant — Level 20	.99

Service	Rate Per	Participant Level 1 Amount
Assisted Living — Respite		
Assisted Living - Apartment Participant		
AL 1 Tile Levels 201, 203, 204 & 205	Day	75.46
AL 2 Tile Levels 202, 206 & 207		71.36
AL 3 Tile Level 208		65.76
AL 4 Tile Level 209		67.96
AL 5 Tile Level 210		62.74
AL 6 Tile Level 211		61.32
Residential Care – Apartment		
AL 1 Tile Levels 201, 203, 204 & 205		68.87
AL 2 Tile Levels 202, 206 & 207		64.77
AL 3 Tile Level 208		59.17
AL 4 Tile Level 209		61.38
AL 5 Tile Level 210		56.17
AL 6 Tile Level 211		54.73
Residential Care - Non-Apartment		
AL 1 Tile Levels 201, 203, 204 & 205		53.08
AL 2 Tile Levels 202, 206 & 207		48.98
AL 3 Tile Level 208		43.38
AL 4 Tile Level 209		45.58
AL 5 Tile Level 210		40.37
AL 6 Tile Level 211		38.94

Twenty levels of participant rates are available to providers participating in the Attendant Compensation Rate Enhancement. The following amounts are added to the level one rates above to calculate the total rate for each level.

Participant Level	Amount Added to Level 1
Participant — Level 2	.09
Participant — Level 3	.14
Participant — Level 4	.19
Participant — Level 5	.24
Participant — Level 6	.29
Participant — Level 7	.34
Participant — Level 8	.39
Participant — Level 9	.44
Participant — Level 10	.49
Participant — Level 11	.54
Participant — Level 12	.59
Participant — Level 13	.64
Participant — Level 14	.69
Participant — Level 15	.74
Participant — Level 16	.79
Participant — Level 17	.84
Participant — Level 18	.89
Participant — Level 19	.94
Participant — Level 20	.99

The rates for CBA-ERS program services as of 9/1/03 are:

Service	Rate Per	Amount
Emergency Response Services (ceiling rate)	Month	29.34

The rates for CBA-Respite Out of Home program services as of 9/1/03 are:

Service	Rate Per	Amount
Nursing Facility	Day	TILE

The rates for CBA Home-Delivered Meals program services as of 09/01/03 are:

Service	Rate Per	Amount
Home-Delivered Meals (ceiling rate)	Meal	5.92*

* Billing Code C0101

HHSC has established the following website where the most current rates are found.

www.hhsc.state.tx.us/medicaid/programs/rad/index.html