Texas PACE Rating Report

July 9, 2021

I. Purpose

This report is intended to demonstrate Texas Health and Human Services' (HHSC) compliance with Federal and State regulation on the development of the capitation rates for the Programs of All-Inclusive Care for the Elderly (PACE).

II. Background

PACE is a fully integrated Medicare program and Medicaid state plan option that provides community-based care and services to people aged 55 or older who meet a state's nursing home level of care criteria. 42 CFR 460.182 requires that states make a prospective monthly capitation payment to a PACE organization for a Medicaid participant enrolled in PACE which:

- Is less than what would otherwise have been paid under the state plan if not enrolled in PACE;
- Takes into account comparative frailty of participants; and,
- Is a fixed amount regardless of changes in a participant's health status.

There are specific requirements for PACE in the state of Texas which are outlined in the Texas Administrative Code at Title 1, Part 15, Chapter 355 Subchapter E, Rule §355.501.

https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=1&pt=15&ch=355&rl=501

Additional requirements for Texas PACE Reimbursement rates can be found at the Texas Human Resources Code §32.0532(b).

http://www.statutes.legis.state.tx.us/Docs/HR/htm/HR.32.htm

STAR+PLUS is a Texas Medicaid managed care program for people who have disabilities or are age 65 or older.

III. Overview of the Rate Setting Methodology

PACE rates are determined coincident with the state's biennium as directed by 1 Tex. Admin. Code §355.501 (2016). This statute includes a prescribed method of determining the upper payment limits (UPL) and reimbursement rates for each PACE contractor.

Specifically, 1 Tex. Admin. Code §355.501 (2016) directs HHSC to develop the capitation rates based upon the historical costs for clients age 55 and older receiving nursing facility services or HCBS services in the counties served by each PACE contract.

An average monthly historical cost for the counties served by each PACE contract is determined by dividing the total historical claims data for the counties served by each PACE contract by the number of member months for the counties served by each PACE contract.

An adjustment for administrative costs is added to the average monthly historical cost per client. The per member month amount is added for:

- processing claims, based on the state's cost to process claims; and
- case management, based on the state's cost to provide case management under the managed care payment system for HCBS clients.

The average monthly historical cost per client for each PACE contract is projected forward from the claims data base period to the rate period to account for anticipated changes in costs for each PACE contract. The methodology used for trending these historical costs is comparable to that used for trending costs in the managed care program.

HHSC calculates three reimbursement rates for each PACE contract: one for clients eligible for Medicaid services (Medicaid Only rate), one for clients eligible for both Medicare and Medicaid services (Dual Eligible rate), and one for clients eligible for only Medicare services as QMBs. The payment rates for the three client categories for each PACE contract are determined by multiplying the UPLs calculated for each PACE contract by a factor less than 1.0. HHSC may reduce the factor as necessary to establish a rate consistent with available funds.

The following are the PACE rates determined for the State Fiscal Year (SFY) 2022 – SFY 2023 biennium (September 1, 2021 – August 31, 2023). These rates are the result of a 17.5% reduction to the Upper Payment Limit (UPL) which is developed for each of the three PACE sites in Texas with the exception of the Lubbock site which was floored at current rates in effect for the SFY 2020-2021 biennium. This reduction is a combination of a 1% managed care savings factor to ensure that these rates are less than those that would have otherwise been paid for state plan services and a 16.7% budget reduction factor to ensure that the total cost of the PACE program does not exceed amounts appropriated by the Texas Legislature in the 87th Legislative Session, 2021. The development of the UPL is shown in attachment 1.

See the rate development sheets in attachment 1 of this report.

1. El Paso County,
2. Lubbock County,
3. Potter and Randall Counties, and
4. Statewide Qualified Medicare Beneficiaries (QMB).

PACE Rate	SFY 2022-2023 UPL	SFY 2022-2023 PACE Rates
El Paso County - Medicaid Only	$5,621.10	$ 4,636.97
El Paso County - Medicare/Medicaid	$3,494.19	$ 2,882.43
Potter & Randall Counties - Medicaid Only	$5,229.40	$ 4,313.84
Potter & Randall Counties - Medicare/Medicaid	$3,534.53	$ 2,915.71
Lubbock County - Medicaid Only	$5,361.96	$ 4,636.58
Lubbock County - Medicare/Medicaid	$3,673.79	$ 3,144.00
Statewide QMB Rate		$ 46.44

For each PACE service delivery area, a cohort of STAR+PLUS members who meet PACE eligibility is studied. These members must be 55 years of age or older and meet nursing facility level of care. These members may be in a nursing facility (NF) or getting services through Home and Community Based Services (HCBS) waiver. These members are also classified according to Medicare eligibility status, Dual Eligible, or Medicaid Only.

Those members who are part of the Dual Eligible Integrated Care Demonstration Project (Dual Demo) or have a Medicare Advantage plan are not included in this analysis.

This study was performed using a combination of SFY2019 Managed Care and Fee-For-Service (FFS) claims data where appropriate. Managed care data sources are certified encounter data sets used in the rate development for other programs and include 3 months of runout. A provision for incurred but not reported claims (IBNR) has been added to the managed care experience. No provision for IBNR was added to the FFS claims as the claims utilized for FFS are claims for SFY2019 paid through December 2020.

All Medicaid claims were gathered in certain key categories: Acute Care, Long Term Care, and Prescriptions. Per-member-per-month (pmpm) values were calculated by dividing the total claims cost by the total member months.

Finally, provision for Transportation services is included and is equal to the full year Transportation capitation rates paid to the STAR+PLUS managed care organizations (MCOs) operating in these geographic regions trended forward to the rating period.

Frailty Adjustment

Statutory language in 1 Tex. Admin. Code §355.501 (2016) and Tex. Hum. Res. Code § 32.0532 (2015) directs HHSC to compare Medicaid costs of PACE and STAR+PLUS recipients. Specifically, HHSC is directed to ensure the program is cost-neutral or costs less when compared to the cost to serve a population in STAR+PLUS that is comparable in demographic and social characteristics and in health status.

To facilitate this comparison, HHSC used Medical Necessity and Level of Care (MN/LOC) and Minimum Data Set (MDS) assessments, which are used to determine whether individuals meet medical necessity criteria for long term care services, as well as impairment level over several areas of health care. Individuals who meet medical necessity may be served in the community through the HCBS waiver, in which case MN/LOC assessments are used, or in nursing facilities, in which case MDS assessments are used.

The PACE assessments were matched with enrollment and encounter data from STAR+PLUS for similar age and county and collected data on members characteristics such as county of residence, age, activities of daily living (ADL's),

health care status (e.g., presence of dementia and Pressure Ulcers) and expenditures. This combination of data provided all the necessary elements for the calculation of LTSS risk adjustment factors.

The method used to predict the LTSS costs estimates for members based on their characteristics is Generalized Linear Model (GLM) regression. The cost estimates for STAR+PLUS members, were applied to the PACE case-mix using PACE MN/LOC and MDS assessments.

To model the LTSS costs, a cohort was defined based on PACE and STAR+PLUS members as of August 2019. The most recent assessment available for each of these members was used in the study. However, data available for the PACE population is collected on a different basis. A factor was employed in the rate calculations to cover this requirement, but because of the different collection basis involved, only 50% of the adjustment was applied.

Acute Care Adjustments – Attachment 2

The following adjustments have been included in attachment 2 as part of the adjustments to the acute care portion of the total rates: Hospital Standard Dollar changes, PPR-PPC changes, and changes to therapy rates.

Standard Dollar Amount

As a result of annual evaluations, several hospitals have had their Standard Dollar Amount (SDA) revised between FY2019 and FY2021. In addition, the increases for children's hospitals were limited to FY2020 and will be restored to the pre-September 2019 levels on September 1, 2020.

PPR-PPC

Beginning May 1, 2013 HHSC implemented revisions to hospital reimbursement to account for Potentially Preventable Readmissions (PPR). The reimbursement reductions amount to 1-2% depending on a hospital's performance during the evaluation time period and can change from one fiscal year to the next. A new PPR reduction list will become effective September 1, 2020.

Effective March 1, 2014 HHSC implemented revisions to hospital reimbursement to account for Potentially Preventable Complications (PPC). The reimbursement reductions amount to 2-2.5% depending on a hospital's performance during the

evaluation time period and can change from one fiscal year to the next. A new PPC reduction list will become effective September 1, 2020.

Therapy

Effective September 1, 2019 HHSC made revisions to the reimbursement rates for therapy services.

Long-Term Care Adjustments – Attachment 3

The following adjustments have been included in attachment 3 as part of the adjustments to the long-term care portion of the total rates: attendant wage increases, COVID-19 nursing facility adjustments, and changes to nursing facility eligibility.

Attendant Wage

Effective September 1, 2019, HHSC adjusted the reimbursement for attendant care services resulting from an increase in the minimum wage for attendant providers.

COVID-19 NF Adjustments

As a result of the increased cost associated with care for nursing facility members resulting from COVID-19, HHSC increased the nursing facility fee schedules effective April 1, 2020. Managed care plan reimbursement to nursing facilities traditionally mirrors Medicaid Fee-For-Service fee schedule changes. The increase in FFS fee schedules will result in increased cost to the managed care plans as their payments to nursing facilities will increase. This adjustment assumes the increase in NF costs lasts until December 31, 2021.

NF Eligibility

Effective September 1, 2020, HHSC will be making changes to the Service Authorization System (SAS) that will impact the classification of members in the nursing facility risk groups. This change will not impact the overall number of members in the STAR+PLUS program but will shift members amongst the OCC, HCBS and nursing facility risk groups. The primary change is that the SAS system will only classify a member in the nursing facility risk group if the member’s nursing facility segment and Resource Utilization Group (RUG) dates include the first of the

month. In order to calculate the adjustment factor, the FY2019 base period enrollment was run through the revised eligibility criteria and the STAR+PLUS membership was reassigned into the risk groups that they would be assigned during FY2021. The claims and enrollment months for all members were then recategorized and the average cost by SDA and risk group was determined.

Trends

Below are the trend factors applied in the PACE rate development. The trends used were historical and projected trend factors developed by HHSC for STAR+PLUS populations that closely match PACE-eligible members. The SFY2019 data is trended from 3/1/19 (mid-point of the data period) to 8/31/22 (the mid-point of the rating period). Additional detail on the development of trend assumptions is available in the corresponding STAR+PLUS program rate setting reports.

	Nursing Facilty		HCBS	
	Medicaid Only	**Dual Eligible**	**Medicaid Only**	**Dual Eligible**
Acute Care - FY2020	-5.4%	3.0%	2.0%	4.8%
Acute Care - FY2021	2.0%	3.0%	1.2%	4.8%
Acute Care - FY2022	2.0%	3.0%	1.2%	4.8%
Long Term Care - FY2020	0.5%	1.5%	4.7%	4.0%
Long Term Care - FY2021	1.6%	2.1%	5.4%	4.6%
Long Term Care - FY2022	1.6%	2.1%	5.4%	4.6%
Prescription - FY2020	0.4%	3.0%	4.2%	3.0%
Prescription - FY2021	0.4%	3.0%	4.2%	3.0%
Prescription - FY2022	0.4%	3.0%	4.2%	3.0%

The trends applied to the medical transportation component of the claims cost is the historical and projected trend factors developed by HHSC for SFY2021 Non-Emergency Medical Transportation carve-in to managed care. The SFY2021 capitation rate for the corresponding service area and risk group is trended

forward from 3/1/2021 (mid-point of the data period) to 8/31/22 (the mid-point of the rating period).

Additional detail on the development of trend assumptions for the medical transportation component is available in the corresponding STAR+PLUS rate setting report.

	Nursing Facilty		HCBS	
	Medicaid Only	**Dual Eligible**	**Medicaid Only**	**Dual Eligible**
Medical Transportation - FY2020-FY2022	3.42%	3.42%	3.42%	3.42%

Non-benefit Costs

As required by statute, non-benefit costs should only represent claims processing and case management costs based on the state's costs. PACE administrative expenses are not directly considered in this rating process.

Included were provisions for Service Coordination and Claims Processing. The Service Coordination costs were those developed for the STAR+PLUS program for SFY2021. The claims processing costs have been increased from $6 pmpm to $15 pmpm following a study of the claims processing costs experienced by the state for the FFS population.

Projected Member Months for Each Rate Cell:

PACE Rates	Caseload	SFY 2022-2023	Change	Annual Spend
El Paso County - Medicaid Only	28	$ 4,636.97	6.5%	$ 1,558,022
El Paso County - Medicare/Medicaid	903	$ 2,882.43	0.6%	$31,234,011
Potter & Randall Counties - Medicaid Only	2	$ 4,313.84	9.4%	$ 103,532
Potter & Randall Counties - Medicare/Medicaid	148	$ 2,915.71	5.1%	$ 5,178,301
Lubbock County - Medicaid Only	12	$ 4,636.58	0.0%	$ 667,668
Lubbock County - Medicare/Medicaid Only	160	$ 3,144.00	0.0%	$ 6,036,480
Statewide QMB Rate	-	$ 46.44	5.7%	$ -
	1,253			$44,778,014

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July 9, 2021

Attachment 1 - Exhibit A

FY2022-FY2023 PACE Rating Summary
El Paso - Rating Summary

	Medicaid Only - NF		Dual Eligible - NF		Medicaid Only - HCBS		Dual Eligible - HCBS	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2019 Experience Period								
Member Months	674		4,094		3,500		4,933	
Estimated Incurred Claims - Acute Care								
Inpatient Facility	1,003,799	1,489.32	90,647	22.14	2,356,600	673.31	110,732	22.45
Outpatient Facility	256,942	381.22	96,403	23.55	745,303	212.94	357,831	72.54
Professional	386,387	573.27	234,442	57.26	3,271,233	934.64	1,083,788	219.70
Other Institutional	73,273	108.71	43,541	10.64	517,124	147.75	512	0.10
Acute Care Total	**1,720,402**	**2,552.52**	**465,032**	**113.59**	**6,890,261**	**1,968.65**	**1,552,864**	**314.79**
Estimated Incurred Claims - Long Term Care								
CBA	13,363	19.83	45,098	11.02	4,856,259	1,387.50	9,117,905	1,848.35
Nursing Facility and Hospice	2,545,606	3,776.86	15,295,141	3,735.99	57,054	16.30	145,425	29.48
Long Term Care Total	**2,558,969**	**3,796.69**	**15,340,239**	**3,747.01**	**4,913,313**	**1,403.80**	**9,263,331**	**1,877.83**
Estimate Incurred Claims - Prescriptions	**416,641**	**618.16**	**4,263**	**1.04**	**4,308,034**	**1,230.87**	**30,751**	**6.23**
Estimated Incurred Claims - Medical Transportation		**9.24**		**20.79**		**36.04**		**39.08**
Total - All Claims		6,976.62		3,882.43		4,639.36		2,237.93
Provider Reimbursement Adjustment								
Acute Care - Non Inpatient	1.0306		1.0000		1.0137		1.0000	
Long Term Care	1.0565		1.0277		1.0057		1.0022	
NF Eligibility	0.9921		1.0120		0.9824		0.9964	
Annual Trends								
Acute Care	-0.17%		3.00%		1.43%		4.80%	
LTC	1.28%		1.93%		5.20%		4.43%	
Prescriptions	0.40%		3.00%		4.20%		3.00%	
Medical Transportation	3.42%		3.42%		3.42%		3.42%	

Attachment 1 - Exhibit A

FY2022-FY2023 PACE Rating Summary
El Paso - Rating Summary

	Medicaid Only - NF		Dual Eligible - NF		Medicaid Only - HCBS		Dual Eligible - HCBS	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Projected FY2022 Incurred Claims								
Acute Care		2,594.17		127.48		2,060.32		369.57
LTC		4,161.04		4,166.28		1,656.19		2,182.17
Prescriptions		662.26		1.17		1,396.53		6.89
Medical Transportation		9.64		22.13		37.24		40.95
Total		7,427.11		4,317.06		5,150.29		2,599.58
LTC Risk Adjustment (HB 3823)	1.03	56.95	1.03	56.21	1.09	63.17	1.09	84.50
Administrative Expenses								
Claims Processing		15.00		15.00		15.00		15.00
Service Coordination		30.34		30.43		54.80		42.72
Total		7,529.40		4,418.69		5,283.26		2,741.80
Upper Payment Limit								
Adjusted Caseload	643		3991		3632		4904	
Medicaid Only	5,621.10							
Medicaid/Medicare	3,494.19							
Fully Funded Rate								
Medicaid Only	5,564.89							
Medicaid/Medicare	3,459.25							

Attachment 1 - Exhibit B

FY2022-FY2023 PACE Rating Summary
Lubbock - Rating Summary

	Medicaid Only - NF		Dual Eligible - NF		Medicaid Only - HCBS		Dual Eligible - HCBS	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2019 Experience Period								
Member Months	736		6,015		828		1,653	
Estimated Incurred Claims - Acute Care								
Inpatient Facility	592,163	804.57	102,648	17.07	930,846	1,124.21	25,665	15.53
Outpatient Facility	95,789	130.15	139,924	23.26	409,294	494.32	81,423	49.26
Professional	302,440	410.92	320,776	53.33	747,835	903.18	235,935	142.73
Other Institutional	105,331	143.11	72,414	12.04	64,157	77.48	5,819	3.52
Acute Care Total	**1,095,723**	**1,488.75**	**635,762**	**105.70**	**2,152,132**	**2,599.19**	**348,842**	**211.04**
Estimated Incurred Claims - Long Term Care								
CBA	8,923	12.12	2,206	0.37	721,466	871.34	1,934,062	1,170.03
Nursing Facility and Hospice	2,864,390	3,891.83	21,434,081	3,563.44	48,214	58.23	43,929	26.58
Long Term Care Total	**2,873,313**	**3,903.96**	**21,436,286**	**3,563.80**	**769,680**	**929.56**	**1,977,990**	**1,196.61**
Estimate Incurred Claims - Prescriptions	**429,912**	**584.12**	**3,175**	**0.53**	**659,376**	**796.35**	**14,584**	**8.82**
Estimated Incurred Claims - Medical Transportation		**9.24**		**20.58**		**66.99**		**82.88**
Total - All Claims		5,986.07		3,690.61		4,392.10		1,499.35
Provider Reimbursement Adjustment								
Acute Care - Non Inpatient	0.9978		1.0000		0.9978		1.0000	
Long Term Care	1.0619		1.0556		1.0049		1.0000	
NF Eligibility	1.0257		1.0093		0.9277		0.9938	
Annual Trends								
Acute Care	-0.17%		3.00%		1.43%		4.80%	
LTC	1.28%		1.93%		5.20%		4.43%	
Prescriptions	0.40%		3.00%		4.20%		3.00%	
Medical Transportation	3.42%		3.42%		3.42%		3.42%	

Attachment 1 - Exhibit B

FY2022-FY2023 PACE Rating Summary
Lubbock - Rating Summary

	Medicaid Only - NF		Dual Eligible - NF		Medicaid Only - HCBS		Dual Eligible - HCBS	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Projected FY2022 Incurred Claims								
Acute Care		1,514.63		118.30		2,528.52		247.12
LTC		4,446.56		4,059.08		1,034.84		1,383.93
Prescriptions		607.59		0.59		853.22		9.72
Medical Transportation		9.97		21.85		65.36		86.63
Total		6,578.75		4,199.82		4,481.94		1,727.40
LTC Risk Adjustment (HB 3823)	0.99	(19.52)	0.99	(17.82)	0.77	(106.90)	0.77	(137.61)
Administrative Expenses								
Claims Processing		15.00		15.00		15.00		15.00
Service Coordination		45.50		42.89		45.42		42.67
Total		6,619.73		4,239.89		4,435.46		1,647.46
Upper Payment Limit								
Adjusted Caseload	716		5881		972		1643	
Medicaid Only	5,361.96							
Medicaid/Medicare	3,673.79							
Fully Funded Rate								
Medicaid Only	5,308.34							
Medicaid/Medicare	3,637.05							

Attachment 1 - Exhibit C

FY2022-FY2023 PACE Rating Summary
Potter-Randall - Rating Summary

	Medicaid Only - NF		Dual Eligible - NF		Medicaid Only - HCBS		Dual Eligible - HCBS	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
FY2019 Experience Period								
Member Months	400		4,250		401		1,152	
Estimated Incurred Claims - Acute Care								
Inpatient Facility	308,173	770.43	51,258	12.06	563,679	1,405.68	6,725	5.84
Outpatient Facility	46,474	116.18	52,707	12.40	109,181	272.27	42,896	37.24
Professional	158,212	395.53	191,296	45.01	319,703	797.26	181,552	157.60
Other Institutional	7,503	18.76	128	0.03	23,814	59.39	-	-
Acute Care Total	**520,362**	**1,300.91**	**295,389**	**69.50**	**1,016,377**	**2,534.61**	**231,173**	**200.67**
Estimated Incurred Claims - Long Term Care								
CBA	2,286	5.71	3,812	0.90	405,136	1,010.31	1,214,691	1,054.42
Nursing Facility and Hospice	1,514,994	3,787.48	14,603,902	3,436.21	1,245	3.10	15,687	13.62
Long Term Care Total	**1,517,279**	**3,793.20**	**14,607,714**	**3,437.11**	**406,381**	**1,013.42**	**1,230,378**	**1,068.04**
Estimate Incurred Claims - Prescriptions	**241,812**	**604.53**	**1,140**	**0.27**	**433,831**	**1,081.87**	**1,692**	**1.47**
Estimated Incurred Claims - Medical Transportation		**9.24**		**20.58**		**66.99**		**82.88**
Total - All Claims		5,707.87		3,527.46		4,696.89		1,353.06
Provider Reimbursement Adjustment								
Acute Care - Non Inpatient	1.0050		1.0000		1.0003		1.0000	
Long Term Care	1.0509		1.0566		1.0040		1.0059	
NF Eligibility	0.9917		1.0098		0.8852		1.0002	
Annual Trends								
Acute Care	-0.17%		3.00%		1.43%		4.80%	
LTC	1.28%		1.93%		5.20%		4.43%	
Prescriptions	0.40%		3.00%		4.20%		3.00%	
Medical Transportation	3.42%		3.42%		3.42%		3.42%	

Attachment 1 - Exhibit C

FY2022-FY2023 PACE Rating Summary
Potter-Randall - Rating Summary

	Medicaid Only - NF		Dual Eligible - NF		Medicaid Only - HCBS		Dual Eligible - HCBS	
	Amount	pmpm	Amount	pmpm	Amount	pmpm	Amount	pmpm
Projected FY2022 Incurred Claims								
Acute Care		1,288.73		77.83		2,358.64		236.50
LTC		4,133.48		3,920.61		1,075.59		1,250.49
Prescriptions		607.93		0.30		1,106.03		1.63
Medical Transportation		9.64		21.86		62.37		87.18
Total		6,039.78		4,020.60		4,602.63		1,575.80
LTC Risk Adjustment (HB 3823)	1.01	9.48	1.01	8.59	0.84	(81.07)	0.84	(85.44)
Administrative Expenses								
Claims Processing		15.00		15.00		15.00		15.00
Service Coordination		45.50		42.89		45.42		42.67
Total		6,109.76		4,087.08		4,581.97		1,548.03
Upper Payment Limit								
Adjusted Caseload	378		4138		514		1151	
Medicaid Only	5,229.40							
Medicaid/Medicare	3,534.53							
Fully Funded Rate								
Medicaid Only	5,177.11							
Medicaid/Medicare	3,499.18							

Calculation of SFY22 - SFY23 statewide QMB Rate for Texas PACE Program

$	85,771,509.51	= Total Incurred Claims (201809 to 201908) Estimated
	1,945,986	= Total Estimated Member Months (201809 to 201908)
$	44.08	= QMB Statewide rate
$	48.88	= QMB rate trended from 9/1/2019 to 8/31/2022
$	46.44	= Final QMB rate for SFY 22 and SFY 23 with 5% reduction

Attachment 2

FY 2022-2023 PACE Rating
Acute Care Reimbursement Adjustments

	El Paso HCBS	El Paso Nursing Facility	Lubbock HCBS	Lubbock Nursing Facility	Potter-Randall HCBS	Potter-Randall Nursing Facility
Therapy Policy (1)	6,777	71	243	-	239	18
PPR-PPC (1)	4,143	771	(3,587)	(1,772)	2,715	836
Hospital SDA Changes (1)	83,536	51,831	(1,345)	(616)	(2,613)	1,738
Total Acute Care Adjustments	94,455	52,673	(4,689)	(2,388)	340	2,593
Total Acute Care Costs (2)	6,890,261	1,720,402	2,152,132	1,095,723	1,016,377	520,362
Adjustment Percentage (3)	1.4%	3.1%	-0.2%	-0.2%	0.0%	0.5%
Adjustment (4)	101.4%	103.1%	99.8%	99.8%	100.0%	100.5%

(1) Equals the cost impact from policy and reimbursement changes.
(2) Equals FY2019 claims for all acute care services.
(3) Equals cost impact divided by FY2019 total Acute Care Costs.
(4) Total adjustment to acute care costs.

FY 2022-2023 PACE Rating
El Paso Long Term Care Reimbursement Adjustments

	El Paso Medicaid Only HCBS	El Paso Dual Eligible HCBS	El Paso Medicaid Only Nursing Facility	El Paso Dual Eligible Nursing Facililty
Attendant Wage Increase (1)	23,096	15,696	-	-
COVID NF Fee Increase (1)	4,724	4,710	144,499	424,177
Total Adjustments	27,819	20,406	144,499	424,177
Total Long Term Care Cost (2)	4,913,313	9,263,331	2,558,969	15,340,239
Adjustment Percentage (3)	0.57%	0.22%	5.65%	2.77%
Adjustment (4)	100.57%	100.22%	105.65%	102.77%

(1) Equals cost impact of policy/reimbursement changes.
(2) Equals total Long Term Care costs.
(3) Equals (1)/(2).
(4) Total adjustment for long term care costs.

Attachment 3 - Exhibit B

FY 2022-2023 PACE Rating
Lubbock Long Term Care Reimbursement Adjustments

	Lubbock Medicaid Only HCBS	Lubbock Dual Eligible HCBS	Lubbock Medicaid Only Nursing Facility	Lubbock Dual Eligible Nursing Facililty
Attendant Wage Increase (1)	2,240	(1,055)	-	-
COVID NF Fee Increase (1)	1,530	1,081	177,818	1,190,974
Total Adjustments	3,769	26	177,818	1,190,974
Total Long Term Care Cost (2)	769,680	1,977,990	2,873,313	21,436,286
Adjustment Percentage (3)	0.49%	0.00%	6.19%	5.56%
Adjustment (4)	100.49%	100.00%	106.19%	105.56%

(1) Equals cost impact of policy/reimbursement changes.
(2) Equals total Long Term Care costs.
(3) Equals (1)/(2).
(4) Total adjustment for long term care costs.

FY 2022-2023 PACE Rating
Potter-Randall Long Term Care Reimbursement Adjustments

	Potter-Randall Medicaid Only HCBS	Potter-Randall Dual Eligible HCBS	Potter-Randall Medicaid Only Nursing Facility	Potter-Randall Dual Eligible Nursing Facililty
Attendant Wage Increase (1)	1,645	5,959		
COVID NF Fee Increase (1)	-	1,276	77,164	826,829
Total Adjustments	1,645	7,235	77,164	826,829
Total Long Term Care Cost (2)	406,381	1,230,378	1,517,279	14,607,714
Adjustment Percentage (3)	0.40%	0.59%	5.09%	5.66%
Adjustment (4)	100.40%	100.59%	105.09%	105.66%

(1) Equals cost impact of policy/reimbursement changes.
(2) Equals total Long Term Care costs.
(3) Equals (1)/(2).
(4) Total adjustment for long term care costs.

FY 2022-2023 PACE Rating
Nursing Facilty Eligibility Adjustments

Original PMPM (1)	Medicaid Only HCBS	Dual Eligible HCBS	Medicaid Only Nursing Facility	Dual Eligible Nursing Facility
El Paso	4,639.36	2,237.93	6,976.62	3,882.43
Lubbock	4,392.10	1,499.35	5,986.07	3,690.61
Potter/Randall	4,696.89	1,353.06	5,707.87	3,527.46

New PMPM (2)	Medicaid Only HCBS	Dual Eligible HCBS	Medicaid Only Nursing Facility	Dual Eligible Nursing Facility
El Paso	4,557.86	2,229.77	6,921.26	3,929.08
Lubbock	4,074.69	1,490.03	6,140.20	3,724.77
Potter/Randall	4,157.81	1,353.32	5,660.32	3,561.89

Adjustment (3)	Medicaid Only HCBS	Dual Eligible HCBS	Medicaid Only Nursing Facility	Dual Eligible Nursing Facility
El Paso	0.982434	0.996354	0.992066	1.012017
Lubbock	0.927733	0.993788	1.025747	1.009256
Potter/Randall	0.885226	1.000196	0.991669	1.009760

(1) Equals the calculated pmpm using elgibility rules in place for SFY 2019.
(2) Equals the calculated pmpm using the eligibility rules put in place starting 9/1/2020.
(3) Equals (2)/(1).