## Table of Contents

**State/Territory Name: Texas**

**State Plan Amendment (SPA) : 25-0004**

This file contains the following documents in the order listed:

**DEPARTMENT OF HEALTH & HUMAN SERVICES**
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
230 South Dearborn
Chicago, Illinois 60604

**Financial Management Group**

November 24, 2025

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

RE: TN 25-0004

Dear Director: Emily Zalkovsky,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Texas state plan amendment (SPA) to Attachment 4.19-B 25-0004, which was submitted to CMS on August 26, 2025. The purpose of the amendment is to update Community First Choice (CFC) fees schedules and also discontinues the attendant compensation rate enhancement program.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of September 1, 2025. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

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

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

# TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

**FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER: **25 - 0004**

2. STATE: **TX**

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, 2025**

5. FEDERAL STATUTE/REGULATION CITATION
**Social Security Act §1915(k)**
**42 CFR §441, subpart K**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 $ 2,254,503
b. FFY 2026 $ 26,984,340

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
**Supplement 4 to Attachment 4.19-B**
**Page 1**
**Page 2**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
**Supplement 4 to Attachment 4.19-B**
**Page 1 (TN 23-0018)**
**Page 2 (TN 23-0018)**

9. SUBJECT OF AMENDMENT

The purpose of the amendment is to update Community First Choice (CFC) by implementing the 2026-27 General Appropriations Act, Senate Bill 1, 89th Legislature, Regular Session, 2025 (Article II, HHSC, Rider 23). Rider 23 provides appropriations for HHSC to increase the wage for personal attendants under Medicaid and other programs administered by HHSC to an average of $13.00 per hour. Rider 23 also discontinues the attendant compensation rate enhancement program. The requested effective date for the proposed amendment is September 1, 2025. The amendment will also update the rate methodology for the CFC State Plan Rate for Personal Assistance Services and Habilitation.

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
[redacted]

12. TYPED NAME
**Emily Zalkovsky**

13. TITLE
**State Medicaid Director**

14. DATE SUBMITTED
August 26, 2025

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
**August 26, 2025**

17. DATE APPROVED
November 24, 2025

***PLAN APPROVED - ONE COPY ATTACHED***

18. EFFECTIVE DATE OF APPROVED MATERIAL
**September 1, 2025**

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
**Todd McMillion**

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

22. REMARKS

**Community First Choice (CFC) Reimbursement Methodology**

(a) Except as otherwise noted in the plan, State-developed fee schedule rates are the same for both government and private providers of services provided under the CFC option. The agency's fee schedule is effective for services provided on and after September 1, 2025 for all services listed in the following section (b)(1)-(8). All rates are published at: https://pfd.hhs.texas.gov/long-term-services-supports and https://public.tmhp.com/FeeSchedules/StaticFeeSchedule/FeeSchedules.aspx.

(b) State Plan CFC Services: Rates are established using pre-existing rates from other programs.

(1) STAR+PLUS Personal Assistance Services (PAS) CFC, STAR+PLUS Habilitation CFC, and STAR Kids Habilitation and Attendant Care CFC: Rates will be equal to a weighted average of costs as reported in the most recent Medicaid cost report for STAR+PLUS CFC providers, which includes the managed care Home and Community-based Services (HCBS) risk group.

(2) CLASS Habilitation CFC: Rates will be equal to rates established for CLASS waiver habilitation services according to the reimbursement methodology for the CLASS waiver program.

**Community First Choice (CFC) Reimbursement Methodology (continued)**

(3) Deaf-Blind with Multiple Disabilities (DBMD) Residential Habilitation CFC: Rates will be equal to rates established for DBMD waiver residential habilitation services, including applicable attendant compensation rate enhancements, according to the reimbursement methodology for the DBMD waiver program.

(4) Home and Community-Based Services (HCS) Supported Home Living (SHL) CFC: Rates will be equal to rates established for HCS waiver SHL transportation services, including applicable attendant compensation rate enhancements, according to the reimbursement methodology for the HCS waiver program.

(5) Texas Home Living (TxHmL) Community Support Services (CSS) CFC: Rates will be equal to rates established for TxHmL waiver CSS transportation, including applicable attendant compensation rate enhancements, according to the reimbursement methodology for the TxHmL waiver program.

(6) Personal Care Services (PCS) Attendant Care CFC: Rates will be equal to rates established for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) PCS attendant services according to Item 32 of Attachment 4.19-B of this State plan.

(7) PCS Habilitation CFC: Rates will be equal to rates established for EPSDT PCS services for recipients with a behavioral health condition according to Item 32 of Attachment 4.19-B of this State plan.

(8) CFC Consumer Directed Services (CDS): The rates for CFC services included in the CDS option provide the funds available to the consumers participating in CDS. These rates are modeled and based on the rates paid to contracted agencies for providing services through the agency option.

(c) HHSC follows the cost principles 2 CFR part 200 through our financial examination process for cost reports. Providers of these services are required to submit biennial cost reports to the HHSC Provider Finance Department. Providers are responsible for eliminating all unallowable expenses from the cost report prior to submission of the cost report. The HHSC Cost Report Review Unit reviews all cost reports. The HHSC Cost Report Review Unit removes any unallowable costs and corrects any errors detected on the cost report in the course of the review. Examined cost reports are used in the determination of statewide prospective rates.