

July 26, 2021 - 9:00am

Hearing. The Texas Health and Human Services Commission (HHSC) will conduct a public hearing on July 26, 2021, at 9:00 a.m., to receive public comments on the proposed rule for the Medicaid Reimbursement for Rural Hospital Inpatient Services.

Due to the declared state of disaster stemming from COVID-19, this hearing will be conducted online only. Physical entry to the hearing will not be permitted. [To join the hearing from your computer, tablet, or smartphone, register in advance here.](#)

After registering, you will receive a confirmation email containing information about joining the hearing. You can also dial in using your phone at +1 (631) 992-3221.

If you are new to GoToWebinar, please download the GoToMeeting app at <https://global.gotomeeting.com/install/626873213> before the hearing starts.

HHSC will broadcast the public hearing. [The broadcast will be archived for access on-demand and can be accessed here.](#)

Proposal. HHSC proposes an amendment to rule §355.8052, concerning Medicaid Reimbursement for Hospital Inpatient Services effective September 1, 2021.

Background and Purpose. The purpose of the proposed amendment to §355.8052 is to comply with Senate Bill 170 (S.B. 170), 86th Legislature, Regular Session 2019 and Senate Bill 1621 (S.B. 1621), 86th Legislature, Regular Session, 2019, and to make other amendments to enhance clarity, consistency, and specificity. HHSC is required by S.B. 170, to the extent allowed by law, to calculate Medicaid rural hospital inpatient rates using a cost-based prospective reimbursement methodology. Additionally, HHSC must calculate rates for rural hospitals once every two years, using the most recent cost information available. The current rule does not require a biennial review of the rural hospital rates. Rates have not been realigned or rebased since state fiscal year 2014. Previously, HHSC converted the rural hospital reimbursement from the methodology described in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) to the prospective payment All Patient Refined Diagnosis Related Group (APR-DRG) methodology.

Pursuant to S.B. 1621 and S.B. 170, HHSC's managed care contracts require managed care organizations to reimburse rural hospitals using a minimum fee schedule for services delivered through the Medicaid managed care program. The proposed amendment adds subsection (e)(4), requiring a Medicaid minimum fee schedule for all rural hospitals, to conform the rule to the current law as well.

Presently, §355.8052 explains the standard dollar amount (SDA) rate setting process by addressing the multiple hospital types (rural, urban, and children's), concurrently. The proposed amendment arranges the rule by hospital type to enhance clarity, consistency, and specificity. The amendment adds and modifies definitions, including "rebasings" and "realignment." The proposed amendment also specifies a policy for updating DRG statistical calculations to align with 3MTM Grouper changes.

For the full rule proposal, please see the June 25, 2021, issue of the *Texas Register*.

Written Comments. Written comments regarding the proposal may be submitted in lieu of, or in addition to, oral testimony. To be considered, comments must be submitted no later than 31 days after the June 25, 2021, issue of the *Texas Register*. Comments must be (1) postmarked or shipped before the last day of the comment period; (2) hand-delivered before 5:00 p.m. on the last working day of the comment period; or (3) faxed or emailed before midnight on the last day of the comment period. If the last day to submit comments falls on a holiday, comments must be postmarked, shipped, or emailed before midnight on the following business day to be accepted. When faxing or emailing comments, please indicate "Comments on Proposed Rule 21R075" in the subject line. Questions about the content of this proposal may be directed to the HHSC Provider Finance for Hospitals department at PFD_Hospitals@hhsc.state.tx.us.

Written comments may be sent by U.S. mail, overnight mail, special delivery mail, fax, or e-mail.

U.S. Mail

Health and Human Services Commission
Provider Finance Department, Mail Code H-400
P.O. Box 149030
Austin, Texas 78714-9030

Overnight mail or special delivery mail

Health and Human Services Commission
Provider Finance Department, Mail Code H-400
4601 W Guadalupe St.
Austin, Texas 78751

The phone number for package delivery: (512) 730-7401

Fax

Attention: Provider Finance at (512) 730-7475

E-mail

PFH_Hospitals@hhsc.state.tx.us

Preferred Communication. During the current state of disaster due to COVID-19, physical forms of communication are checked with less frequency than during normal business operations. For the quickest response, please use email or phone, if possible, for communication with HHSC related to this public hearing.

Persons with disabilities who wish to participate in the hearing and require auxiliary aids or services should contact Provider Finance at (512) 730-7401 at least 72 hours before the hearing so appropriate arrangements can be made.