



56th Annual Meeting
Thursday, August 28, 2025
11:15am-12:15pm

4c. Navigating the Transition: Understanding the New Attendant Rate Structure

Presented by:

Moderator: Rachel Hammon, Executive Director, TAHC&H
Panelists: Amy L. Taylor, CPA, Knight Home Care Financial;
Victoria Grady, HHSC Representative; MCO Representatives

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**Texas Association for
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**Navigating the Transition:
Understanding the New Attendant
Rate Structure**

August 28, 2025

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TAHC&H RESOURCE PAGE

- WWW.TAHCH.ORG
- TAHC&H Communications
- HHSC Resources
- Member's Only Resources
 - FAQs
 - Upcoming – Spending Measurement Tool



**Community Care Rate
Implementation Resources**



Understanding Rates
Training
Support
Implementation

Old Rates → New Rates

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RATE STRUCTURE

Requirements

- No Minimum Wage
- Funds appropriated \$13 / hr. Average Wage with a 14% Payroll Tax & Benefits
- Annual reporting requirement of 90% of the Attendant Cost Area (including PTB)

Example (using PHC published rates)

Average wage	\$13.00	
PTB (14%)	\$1.82	
Total ACA	\$14.82	
90% spend	\$13.34	
Avg. Actual Wage	\$12.00+	This wage is based on an agency that has an 11% Tax / Benefits Rate. You MUST determine <u>your own</u> tax and benefits rate.
Discretionary Dollars	\$1.48	This is the difference between the total ACA and your 90% spend requirement. You have discretion on how you spend this money (wages or operations)
Service Support (operations portion)	\$2.31	This is the operational portion of the rate that supports your operations. You have the discretion to utilize the discretionary dollars to cover operational costs or pay higher wages in more difficult markets.
Total Rate:	\$17.13	

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PAYROLL TAX & BENEFITS (PTB) – ALLOWABLE & UNALLOWABLE COSTS

- For community care services PTB is funded at 14%
- [1 TAC, CH. 15, sec.355.102\(b\)](#); allowable and unallowable costs
- **Proposed Rules :**
 - New sec. [355.7052](#), Reimbursement Methodology for Determining Attendant Cost Component, (c)(3)
 - Costs of required trainings, travel, and PPE are now not included in the attendant cost area
 - Cost report timing proposed changes to a State Fiscal Year of Sept. 1 – Aug. 31
- Strategies
 - Mileage, tracking your spend, cost reports

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LEGISLATIVE DIRECTIVE – REQUIRED SPEND

- Rider 23(c). Out of funds appropriated in Strategy B.1.1, Medicaid & CHIP Contracts and Administration, HHSC shall continue to collect biennial cost reports from providers to monitor the average hourly wage and associated payroll costs, taxes, and benefits. HHSC shall calculate for each provider the **total** amount that was **paid** to the provider that is attributable to the **direct care wages, payroll costs, taxes, and benefits**, the amount expended by the provider for that purpose, and the ratio of expenses to revenue to determine a direct care wage and benefits expense ratio. HHSC shall report to the Legislative Budget Board, the Lieutenant Governor, the Speaker of the House of Representatives, and the Office of the Governor on an annual basis by November 1 of each year on the findings, including a list of providers whose calculated direct care staff wage and benefits expense ratio is less than 0.90.

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THANK YOU

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