



INTERIM COMMISSIONER
John Weizenbaum

September 28, 2009

To: Nursing Facility Administrators and Hospice Directors

Subject: Information Letter 09-132

Per Diem Rates Effective September 1, 2009, for the Nursing Facility (NF) Program,
Hospice Program in Nursing Facilities and Swing Bed Program

The Texas Health and Human Services Commission (HHSC) approved new per diem payment rates for the NF Program, the Hospice Program in NFs and the Swing Bed Program effective September 1, 2009.

Nursing Facility and Swing Bed Program Payment Rates

The new NF and Swing Bed payment rates can be accessed through the Texas Health and Human Services Commission (HHSC) Rate Analysis website at the following address:

<http://www.hhsc.state.tx.us/medicaid/programs/rad/NF/>

Once you access this website, scroll down to the "Payment Rates" heading and click on the link entitled "2010".

Providers who are non-participants in the *Enhanced Direct Care Staff Rate* and Swing Bed providers will receive the rates listed on the Base Rate Chart with no enhanced payment rate option. Providers who are participants in the *Enhanced Direct Care Staff Rate* will receive the rates that correspond with their level of participation.

Providers participating in the enhancement program who fail to maintain their required staffing levels will face recoupment of funds associated with unmet staffing requirements. As well, participating providers are required to spend at least 85 percent of their direct care staff revenues on direct care staff compensation or the difference between 85 percent of direct care staff revenues and direct care staff compensation costs is recouped by the state. At no time will a participating facility's direct care rates after spending recoupment be less than the direct care base rate.

Fiscal Year 2010 Enrollment Worksheets that will allow providers to determine the impact of this September 1, 2009 rate increase on their staffing and spending requirements are posted on the HHSC website indicated above. Once you access this website, scroll down to the "Rate Enhancement – Direct Care Staff Compensation" heading and click on the link entitled "2010", then scroll down to the "2010 Enrollment Information" heading and click on the link entitled "Enrollment Worksheets".

Liability Insurance Add-on Payment Rates

House Bill (HB) 154 of the *77th Texas Legislative Session* requires HHSC to ensure that the rate component derived from reported liability insurance costs is paid only to those facilities that purchase liability insurance acceptable to the Commission. The liability insurance add-on for facilities that verify both general and professional liability insurance coverage acceptable to HHSC is \$1.63 per diem. The add-on for professional liability insurance coverage only remains \$1.49 per diem and the add-on for general liability insurance coverage only remains \$0.13 per diem.

Hospice-Nursing Facility Payment Rates

Under the Hospice Program, the hospice-nursing facility rate is 95% of the Resource Utilization Group (RUG) rate that would be paid to the NF. The Department of Aging and Disability Services pays the hospice provider, which in turn pays the NF.

Claims Submission

Claims submitted by providers for services provided on or after September 1, 2009 should be prepared using the new per diem payment rates. All claims for services delivered on or after September 1, 2009 will be processed using the new payment rates.

For Further Information

If you have questions regarding the nursing facility reimbursement rates, please contact Cheryl Jablonski at 512-491-1764 or by e-mail at: cheryl.jablonski@hhsc.state.tx.us. If you have questions regarding the liability insurance add-on, please contact Cilla Hammer at 512-491-1372 or by e-mail at: cilla.hammer@hhsc.state.tx.us. If you have questions about the *Enhanced Direct Care Staff Rate*, please contact Laura Marble at 512-491-1354 or by e-mail at laura.marble@hhsc.state.tx.us.

Questions about hospice-nursing facility payments should be directed to Pam Lovell at 512-438-3519 or by e-mail at pam.lovell@dads.state.tx.us

Sincerely,

[signature on file]

Tommy Ford, Interim Director
Institutional Services Section