

Understanding the Community Care Attendant Rate



The Texas Medicaid program serves thousands of older adults and individuals with disabilities through its Community Care programs. These programs deliver long-term services and supports that allow individuals to remain in their home and community. The programs are cost-effective, allow for independent living, and reduce emergency department visits, hospitalizations, readmissions, and avoid costly nursing home placement. It is a fact – Community Care programs reduce state Medicaid cost since nursing home placement is a mandatory benefit under the Medicaid program. Unfortunately, Texas has not created a sustainable rate structure to support its Community Care programs which have faced significant underfunding.

How are Community Care Personal Care Attendant Rates Established in Texas?

Medicaid reimbursement for personal attendant services (PAS) has three components:

- **Base Rate Component** – Establishes a minimum compensation rate for Texas' community attendants.
- **Service Support Component** – Provides funding for non-direct wage, provider operational cost.
- **Attendant Compensation Rate Enhancement (ACRE)** – Provides a rate add on for providers committing to use the funds to increase community attendant compensation that increases access and improves quality of care.

Component One: Base Rate

This component represents the minimum amount that may be paid to community attendants. While the current wage floor is set at \$8.11, most community attendants are employed by providers that are ACRE participants.

Component Two: Services Support

The Service Support component of the rate is intended to cover all non-direct wage expenses associated with provider operations. A few examples include fraud and abuse mitigation requirements, caregiver screening and training, office rents, utilities, administrative employee salaries and benefits, insurance, taxes, state mandated regulatory compliance costs (e.g., EVV) and other federal compliance costs (e.g. DOL). This component has not been upwardly adjusted since 2007 (16 years) and is currently \$2.07 per hour of service. In fact, the rate is lower than it was in 2006 (\$2.08). Had the Services Support rate kept pace with inflation, the current rate for service support rate for 2023 would be \$2.95 (a 43% increase). Texas providers are currently subsidizing the actual rates paid to community attendants out of the \$2.07 as ACRE is not permitting providers sufficient funds to recruit and retain caregivers, and the insufficient funding of service supports is impacting every aspect of operations for community care providers.

Component Three: Attendant Compensation Rate Enhancement (ACRE) Payment Rate

Payment rates for PAS providers are divided into two categories based on whether they participate in ACRE or whether ACRE is available to the program.

- There is a non-participants payment rate and payment rates for 35 different levels of rate enhancement (each level adds \$.05 to the payment rate).
- Providers participating in ACRE agree to pay 90% of the "Attendant Area Cost" payment rate enhancement to caregivers as wages, bonuses, and direct benefits.
- While most providers participating in ACRE are in the top three tiers (level 33-35), the resulting average hourly wage(inclusive of direct benefits) paid by ACRE participant providers to community attendants range from \$8.40 (level 1) to \$9.93 (level 35).

PAS providers who participate in ACRE contract with the state and agree to:

- Spend approximately 90% of their total attendant revenues, including their enhanced add-on rate revenues, on attendant compensation which includes salaries, payroll taxes, benefits, and mileage reimbursement;
- Agree to submit cost and accountability reports to HHSC documenting their spending on attendant compensation; and
- Agree to compliance requirements with enforcement measures, including requiring participants that fail to meet the requirements of the program, to have their enhanced add-on revenues associated with the unmet spending requirements recouped by the state.