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State/Territory Name: Texas

State Plan Amendment (SPA) #: TX 25-0024

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

April 23, 2026

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

RE: TN 25-0024

Dear Director Zalkovsky:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Texas state plan amendment (SPA) to Attachment 4.19-D, TX 25-0024, which was submitted to CMS on August 26, 2025. This plan amendment establishes a rate methodology to equal the skilled NF Medicare rate without therapy components, adjusted using the highest case-mix index and increases the wage for personal attendants to an average of \$13.00 per hour.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 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 Tom Caughey at 517-487-8598 or via email at Tom.caughey@cms.hhs.gov.

Sincerely,



Rory Howe
Director
Financial Management Group

Enclosures

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

1. TRANSMITTAL NUMBER
2 5 — 0 0 2 4

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 § 1919
42 CFR §440.155**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 \$ 5,100
b. FFY 2026 \$ 63,471
c. FFY 2027 \$ 67,160

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-D NF
Page 11n
Page 12
Page 12a

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)


Attachment 4.19-D NF
Page 11n (new page)
Page 12 (TN 95-06)
Page 12a (new page)

9. SUBJECT OF AMENDMENT
The purpose of the amendment is to implement the 2026-27 General Appropriations Act, Senate Bill 1, 89th Legislature, Regular Session, 2025 (Article II, HHSC, Rider 31). Rider 31 provides appropriations for HHSC to implement a new payment methodology for a new special reimbursement class to achieve improved care for long-term stay nursing facilities (NFs) serving residents with intellectual and developmental disabilities (IDD). HHSC proposes to establish a rate methodology to equal the skilled NF Medicare rate without therapy components, adjusted using the highest case-mix index.

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
Digitally signed by Emily


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

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
September 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Rory Howe

21. TITLE OF APPROVING OFFICIAL
Director, FMG

22. REMARKS

Reimbursement for the Intellectual and Developmental Disabilities (IDD) Nursing Facilities (NF) class is calculated as specified in subsection (VIII) of the following section.

VIII. Reimbursement Methodology for Intellectual and Developmental Disabilities Nursing Facilities

- (a) Intellectual and Developmental Disabilities (IDD) Nursing Facility Special Reimbursement Class. The purpose of this special class is to recognize, through the adoption of a special payment rate, the cost differences that exist in a nursing facility (NF) that predominately serves individuals with an IDD diagnosis.
- (b) Definitions.
- (1) Intellectual and Developmental Disabilities (IDD). A range of conditions that can impact a person's ability to learn, communicate, and function independently. These disabilities typically originate before the age of 18 and can continue throughout a person's life.
 - (2) IDD nursing facility. An IDD nursing facility is an entire facility that has maintained an average daily census in which 90 percent of residents have a Preadmission Screening and Resident Review (PASRR) positive screen for IDD for the six-month period prior to its entry into the IDD care facility class based on the entire licensed facility. To remain an IDD NF, the IDD NF in its entirety must maintain an average daily census in which 90 percent of residents have a PASRR positive screen for IDD.
- (c) Payment rate determination. Payment rates will be determined in the following manner.
- (1) Cost reports. Cost reports for IDD nursing facilities are governed by the requirements specified in section II and III.
 - (2) Payment rate methodology. The payment rate methodology for this class of service equals the nursing and non-therapy ancillary components contained in the federal per diem rate for rural Medicare skilled NFs for the most recent federal fiscal year, as published in the Federal Register, adjusted by applying the highest case-mix index (CMI) associated with the Patient Driven Payment Model (PDPM) group A. Payment rates determined in this manner will be paid uniformly for all Medicaid residents of a qualifying IDD facility.

TN: 25-0024 Approval Date: April 23, 2026

Supersedes TN: 95-06 Effective Date: September 1, 2025

- (d) Qualification for membership. A NF that wishes to be a member of the special reimbursement class must submit a letter to HHSC Provider Finance Department via an e-mail to PFD-LTSS@hhs.texas.gov with a request to be considered for membership. HHSC will verify the NF meets the definition of IDD NF as defined in subparagraph (b)(2). HHSC will respond in writing to the facility within 30 days of receiving its request for membership. HHSC will review the status of any members within the special reimbursement class on an annual basis to verify that all members meet requirements defined in subparagraph (b)(2) of this section.
- (e) Disqualification for membership. If HHSC determines that an NF designated in its entirety as an IDD NF no longer qualifies as a member of such class according to subparagraph (b)(2) of this section, HHSC will notify the facility in writing. A facility that is disqualified as a member of the special reimbursement class, can request to reenter the class by sending a letter to HHSC as specified in subparagraph (d) of this section no less than 365 days from its notification of disqualification in the class.
- (f) Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of the IDD nursing facility special reimbursement class. The agency's fee schedule rate was set as of September 1, 2025 and is effective for services provided on or after that date. All rates are published <https://pfd.hhs.texas.gov/long-term-services-supports>.