Texas Association for Home Care & Hospice
Leading ★ Advancing ★ Advocating

Administrator Program
Wednesday, November 19, 2025
8:15am-9:15am

CC1. New Attendant Rates Update

Presented by:
Samuel West, HHSC
Brooke Ellison, HHSC
Amy L. Taylor, CPA, Knight Home Care Financial
Lisa Carruth, Carruth & Associates

Moderator:
Rachel Hammon, Executive Director, TAHC&H

Texas Association for Home Care & Hospice
Leading ★ Advancing ★ Advocating

TX Community Care Rate Restructure: New Attendant Rate Update

2025 November Administrator's Conference

1

TAHC&H RESOURCE PAGE

- **https://tahch.org/tahchorg/regulatory/ccrates**
- HHSC Resources
- Member's Only Resources
  - FAQs
  - TAHC&H Communications
  - Upcoming – Spending Measurement Tool
  - Information Letters
    - 2025-17
    - **2025-25**

2

BACKGROUND

- When did this start?
- Why did this happen?
- What did the final Legislation do?

3

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.**

4

REQUIRED SPEND: ATTENDANT COST AREA 90%

Attendant Cost Area

Appropriated WAGE + PTB %

$13.00
Appropriation
Wage = $13/hour (unit)
+
$1.82
Appropriation
PTB = 14%/unit

$14.82

90 % REQUIRED SPEND = $13.34
Averaged by program across entire organization

Total** amount that is **paid** to the provider that is attributable to the **direct care wages, payroll costs, taxes, and benefits

This required spend is comparable to the prior required spend of **$10.60 + $1.17 = $11.77 PLUS ACRE**, with one difference – there is no longer a requirement for a minimum wage.

Example: $11.77+$1.75 = $13.52, at 90% required spend = $12.17

Removing ACRE changed two things: 1) no recoupment (reporting only), and 2) no minimum floor

5

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 **your own** 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**	

6

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
- **Final 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

7

STRATEGIES

- Spending Reviews – create a process to review your Average Spend regularly
- Bonus Accruals – there will be a timing issue under the new SFY (State Fiscal Year) reporting period of 9/1 - 8/31
- What is the impact of not meeting the 90%
  - Report to legislature
  - No recoupment

8

STRATEGIES

- What else is different post session?
  - Mileage reimbursement, training costs, and PPE are no longer included within the ACA due to Access Rule
    - Mileage – can this be paid differently?
  - Cost Reporting – not sure what this looks like yet, biennial reporting – how will that work?

9

THANK YOU

Lisa Carruth, Consultant,
Health Care/Medicaid Finance, Carruth & Associates

Amy Taylor, CPA, Knight Home Care Financial

Rachel Hammon, Executive Director, TAHC&H

HHSC Representatives Provider Finance Department

10