



COMMISSIONER
Chris Traylor

August 23, 2010

To: Nursing Facility Administrators and Hospice Directors

Subject: **Information Letter 10-114**
Per Diem Rates Effective September 1, 2010, 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, 2010.

NF 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/medicaid/programs/rad/NF/index.html>

Once you access this website, scroll down to the "Payment Rates" heading and click on the link entitled "2011."

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. Participating providers are required to spend at least 85 percent of their direct care staff revenues on direct care staff compensation or the difference can be 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 2011 Enrollment Worksheets that will allow providers to determine the impact of this September 1, 2010 rate decrease 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 "2011," 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, 77th Legislature, Regular Session, 2001, 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 HHSC. The liability insurance add-on for facilities that verify both general and professional liability insurance coverage acceptable to HHSC is \$1.61 per diem. The add-on for professional liability insurance coverage only is \$1.48 per diem, and the add-on for general liability insurance coverage only is \$0.13 per diem.

Hospice-NF 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 contact Pam Lovell, Hospice Consultant, at (512) 438-3519 or by e-mail at pam.lovell@dads.state.tx.us.

Claims Submission

Claims submitted by providers for services provided on or after September 1, 2010, should be prepared using the new per diem payment rates. All claims for services delivered on or after September 1, 2010, will be processed using the new payment rates.

For Further Information

If you have questions regarding the NF reimbursement rates, please contact Cheryl Jablonski, Senior Rate Analyst, 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, Rate Analyst, 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, Rate Analyst, at (512) 491-1354 or by e-mail at laura.marble@hhsc.state.tx.us.

Sincerely,

[signature on file]

Veronda L. Durden
Assistant Commissioner
Regulatory Services

[signature on file]

Pam McDonald
Director
Rate Analysis

VLD:bf