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State/Territory Name: Texas

State Plan Amendment (SPA) : 23-0019

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

October 3, 2023

Emily Zalkovsky, Director
State Medicaid/CHIP Director
Health and Human Services Commission
Mail Code: H100
Post Office Box 13247
Austin, Texas 78711

RE: Texas TN 23-0019

Dear Director Zalkovsky,

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#23-0019, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 25, 2023. The purpose of the amendment is to update the rate methodology and payment rates for Day Activity and Health Services (DAHS) in support of increasing the base wage for certain personal attendants under Medicaid and other programs administered by HHSC to \$10.60 per hour and revise the initial cost report database used to calculate the direct care cost component to be the most recent DAHS Medicaid cost report database.

Based upon the information provided by the State, we have approved the amendment with an effective date of September 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Monica Neiman at: Monica.Neiman@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
2 3 0 0 1 9

2. STATE
T X

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
September 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
**Social Security Act §1905(a)(13) and § 1915
42 CFR §440.130(d)**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY **2023** \$ **233,175**
b. FFY **2024** \$ **3,088,359**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
**Attachment 4.19-B
Page 7c
Page 7d**

7. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
**Attachment 4.19-B
Page 7c (TN 19-0032)
Page 7d (TN 06-14(B))**

9. SUBJECT OF AMENDMENT
The purpose of the amendment is to update the rate methodology and payment rates for Day Activity and Health Services (DAHS) in support of increasing the base wage for certain personal attendants under Medicaid and other programs administered by HHSC to \$10.60 per hour, in accordance with the 2024-25 General Appropriations Act, House Bill 1, 88th Texas Legislature, Regular Session, 2023 (Article II, HHSC, Rider 30(a)). The proposed amendment also revises the initial cost report database to calculate the direct care cost component to be the most recent DAHS Medicaid cost report database.

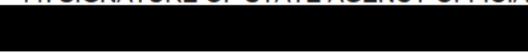
10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Emily Zalkovsky

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
September 25, 2023

15. RETURN TO

**Emily Zalkovsky
State Medicaid Director
Post Office Box 13247, MC: H-100
Austin, Texas 78711**

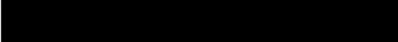
FOR CMS USE ONLY

16. DATE RECEIVED
September 25, 2023

17. DATE APPROVED
October 3, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
September 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

**15. Reimbursement Methodology For Day Activity And Health Services,
continued**

- (D) Recommended payment rate for each cost area component. The median projected unit of service from each cost area is determined. The median cost component for each of the three cost areas is multiplied by 1.07 to calculate the recommended payment rate for each cost area.
- (3) Total recommended payment rate. The recommended payment rate is determined by summing the recommended payment rates described in IX(2).
- (4) For services provided on or after September 1, 2015, the attendant cost area from X is equal to the rate in effect August 31, 2015, plus \$0.06. These rates were posted on the agency's website on September 1, 2015. All rates are available through the agency's website as outlined in Attachment 4.19B, page 1.
- (5) For services provided on or after September 1, 2019, the attendant cost area from X is equal to the rate in effect August 31, 2019, plus \$0.11. These rates were posted on the agency's website on September 1, 2019. All rates are available through the agency's website as outlined in Attachment 4.19B, page 1.
- (6) For services provided on or after September 1, 2023, the attendant cost area from X is equal to the rate in effect on August 31, 2023, plus \$2.31. These rates were posted on the agency's website on September 1, 2023. All rates are available through the agency's website as outlined in Attachment 4.19B, page 1.

X. Attendant Compensation Rate Enhancement.

- (1) Attendant compensation cost center. This cost center will include attendant and driver employee salaries and/or wages (including payroll taxes, worker's compensation, or employee benefits), contract labor costs, and personal vehicle mileage reimbursement for attendants.
- (2) Rate year. The rate year begins on the first day of September and ends on the last day of August of the following year.
- (3) Open enrollment. Each contracted provider must notify HHSC in a manner specified by HHSC of its desire to participate or its desire not to participate in the Attendant Compensation Rate Enhancement and its desired level of participation.
- (4) Determination of attendant compensation rate component for nonparticipating contracts. An attendant compensation rate component will be calculated as follows:
 - (A) Determine for each contract included in the most recent Medicaid cost report database, the attendant compensation cost center from X(1).
 - (B) Adjust the cost center data from X(4)(A) to account for inflation utilizing the inflation factors from the cost reporting year to the prospective rate year.
 - (C) For each contract included in the most recent cost report data base, divide the result from X(4)(8) by the units of service to calculate the projected cost per unit of service.
 - (D) Provider projected costs per unit of service are ordered from low to high along with each provider's corresponding units of service. The median projected unit of service cost is then determined. This result is multiplied by 1.044.
 - (E) The attendant compensation rate component will be limited to available levels of appropriated state and federal funds.

TN: 23-0019 Approval Date: October 3, 2023

Supersedes TN: 06-14(B) Effective Date: 09/01/2023