

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

**Notice of Proposed Payment Rates for Individualized Skills and  
Socialization Services**

**Payment rates are proposed to be effective  
January 1, 2023**

## **SUMMARY OF PROPOSED PAYMENT RATES**

**To be Effective January 1, 2023**

Included in this document is information relating to the proposed Medicaid payment rates for individualized skills and socialization services in the Deaf Blind with Multiple Disabilities waiver (DBMD), Home and Community-based Services waiver (HCS), and Texas Home Living waiver (TxHmL) programs. The Texas Health and Human Services Commission (HHSC) is proposing this change to comply with 42 Code of Federal Regulations (CFR) Section 441.301(c)(4) regarding requirements for settings where Medicaid Home and Community-Based Services (HCBS) is provided. The proposed Medicaid payment rates are to be effective January 1, 2023.

### **Hearing**

The Texas Health and Human Services Commission (HHSC) will conduct an in person public hearing to receive public comment on proposed Medicaid payment rates from 9:00 a.m. to 11:00 a.m. on October 11, 2022.

The public hearing will be held in the Robert D. Moreton Building, Public Hearing Room M-100, First Floor, at 1100 West 49th Street, Austin, Texas 78751. Free parking is available in front of the building and in the adjacent parking garage. HHSC will consider feedback shared during the hearing prior to final rate approval. 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. Should you have any questions regarding the information in this document, please contact:

Provider Finance Department Long-Term Services and Supports  
Texas Health and Human Services Commission  
E-mail: [PFD-LTSS@hhs.texas.gov](mailto: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**

HHSC will replace day habilitation with a new, more integrated service called individualized skills and socialization services. HHSC is making this change to comply with 42 Code of Federal Regulations (CFR) Section 441.301(c)(4) regarding requirements for settings where Medicaid HCBS is provided. The new service will be available in the DBMD, HCS, and TxHmL programs, the three programs in which day habilitation is currently offered. Individualized skills and socialization services will maximize individual choice and community integration through on-site and off-site components. Individualized skills and socialization off-site activities will integrate individuals into the larger community and promote the development of skills and behaviors supporting independence and personal choice. Individualized skills and socialization on-site activities will be available in the home for individuals with medical or behavioral needs or who are retired.

## **Methodology**

The proposed payment rates for Individualized Skills and Socialization services are being proposed pursuant to the 2022-2023 General Appropriations Act, S.B. Senate Bill 1, 87th Legislature, Regular Session, 2021 (Article II, HHSC, Rider 23).

The proposed payment rates are modeled using a pro forma modeling approach as defined in Title 1 of the Texas Administrative Code (1 TAC) 355.101. HHSC is proposing rates for services delivered on-site in an individualized skills and socialization facility, in the individual's home, and off-site in the community. The on-site and in-home individualized skills and socialization rates include the following rate components: Attendant Compensation, Other Direct Care, Facility, and Administration and Operations. The off-site rates include all the rate components associated with the on-site and in-home rates plus a transportation rate component.

For HCS/TxHmL programs, HHSC is proposing rates that will vary by an individuals' Level of Need (LON). HHSC is also proposing a Level One Enhanced Staffing Rate and Level Two Enhanced Staffing Rate for off-site individualized skills and socialization. The Level One Enhanced Staffing Rate for off-site individualized skills and socialization is for certain individuals with LON 1 or LON 5 who need additional supports while in the community. The Level Two Enhanced Staffing Rate is for certain individuals with a LON 1, LON 5, LON 8, or LON 6 in the HCS Program, and any individual in the TxHmL Program regardless of LON who need additional staffing supports than supported by the Level One Enhanced Staffing Rate off-site for individualized skills and socialization.

All proposed individualized skills and socialization rates are per hour.

**Proposed Payment Rates**

HHSC proposes payment rates for individualized skills and socialization services in the DBMD, HCS, and TxHmL programs, effective January 1, 2023.

The proposed payment rates are listed in Attachment 1, Individualized Skills and Socialization Proposed Rates

**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. 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 e-mail to [PFD-LTSS@hhs.texas.gov](mailto:PFD-LTSS@hhs.texas.gov). In addition, written comments may be sent by overnight mail or hand delivered to 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 HHSC Provider Finance Department by calling (512) 730-7401 at least 72 hours prior to 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](mailto:PFD-LTSS@hhs.texas.gov) if you have any questions regarding the information in this document.*

Table 1.1. Individualized Skills and Socialization On-site rates

Program	Attendant Compensation	Other Direct Care	Indirect Care - Facility	Indirect Care - Admin	Total On-site Rate
HCS/TxHmL LON 1	\$ 2.05	\$ 0.28	\$ 2.76	\$ 1.45	\$ 6.54
HCS/TxHmL LON 5	\$ 2.87	\$ 0.40	\$ 2.76	\$ 1.45	\$ 7.48
HCS/TxHmL LON 8	\$ 4.79	\$ 0.65	\$ 2.76	\$ 1.45	\$ 9.65
HCS/TxHmL LON 6	\$ 4.79	\$ 0.65	\$ 2.76	\$ 1.45	\$ 9.65
HCS/TxHmL LON 9 *	\$ 17.93	\$ 4.39	\$ 1.69	\$ 0.91	\$ 24.92
DBMD	\$ 17.93	\$ 4.39	\$ 1.69	\$ 0.91	\$ 24.92

\* LON 9 Rate is aligned with the current LON9 Day Hab rate. Direct Care and Indirect Care Rate components were converted to hourly rates assuming 6 hours per day.

Table 1.2. Individualized Skills and Socialization On-site Consumer Directed Services (CDS) Option On-site rates

Consumer Directed Services (CDS) Option	Total CDS On-site Rate
TxHmL CDS LON 1	\$ 5.74
TxHmL CDS LON 5	\$ 6.68
TxHmL CDS LON 8	\$ 8.85
TxHmL CDS LON 6	\$ 8.85
TxHmL CDS LON 9	\$ 24.12

Table 2.1. Individualized Skills and Socialization Off-site rates

Program	Attendant Compensation	Other Direct Care	Indirect Care - Facility	Indirect Care - Admin	Indirect Care - Transportation	Total Off-site Rate
HCS/TxHmL LON 1	\$ 1.76	\$ 0.24	\$ 2.69	\$ 1.41	\$ 3.35	\$ 9.45
HCS/TxHmL LON 1 - Level One Enhanced Staffing	\$ 7.02	\$ 0.96	\$ 2.69	\$ 1.41	\$ 3.35	\$ 15.43
HCS/TxHmL LON 1 - Level Two Enhanced Staffing	\$ 14.04	\$ 1.92	\$ 2.69	\$ 1.41	\$ 3.35	\$ 23.41
HCS/TxHmL LON 5	\$ 1.76	\$ 0.24	\$ 2.69	\$ 1.41	\$ 3.35	\$ 9.45
HCS/TxHmL LON 5 - Level One Enhanced Staffing	\$ 7.02	\$ 0.96	\$ 2.69	\$ 1.41	\$ 3.35	\$ 15.43
HCS/TxHmL LON 5 - Level Two Enhanced Staffing	\$ 14.04	\$ 1.92	\$ 2.69	\$ 1.41	\$ 3.35	\$ 23.41
HCS/TxHmL LON 8	\$ 7.02	\$ 0.96	\$ 2.69	\$ 1.41	\$ 3.35	\$ 15.43
HCS/TxHmL LON 8 - Level Two Enhanced Staffing	\$ 14.04	\$ 1.92	\$ 2.69	\$ 1.41	\$ 3.35	\$ 23.41
HCS/TxHmL LON 6	\$ 7.02	\$ 0.96	\$ 2.69	\$ 1.41	\$ 3.35	\$ 15.43
HCS/TxHmL LON 6 - Level Two Enhanced Staffing	\$ 14.04	\$ 1.92	\$ 2.69	\$ 1.41	\$ 3.35	\$ 23.41
HCS/TxHmL LON 9 *	\$ 17.93	\$ 4.39	\$ 1.69	\$ 0.91	\$ -	\$ 24.92
DBMD	\$ 17.93	\$ 4.39	\$ 1.69	\$ 0.91	\$ -	\$ 24.92

\* LON 9 Rate is aligned with the current LON9 Day Hab rate. Direct Care and Indirect Care Rate components were converted to hourly rates assuming 6 hours per day.

Table 2.2. Individualized Skills and Socialization Off-site Consumer Directed Services (CDS) Option Off-site rates

Consumer Directed Services	Total CDS Off-site Rate
TxHmL CDS LON 1	\$ 8.65
TxHmL CDS LON 1 – Level One Enhanced Staffing	\$ 14.63
TxHmL CDS LON 1 – Level Two Enhanced Staffing	\$ 22.61
TxHmL CDS LON 5	\$ 8.65
TxHmL CDS LON 5 – Level One Enhanced Staffing	\$ 14.63
TxHmL CDS LON 5 – Level Two Enhanced Staffing	\$ 22.61
TxHmL CDS LON 8	\$ 14.63
TxHmL CDS LON 8 – Level Two Enhanced Staffing	\$ 22.61
TxHmL CDS LON 6	\$ 14.63
TxHmL CDS LON 6 – Level Two Enhanced Staffing	\$ 22.61
TxHmL CDS LON 9	\$ 24.12