



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

KYLE L. JANEK, M.D.
EXECUTIVE COMMISSIONER

October 22, 2014

To: Nursing Facility Providers
Hospice Providers

Subject: **Information Letter IL 14-72**
Per Diem Rates Effective September 1, 2014, for the Nursing Facility 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 Nursing Facility (NF) Program, the Hospice Program in NFs and the Swing Bed Program, effective September 1, 2014.

Nursing Facility and Swing Bed Program Payment Rates

The new NF and Swing Bed payment rates can be accessed through the HHSC Rate Analysis website at the following address:

<http://www.hhsc.state.tx.us/rad/long-term-svcs/nursing-facility/index.shtml>.

Once you access this website, scroll down to the "Payment Rate Information" heading and click on the link entitled "Effective September 1, 2014 to Current".

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 staffing and spending recoupments be less than the direct care base rate.

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 \$1.67 per diem. The add-on for professional liability insurance coverage only is \$1.53 per diem, and the add-on for general liability insurance coverage only remains at \$0.14 per diem.

Hospice-Nursing Facility Payment Rates

Under the Hospice Program, the hospice-NF rate is 95 percent 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. If you have questions about this process, please send an e-mail to: hospice@dads.state.tx.us.

Claims Submission

Claims submitted by providers for services provided on or after September 1, 2014, should be prepared using the new per diem payment rates. All claims for services delivered on or after September 1, 2014, will be processed using the new payment rates.

For Further Information

If you have questions regarding the nursing facility reimbursement rates, please contact Laura Marble at 512-707-6078 or by e-mail at: laura.marble@hhsc.state.tx.us. If you have questions regarding the liability insurance add-on, please contact Brian King at 512-707-6074 or by e-mail at brian.king@hhsc.state.tx.us. If you have any questions about the *Enhanced Direct Care Staff Rate*, please contact Guerin Heckman at 512-707-6067 or by e-mail at guerin.heckman@hhsc.state.tx.us.

Sincerely,

[signature on file]

Victor Perez

Director, HHSC Rate Analysis for Long-Term Services and Supports