March 12, 2019

To: Residential Care (RC) Program
    STAR+PLUS Assisted Living (AL) Providers
    STAR+PLUS Personal Care 3 (PC3) Services Providers

Subject: Information Letter No. 19-05
Rate Changes for Cost of Living Adjustments (COLA)
Effective February 1, 2019

The Texas Health and Human Services Commission (HHSC) approved rate changes for the RC program, STAR+PLUS AL and STAR+PLUS PC3 services. The payment rates effective February 1, 2019.

HHSC is decreasing the facility cost area of the rates for the RC and the AL programs, and PC3 services by $0.69 per day of service to offset the increase in SSI payments effective February 1, 2019.

HHSC developed the attached fee-for-service payment rates for the RC program and proxy rates for the STAR+PLUS AL program and STAR+PLUS PC3 services in compliance with HHSC’s established rate methodologies. Title 1 of the Texas Administrative Code (TAC) §355.509(c)(2)(E)(iv) addresses the reimbursement methodology for the RC program; Section §355.503(c)(2)(B)(v) addresses the reimbursement methodology for STAR+PLUS AL services; and Section §355.503(c)(2)(D)(ii), addresses the reimbursement methodology for STAR+PLUS PC3 services.

The RC, STAR+PLUS AL and STAR+PLUS PC3 rates can be accessed at: https://rad.hhs.texas.gov/long-term-services-supports/residential-care-rc

Claims Submission

Providers should continue to bill using their normal billing process. Since the electronic payment system has been updated with the new rates, a retroactive adjustment will occur allowing the new rate for claims beginning February 1, 2019; therefore, no additional action is required by individual providers.
Resources

Please contact the Customer Information Center if you have any questions about the RC rates in this letter at: RAD-LTSS@hhsc.state.tx.us or (512) 424-6637. Please contact your contracted Managed Care Organization(s) (MCO) for questions about the STAR+PLUS rates in this letter.

Sincerely,

[signature on file]

Sarah Hambrick
Director of Rate Analysis for Long Term Services & Supports

Attachment
# Residential Care Apartment Payment Rates

**Effective February 1, 2019**

<table>
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<th>Service Support *</th>
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* Equals the total of Other Direct Care, Administration/Transportation and Facility costs less Room and Board paid by the client.

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1
# Residential Care Non-Apartment Payment Rates

**Effective February 1, 2019**

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<tr>
<td>Participant - Level 35</td>
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<td>$18.82</td>
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* Equals the total of Other Direct Care, Administration/Transportation and Facility costs less Room and Board paid by the client.

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<tr>
<th>Bed Hold Rate</th>
<th>HHSC Paid</th>
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<tbody>
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2
## Assisted Living Apartment -- Single Occupancy

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* Equals the total of Other Direct Care, Administration/Transportation and Facility costs less Room and Board of $22.55 paid by the client.

## Residential Care Apartment -- Double Occupancy

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## Residential Care -- Non-Apartment

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**STAR+PLUS PERSONAL CARE 3**

**PROXY RATES EFFECTIVE February 1, 2019**

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<th>Rates</th>
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* Does not include Room and Board paid by Client