



COMMISSIONER
Adelaide Horn

May 29, 2009

To: Medicaid Hospice Providers

Subject: Information Letter No. 09-78
Implementation of Medicaid Hospice Rates Revised for Wage Index

The Texas Health and Human Services Commission (HHSC) has updated the payment rates for the Medicaid Hospice program due to the American Recovery and Reinvestment Act of 2009 (ARRA). HHSC authorized the Texas Department of Aging and Disability Services (DADS) to implement these rates retroactive to October 1, 2008.

ARRA required revisions to the hospice wage index previously published in the *Federal Register*. The hospice provision in the ARRA delays, for one year, the rate cuts caused by the phase out of the Budget Neutrality Adjustment Factor (BNAF) for hospice rates, retroactive to October 1, 2008. The law instructed the Secretary of Health and Human Services to re-compute and apply the final hospice wage index for federal fiscal year 2009, as if there had been no reduction in the BNAF.

The revised hospice rates can be accessed at:
<http://www.hhsc.state.tx.us/medicaid/programs/rad/Hospice/Hospice.html>.

If you have questions pertaining to the hospice rates, please contact Luis Morales at (512) 491-1376 or by email at Luis.Morales@hhsc.state.tx.us.

Sincerely,

[signature on file]

Tommy Ford
Interim Director
Community Services

TF:ss