



COMMISSIONER
Adelaide Horn

May 15, 2007

To: Nursing Facilities

Subject: Provider Letter #07-12 – Compliance With 42 Code of Federal Regulations (CFR) §483.10(b)(6) and 40 Texas Administrative Code (TAC) §19.403(h) Related to Notification of Charges for Services

Effective: May 7, 2007

In some surveys conducted since January 2007, the Department of Aging and Disability Services has found instances where nursing facilities did not properly notify Medicaid clients of increases in their monthly applied income amounts resulting from the January 2007 cost of living adjustment to Social Security benefits. Since these increases in applied income are part of an across the board conversion increase, Medicaid eligibility staff do not generate individual notices of these increases for clients. In mid-January, DADS mailed each nursing facility a report providing information on the applied income increases for the facility's Medicaid residents. Also, beginning January 1, 2007, each client's revised applied income amount is available from a Medicaid Eligibility Service Authorization Verification (MESAV) Report that can be accessed through the Texas Medicaid Healthcare Partnership (TMHP) Claims Submission and Management System, TDHconnect.

In order to comply with 42 CFR §483.10(b)(6) and 40 TAC §19.403(h), facilities should use the information available to them on clients' applied income amounts to inform clients of these charges and prepare written notices of the charges.

If you need additional information or have specific questions, please contact a nursing facility policy specialist at 512-438-3161.

Sincerely,

[signature on file]

Veronda L. Durden
Assistant Commissioner
Regulatory Services

VLD:ca