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January 22, 1999

To: Nursing Facility Administrators and Hospice Directors

Re: Provider Letter 99-01 -- Per Diem Payment Rates for the Nursing Facility Program, Hospice Program in nursing facilities, and Swing Bed Program

The Texas Health and Human Services Commission approved new per diem payment rates for the Nursing Facility (NF) program, the Hospice program in NFs and the Swing Bed Program, effective January 1, 1999. The new per diem rates are based on an analysis of fiscal year (FY) 1997 Texas Medicaid NF Cost Reports. Per diem rate adjustments are due primarily to rebasing of historical costs from FY 1996 to FY 1997 and updating the wage and price inflation factors.

The case mix per diem payment rates for the Medicaid NF and Swing Bed programs are:

Tile Class	Old Rates	New Rates
201	\$123.82	\$130.43
202	\$110.89	\$116.57
203	\$105.13	\$110.40
204	\$ 88.53	\$ 92.62
205	\$ 82.49	\$ 86.15
206	\$ 83.38	\$ 87.10
207	\$ 76.10	\$ 79.30
208	\$ 73.64	\$ 76.67
209	\$ 68.96	\$ 71.66
210	\$ 60.58	\$ 62.68
211	\$ 58.53	\$ 60.48
212 (default)	\$ 58.53	\$ 60.48

The supplemental ventilator per diem payment for the Nursing Facility and Swing Bed programs is \$69.73 for ventilator dependent residents requiring 24-hour continuous ventilation and \$27.89 for less than continuous ventilation. The December 1998 per diem payment was \$65.19 for continuous ventilation and \$26.08 for less than continuous ventilation. The rate for pediatric tracheostomy care is \$41.84, effective January 1, 1999; it was \$39.11 for calendar year 1998. The supplemental payment will be made by voucher payments.

The case mix payment per diem rates for the Hospice program in nursing facilities are as follows:

Tile Class	Old Rates	New Rates
201	\$117.63	\$123.91
202	\$105.35	\$110.74
203	\$ 99.87	\$104.88
204	\$ 84.10	\$ 87.99
205	\$ 78.37	\$ 82.75
206	\$ 79.21	\$ 81.84
207	\$ 72.30	\$75.34
208	\$ 69.96	\$ 72.84
209	\$ 65.51	\$ 68.08
210	\$ 57.55	\$ 59.55
211	\$ 55.60	\$ 57.46
212 (default)	\$ 55.60	\$ 57.46

Call Rose Rossman at (512) 438-3750 if you have questions about the new reimbursements.

Sincerely, - Original Signature on File -

Marc Gold
Director
Long Term Care Policy