



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

# 2025 STATE LEGISLATIVE PRIORITIES

## RATE INCREASES



### Addressing Funding Gaps in Community Care

The Texas Legislature's historic \$1 billion investment last session, which increased the community care attendant base wage, was a significant step in stabilizing the home care workforce. We appreciate this effort, but funding gaps remain. The service support portion of provider rates, unchanged since 2007, lags behind inflation, remaining at \$2.07 per hour compared to the inflation-adjusted rate of \$3.04 in 2024—a 47% shortfall. Additionally, HHSC's proposal to eliminate the Attendant Compensation Rate Enhancement (ACRE) program could further destabilize the workforce without adequate safeguards.

**Recommendation:** To sustain progress, it's essential to **update the service support portion of rates** for inflation and **implement a "hold harmless" provision** to shield providers from wage cuts due to ACRE elimination. This will help attract and retain skilled caregivers, enhancing care quality for Texas residents.



### Challenges in Pediatric Home Therapy Funding

Pediatric home therapy supports children with complex medical conditions and developmental delays, offering services such as physical, occupational, and speech therapy under the Texas Medicaid Comprehensive Care Program. However, pediatric therapy providers face long-standing challenges due to rate cuts and a flawed rate methodology that does not reflect the unique costs of home health, such as travel and compliance. Despite partial restorations in recent years, rates remain below pre-cut levels, limiting providers' ability to recruit and retain qualified staff, impacting access to care, and leading to waitlist delays for children.

**Recommendation:** To ensure children with disabilities receive medically necessary therapy, we recommend a **10% increase in therapy reimbursement rates** across all settings. This will help attract and retain qualified therapists and minimize delays in crucial services for Texas children.



### Private Duty Nursing: Keep Families Together & Boost Outcomes

Private duty nursing (PDN) helps over 7,000 medically fragile children in Texas stay at home, decreasing hospital admissions by 20% and readmissions by 15%. Despite this, a 21% underfunding of rates and workforce shortages limit access to PDN, risking family burnout and costly hospital readmissions. With the demand for home health RNs expected to rise by nearly 40% by 2036, competitive rates are essential to attract and keep skilled nurses for this crucial care.

**Recommendation:** To aid medically fragile children and their families, Texas should **raise PDN reimbursement rates by 21%**, fully funding the rate methodology to ensure competitive wages that attract and retain skilled nurses. This investment will enhance health outcomes, lower hospital costs, and bolster the care network for vulnerable groups.

## **EVV TECHNICAL CORRECTION**

The proposed legislation seeks to address technical issues with the Electronic Visit Verification (EVV) system, which is used to document and verify Medicaid service visits. The current system mandates use of a single state vendor or proprietary EVV solutions, leading to administrative inefficiencies, increased costs and limiting flexibility for providers.

Key objectives of the bill include:

- Allowing the Health and Human Services Commission (HHSC) to adopt an authentic open model system, enabling the approval of multiple qualified EVV vendors.
- Simplifying administrative processes by removing unnecessary burdens on HHSC and providers.
- Improving system reliability and oversight through direct contracts between alternate vendors and the state.
- Delivering cost savings by limiting reimbursement rates for alternate EVV systems to match those of the single state vendor, with potential federal cost matching of 75%.

This technical correction will enhance efficiency for the state, provide flexibility to providers, and maintain oversight and standardization within the EVV framework

## **ACCESS TO CARE STANDARDS**

Medicaid recipients face significant challenges in accessing Community Care Long-term Services and Supports, Private Duty Nursing (PDN) and Pediatric Therapy services due to low reimbursement rates, workforce shortages, and a lack of Managed Care Organization (MCO) accountability. This proposed legislation seeks to establish MCO accountability standards which would:

- Require MCOs to meet specific metrics addressing staffing levels, timeliness of service initiation, and utilization of services.
- Collect and report data to identify gaps in care access and their root causes.
- Reward MCOs that meet established benchmarks with higher capitation rates to encourage increased provider reimbursement and workforce stability.
- Impose capitation rate adjustments for MCOs failing to meet standards.
- Include provisions in MCO contracts to incentivize increased reimbursement rates tied to VBP models.

## **HHSC RATE STUDY ON PDN RATES**

This proposed legislation directs the Health and Human Services Commission (HHSC) to conduct a comprehensive rate study on Private Duty Nursing (PDN) services. Inadequate reimbursement rates have failed to keep pace with market conditions, creating workforce shortages and threatening provider sustainability. The study will assess the true cost of PDN services and recommend an appropriate rate adjustment cadence to ensure Medicaid recipients receive reliable, high-quality care. Its findings will support future legislative efforts to increase PDN rates and improve access for vulnerable populations.