



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHRIS TRAYLOR
EXECUTIVE COMMISSIONER

August 12, 2015

To: Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions (ICF/IID)

Subject: Information Letter 15-49
Reimbursement Rates Effective September 1, 2015 – ACTION REQUIRED

Dear Contracted Provider:

Rider 40 of the 2016-2017 General Appropriations Act (Article II, House Bill 1, 84th Legislature, Regular Session, 2015) appropriated funds for rate increases non-state Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions (ICF/IID) program. The new reimbursement rates are included in this letter as Attachment 1.

As a part of the appropriations, Rider 40 requires HHSC to establish a system of spending accountability that ensures each ICF/IID provider expends at least 90 percent of all funds received through the ICF/IID Medicaid payment rates on ICF/IID Medicaid services as captured by the provider's Medicaid cost report.

If, after examining their historical revenues and expenditures, an ICF/IID provider believes they will not meet the spending accountability requirements for a particular rate period, HHSC will allow the provider to choose not to receive the rate increases for the ICF/IID program ("opt out"). An ICF/IID provider who opts out of receiving the rate increases will not be subject to the spending accountability requirements.

If an ICF/IID provider chooses to receive the ICF/IID rate increases, they will be subject to the spending accountability requirements referenced in the ICF/IID reimbursement methodology at Title 1 of the Texas Administrative Code, §355.456, and may be subject to recoupment of the rate increase if at least 90 percent of all funds received through the ICF/IID Medicaid payment rates are not expended on ICF/IID Medicaid services as captured by the provider's Medicaid Cost Report. HHSC will limit possible recoupments under the new spending accountability provisions to the rate increases from funds appropriated under Rider 40 for the ICF/IID program.

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If an ICF/IID provider chooses to receive the rate increases there is no action they must take. If an ICF/IID provider chooses to opt out of the rate increases they must notify the HHSC Rate Analysis Department they are opting out of receiving the rate increases for the period of September 1, 2015, through August 31, 2017. ICF/IID providers must use the online form on the HHSC Rate Analysis website at the link below to provide notification they are opting out **no later than 5:00 pm on August 28, 2015:**

<http://registration.hhsc.state.tx.us/LTssoptoutvendorsearch.aspx>

HHSC will host free webinars to answer any questions ICF/IID providers may have about the new spending accountability requirements. Providers may view the webinar schedule and register on the HHSC Rate Analysis website at:

<http://www.hhsc.state.tx.us/Rad/long-term-svcs/icf/index.shtml>

Please direct questions about this communication to Maria Ebenhoeh, Senior Rate Analyst, Long-Term Services and Supports, Rate Analyst Department at maria.ebenhoeh@hhsc.state.tx.us or (512) 707-6062.

Sincerely,

[Signature on File]

Pam McDonald

Director, HHSC Rate Analysis

Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions Base Rate - Small

Service	Day Habilitation Attendant Compensation	Day Habilitation Other Direct Care	Day Habilitation Indirect	Residential Attendant Compensation	Residential Other Direct Care	Residential Indirect	Total
Intermittent (LON 1)	\$6.42	\$1.01	\$5.60	\$43.39	\$22.44	\$65.39	\$144.25
Limited (LON 5)	\$8.03	\$1.27	\$7.02	\$50.15	\$22.34	\$71.93	\$160.74
Extensive (LON 8)	\$10.67	\$1.67	\$9.35	\$61.38	\$22.21	\$77.54	\$182.82
Pervasive (LON 6)	\$16.04	\$2.52	\$14.02	\$83.25	\$27.58	\$80.47	\$223.88
Pervasive + (LON 9)	\$64.17	\$10.08	\$56.05	\$157.60	\$26.26	\$91.95	\$406.11

Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions Base Rate - Medium

Service	Day Habilitation Attendant Compensation	Day Habilitation Other Direct Care	Day Habilitation Indirect	Residential Attendant Compensation	Residential Other Direct Care	Residential Indirect	Total
Intermittent (LON 1)	\$6.42	\$1.01	\$5.60	\$33.48	\$19.68	\$51.85	\$118.04
Limited (LON 5)	\$8.03	\$1.27	\$7.02	\$40.02	\$19.80	\$57.92	\$134.06
Extensive (LON 8)	\$10.67	\$1.67	\$9.35	\$50.97	\$19.94	\$66.30	\$158.90
Pervasive (LON 6)	\$16.04	\$2.52	\$14.02	\$61.04	\$29.59	\$67.03	\$190.24
Pervasive + (LON 9)	\$64.17	\$10.08	\$56.05	\$155.64	\$24.51	\$75.39	\$385.84

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Intermediate Care Facilities for Individuals with an Intellectual Disability or Related Conditions Base Rate - Large

Service	Day Habilitation Attendant Compensation	Day Habilitation Other Direct Care	Day Habilitation Indirect	Residential Attendant Compensation	Residential Other Direct Care	Residential Indirect	Total
Intermittent (LON 1)	\$6.36	\$1.00	\$5.60	\$23.62	\$15.56	\$59.95	\$112.09
Limited (LON 5)	\$7.95	\$1.25	\$7.02	\$26.76	\$16.12	\$60.54	\$119.64
Extensive (LON 8)	\$10.57	\$1.66	\$9.35	\$31.26	\$16.89	\$63.49	\$133.22
Pervasive (LON 6)	\$15.88	\$2.50	\$14.02	\$49.02	\$33.42	\$64.56	\$179.40
Pervasive + (LON 9)	\$63.56	\$9.99	\$56.05	\$143.97	\$44.48	\$69.20	\$387.25