



August 7, 2024

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I write today to urge the Texas Health and Human Services Commission (HHSC) to adjust the Home & Community-based Service and Intermediate Care Facility rates and their associated methodologies.

Currently, these rates significantly undervalue the true costs of delivering services to people with intellectual and developmental disabilities across the state, including the crucial contributions of front-line direct care professionals. HHSC's present methodology for calculating wage reimbursements for community-based direct care professionals in Texas threatens to exacerbate the ongoing workforce crisis, thereby neglecting many of our most vulnerable Texans.

The methodology that determines reimbursement rates for community-based providers is outdated. As inflation continues to impact our economy and the cost of living rises, the reimbursement rate has not been recalculated to keep pace. The current reporting lag fails to incorporate a mechanism for adequate inflationary adjustments for wages, the cost of food, gasoline, property maintenance, or vehicle upkeep.

Furthermore, the rate methodology does not account for unfunded mandates, including recent changes to the U.S. Department of Labor overtime threshold that took effect in July 2024 with additional changes taking effect in January 2025, as well as administrative cost increases associated with other federal and state regulatory requirements. These new costs necessitate an immediate adjustment in rates.

The existing rates are insufficient to recruit and retain direct care professionals. This results in a severe residential group home workforce shortage that destabilizes care for individuals with IDD and compromises service quality. With fewer workers familiar with the complex rules, regulations, and billing requirements associated with IDD services, the standard of care diminishes significantly.

Given that Texas does not credential direct care professionals, but still requires certain expertise and experience to ensure the health and safety of people with IDD living in group homes, compensation should be modeled on state-supported living centers, where staff qualifications and responsibilities are similar. This is especially crucial since community group homes have fewer backup staff for assistance in crises or routine maintenance compared to state-supported living centers.

The current rates and the assumptions behind them have imposed unsustainable cost burdens on providers, negatively affect the retention and recruitment of direct care professionals, and threaten the viability of our service system. This situation endangers the IDD population and risks the health and safety of our state's most vulnerable residents.

As a concerned Texan, I urge you to take immediate action to address these critical issues with current rates and rate methodology. It is essential to better support community-based services and the direct care professionals who provide indispensable care for many of our fellow Texans who cannot care for themselves.

Sincerely,

Leticia Palmer, VP, Human Resources

