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State/Territory Name: Texas

State Plan Amendment (SPA) :25-0005

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
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

February 6, 2026

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

RE: TN 25-0005

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 25-0005, which was submitted to CMS on August 26, 2025. This plan amendment updates the Primary Home Care (PHC) attendant wage to increase the wage for personal attendants to \$13.00 per hour and 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 implementation of 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,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

<p>TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES</p> <p>5. FEDERAL STATUTE/REGULATION CITATION Social Security Act §§1905(a)(24) and 1915(k) 42 CFR §§ 440.167 and 441, subpart K</p>		1. TRANSMITTAL NUMBER 2 5 0 0 0 5	2. STATE T X				
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT					
<p>7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B Page 6b Page 6c Page 6d Page 8e</p>		<p>4. PROPOSED EFFECTIVE DATE September 1, 2025</p> <p>6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)</p> <table> <tr> <td>a FFY <u>2025</u></td> <td>\$ <u>6,507,668</u></td> </tr> <tr> <td>b FFY <u>2026</u></td> <td>\$ <u>77,937,147</u></td> </tr> </table> <p>8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if applicable) Attachment 4.19-B Page 6b (TN 00-15) Page 6c (TN 23-0021) Page 6d (Deleted) Page 8e (Deleted)</p>		a FFY <u>2025</u>	\$ <u>6,507,668</u>	b FFY <u>2026</u>	\$ <u>77,937,147</u>
a FFY <u>2025</u>	\$ <u>6,507,668</u>						
b FFY <u>2026</u>	\$ <u>77,937,147</u>						

9. SUBJECT OF AMENDMENT

The purpose of the amendment is to update Primary Home Care reimbursement rates by implementing the 2026-27 General Appropriations Act, Senate Bill 1, 89th Legislature, Regular Session, 2025 (Article 11, Health and Human Services Commission, Rider 23). Rider 23 which 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.

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

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

16. DATE RECEIVED

August 26, 2025

FOR CMS USE ONLY

17. DATE APPROVED

February 6, 2026

PLAN APPROVED- ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

September 1, 2025

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

Todd McMillion

Director, Division of Reimbursement Review

22. REMARKS

IX. Primary Home Care (PHC) Reimbursement Methodology

- (1) Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of PHC Services. The agency's fee schedule rates were set as of September 1, 2025 and are effective for services provided on or after that date. All rates are published on <https://pfd.hhs.texas.gov/long-term-services-supports>.

X. Attendant Cost Component.

- (1) Attendant cost center. This cost center will include attendant 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) Determination of the attendant compensation cost component for Priority and Non-Priority contracts: An attendant cost component will be calculated separately for both Priority and Non-priority services as follows:
 - (A) Determine for each contract included in the most recent Medicaid cost report database, the attendant compensation cost center from X(1) for both Priority and Non-priority services.
 - (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 Priority and Non-priority separately, for each contract included in the most recent cost report data base, divide the result from X(4)(B) by the units of service for Priority or Non-priority as appropriate 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 separately for both Priority and Non-priority services. The units of service are summed until the median hour of service is reached. The corresponding projected expense per unit of service is the weighted median cost component. This result is multiplied by 1.044.