

**TEXAS HEALTH AND HUMAN SERVICES COMMISSION
PROVIDER FINANCE DEPARTMENT**

**Notice of Public Hearing on Proposed Medicaid Payment Rates for
Nursing Facility Services, Effective September 1, 2025.**

SUMMARY OF PROPOSED RATE ACTIONS

This document contains information relating to the proposed rate actions for Nursing Facility (NF) services. The proposed Medicaid payment rates are to be effective September 1, 2025.

Hearing

The Texas Health and Human Services Commission (HHSC) will conduct a public hearing to receive comments regarding proposed payment rates on October 1, 2024, at 9:00 a.m. Central Daylight Time (CDT).

The public hearing will be held at the following location:

Robert D. Moreton Building
Public Hearing Room M100
1100 West 49th Street
Austin, Texas 78756

This hearing will be conducted both in-person and as an online event. To join the hearing from your computer, tablet, or smartphone, register for the hearing in advance using the following link:

<https://attendee.gotowebinar.com/register/6128813494671077721>.

After registering, you will receive a confirmation email containing information about joining the webinar. Instructions for dialing in by phone will be provided after you register.

The hearing will be held in compliance with Texas Human Resources Code Section 32.0282, which requires public notice of hearings on proposed Medicaid reimbursements. HHSC will consider feedback shared during the hearing before final rate approval. If you have any questions regarding the information in this document, please contact:

HHSC Provider Finance Department (PFD), Long-term Services and Supports (LTSS) via email: PFD-LTSS@hhs.texas.gov.

HHSC will archive the recorded public hearing. The recording can be accessed on-demand after the hearing at <https://hhs.texas.gov/about-hhs/communications-events/live-archived-meetings>.

Background

The 88th Texas Legislature directed HHSC to develop and implement a Texas version of the Patient Driven Payment Model Long Term Care (PDPM LTC) rate methodology in accordance with the 2024-25 General Appropriation Act, House Bill 1, 88th Legislature, Regular Session, 2023 (Article II, HHSC, Rider 25). The proposed payment rates were determined in accordance with Title 1 of the Texas Administrative Code (1 TAC) Section 355.318, concerning Reimbursement Setting Methodology for Nursing Facilities on or after September 1, 2025. Proposed rate actions for NF services are effective September 1, 2025.

Methodology

The specific administrative rules governing the establishment of the fees in this proposal were calculated in accordance with [1 TAC Section 355.318](#), Reimbursement Setting Methodology for Nursing Facilities on or after September 1, 2025.

Proposed Rate Adjustments

Specific proposed payment rate adjustments are listed in Attachment 1: Proposed Rates for PDPM LTC, effective September 1, 2025.

Written Comments

Written comments regarding the proposed payment rates may be submitted instead of, or in addition to, oral testimony until 5:00 p.m. (CDT) on the day of the hearing. Written comments may be sent by U.S. mail to the Texas Health and Human Services Commission, Attention: Provider Finance Department, Mail Code H-400, P.O. Box 149030, Austin, Texas 78714-9030; by fax to Provider Finance at (512) 730-7475; or by email to PFD-LTSS@hhs.texas.gov. In addition, written comments may be sent by overnight mail or hand-delivered to the Texas Health and Human Services Commission, Attention: Provider Finance, Mail Code H-400, North Austin Complex, 4601 W. Guadalupe St., Austin, TX 78751.

Persons with disabilities who wish to attend the hearing and require auxiliary aids or services should contact the HHSC PFD by calling (512) 730-7401 at least 72 hours before the hearing so appropriate arrangements can be made.

Preferred Communication

Contact the HHSC Provider Finance Department by phone at (737) 867-7817 or by email at PFD-LTSS@hhs.texas.gov if you have any questions regarding the information in this document.

Attachment 1

Table 1. Proposed rates for Nursing Facility (NF) Daily Care based on PDPM LTC methodology, effective 9/1/2025. *

PDPM Group	Bill Code **	Service Group	Service Code	Unit	Nursing rate component	NTA rate component	Non-Case Mix rate component ***	BIMS rate component (5% of the highest Nursing Group rate)	Total Rate, effective 9/1/2025	HIV/AIDS Add-On ****
B1X	PD005	1	1	1 day	\$ 93.86	\$ 14.78	\$ 51.89	\$ -	\$ 160.53	\$ 16.58
B1Y	PD023	1	1	1 day	\$ 93.86	\$ 14.78	\$ 51.89	\$ 12.16	\$ 172.69	\$ 16.58
B2X	PD011	1	1	1 day	\$ 93.86	\$ 7.73	\$ 51.89	\$ -	\$ 153.48	\$ 25.43
B2Y	PD029	1	1	1 day	\$ 93.86	\$ 7.73	\$ 51.89	\$ 12.16	\$ 165.64	\$ 25.43
B3X	PD017	1	1	1 day	\$ 93.86	\$ 4.72	\$ 51.89	\$ -	\$ 150.47	\$ 29.23
B3Y	PD035	1	1	1 day	\$ 93.86	\$ 4.72	\$ 51.89	\$ 12.16	\$ 162.63	\$ 29.23
C1X	PD004	1	1	1 day	\$ 102.23	\$ 14.78	\$ 51.89	\$ -	\$ 168.90	\$ 18.06
C1Y	PD022	1	1	1 day	\$ 102.23	\$ 14.78	\$ 51.89	\$ 12.16	\$ 181.06	\$ 18.06
C2X	PD010	1	1	1 day	\$ 102.23	\$ 7.73	\$ 51.89	\$ -	\$ 161.85	\$ 26.91
C2Y	PD028	1	1	1 day	\$ 102.23	\$ 7.73	\$ 51.89	\$ 12.16	\$ 174.01	\$ 26.91
C3X	PD016	1	1	1 day	\$ 102.23	\$ 4.72	\$ 51.89	\$ -	\$ 158.84	\$ 30.71
C3Y	PD034	1	1	1 day	\$ 102.23	\$ 4.72	\$ 51.89	\$ 12.16	\$ 171.00	\$ 30.71
E1X	PD001	1	1	1 day	\$ 243.18	\$ 14.78	\$ 51.89	\$ -	\$ 309.85	\$ 42.95
E1Y	PD019	1	1	1 day	\$ 243.18	\$ 14.78	\$ 51.89	\$ 12.16	\$ 322.01	\$ 42.95
E2X	PD007	1	1	1 day	\$ 243.18	\$ 7.73	\$ 51.89	\$ -	\$ 302.80	\$ 51.81
E2Y	PD025	1	1	1 day	\$ 243.18	\$ 7.73	\$ 51.89	\$ 12.16	\$ 314.96	\$ 51.81
E3X	PD013	1	1	1 day	\$ 243.18	\$ 4.72	\$ 51.89	\$ -	\$ 299.79	\$ 55.60
E3Y	PD031	1	1	1 day	\$ 243.18	\$ 4.72	\$ 51.89	\$ 12.16	\$ 311.95	\$ 55.60
H1X	PD002	1	1	1 day	\$ 147.38	\$ 14.78	\$ 51.89	\$ -	\$ 214.05	\$ 26.03
H1Y	PD020	1	1	1 day	\$ 147.38	\$ 14.78	\$ 51.89	\$ 12.16	\$ 226.21	\$ 26.03
H2X	PD008	1	1	1 day	\$ 147.38	\$ 7.73	\$ 51.89	\$ -	\$ 207.00	\$ 34.89
H2Y	PD026	1	1	1 day	\$ 147.38	\$ 7.73	\$ 51.89	\$ 12.16	\$ 219.16	\$ 34.89
H3X	PD014	1	1	1 day	\$ 147.38	\$ 4.72	\$ 51.89	\$ -	\$ 203.99	\$ 38.68

PDPM Group	Bill Code **	Service Group	Service Code	Unit	Nursing rate component	NTA rate component	Non-Case Mix rate component ***	BIMS rate component (5% of the highest Nursing Group rate)	Total Rate, effective 9/1/2025	HIV/AIDS Add-On ****
H3Y	PD032	1	1	1 day	\$ 147.38	\$ 4.72	\$ 51.89	\$ 12.16	\$ 216.15	\$ 38.68
L1X	PD003	1	1	1 day	\$ 122.91	\$ 14.78	\$ 51.89	\$ -	\$ 189.58	\$ 21.71
L1Y	PD021	1	1	1 day	\$ 122.91	\$ 14.78	\$ 51.89	\$ 12.16	\$ 201.74	\$ 21.71
L2X	PD009	1	1	1 day	\$ 122.91	\$ 7.73	\$ 51.89	\$ -	\$ 182.53	\$ 30.57
L2Y	PD027	1	1	1 day	\$ 122.91	\$ 7.73	\$ 51.89	\$ 12.16	\$ 194.69	\$ 30.57
L3X	PD015	1	1	1 day	\$ 122.91	\$ 4.72	\$ 51.89	\$ -	\$ 179.52	\$ 34.36
L3Y	PD033	1	1	1 day	\$ 122.91	\$ 4.72	\$ 51.89	\$ 12.16	\$ 191.68	\$ 34.36
P1X	PD006	1	1	1 day	\$ 76.51	\$ 14.78	\$ 51.89	\$ -	\$ 143.18	\$ 13.51
P1Y	PD024	1	1	1 day	\$ 76.51	\$ 14.78	\$ 51.89	\$ 12.16	\$ 155.34	\$ 13.51
P2X	PD012	1	1	1 day	\$ 76.51	\$ 7.73	\$ 51.89	\$ -	\$ 136.13	\$ 22.37
P2Y	PD030	1	1	1 day	\$ 76.51	\$ 7.73	\$ 51.89	\$ 12.16	\$ 148.29	\$ 22.37
P3X	PD018	1	1	1 day	\$ 76.51	\$ 4.72	\$ 51.89	\$ -	\$ 133.12	\$ 26.16
P3Y	PD036	1	1	1 day	\$ 76.51	\$ 4.72	\$ 51.89	\$ 12.16	\$ 145.28	\$ 26.16
Z01	PD037	1	1	1 day	\$ 76.51	\$ 4.72	\$ 51.89	\$ -	\$ 133.12	\$ 26.16
Z02	PD038	1	1	1 day	\$ 76.51	\$ 4.72	\$ 51.89	\$ -	\$ 133.12	\$ 26.16

*Only base rates and rate components are shown for services participating in the Attendant Compensation Rate Enhancement Program. To confirm rate enhancement add-on amounts, see the fee schedules posted on the HHSC website at: <https://pfd.hhs.texas.gov/long-term-services-supports>.

** The Claims Management Division provided the Bill code information included with this Attachment. It represents future fee-for-service coding to be used once PDPM LTC rates are adopted and should be added to the claims billing system. Similar coding will be applied to NF billing on the managed care side.

*** Non-Case Mix component is a non-case mix adjusted rate component and includes the Rider 25 (Hold Harmless) add-on amount of \$5.19 per unit of service.

**** The PDPM LTC methodology mirrors enhanced reimbursement for serving residents with diagnosed HIV/AIDS under Medicare PDPM. Under the PDPM LTC methodology, NF providers will be able to indicate the HIV/AIDS diagnosis code on a claim to receive a daily rate, including additional payment for serving this population.