

Rate Hearing: Attendant Services in CFC, HCBS-AMH, HCS, TxHmL, and ICF/IID Programs, Effective 9/1/25



July 16, 2025

Summary:

HHSC conducted a public hearing on July 16, 2025, to present and receive feedback on proposed Medicaid payment rate changes for attendant services under the Community First Choice (CFC), Home and Community-Based Services for Adult Mental Health (HCBS-AMH), HCS Waiver, Texas Home Living (TxHmL) Waiver, and ICF/IID programs. The new rates will take effect on September 1, 2025.

Attendant services are non-technical, medically related, or personal care services provided to people at home or in community living settings. The Legislature provided \$2.4B in All Funds (SB 1, 89R, Article II, HHSC Rider 23) to increase the base wage for attendants from \$10.60/hr to \$13/hr, increase the payroll costs, taxes, and benefits percentage to 15% for services provided in facility settings and 14% for services provided in non-facility settings, and increase the associated administrative rate by \$0.24 per hour.

View the agenda and rate packet here: [Agenda](#) and [Rate Packet](#)

Key Takeaways:

- Testimonies argued that the \$13/hr base wage is insufficient to attract and retain staff, as other jobs offer higher wages, including those driven by another waiver that pays \$20/hr for CDS.
- Attendant services face significant issues in general—burnout, vacancies, excessive overtime, and hiring difficulties.

- Many group home and waiver providers are closing or have closed.
- The Attendant Compensation Rate Enhancement Program (ACRE) will end 8/31. This program provides additional funding to providers of community care services and services for individuals with intellectual and developmental disabilities (IDD) to enhance compensation (wages and benefits) for their attendants. These programs are voluntary for Long-Term Services and Supports (LTSS) providers.
- One speaker was concerned about CMS accepting waiver agreements in time for the 9/1 start date. If they aren't approved in time, all rates will go to the current base rate until the new rates are approved.
- Several speakers were concerned about the impact of losing ACRE on overall wages, even with the rate increase. Some facilities will actually have increases of less than 1%. One speaker argued that they are not receiving a rate increase.

Comments on Proposed Rates | [Rate Packet](#)

HHSC proposes increases to payment rates for personal attendant services in HCS, HCBS-AMH, TxHmL, and ICF/IID in accordance with the 2026-27 General Appropriations Act, Senate Bill 1, 89th Legislature, Regular Session, 2025 (Article II, HHSC, Rider 23), effective September 1, 2025.

- **Nora Estrada, Liberty Home Care (Harlingen)**
 - In favor of the discontinuation of the enhanced reimbursement program. Registered for the enhancement program 5-6 times and affected by the change only 2 times. Called to ask why she was not awarded the level she requested multiple times and never received an explanation.
- **No name or introduction given**
 - Asked if HHSC was still taking out 5.5% of ICF facilities? Was told that they not answering questions at this time.
 - ICFs are not covered for dental services.
 - Stated that HCS are "closing down left and right" but has been told that he is not able to get additional ICF licenses.
- **Carol Rabalais, Mary Lee Foundation (Austin)**
 - Minimum rate of \$13. Currently pay incoming staff \$13.50.
 - Many HCS providers are closing.
 - Spoke to the legislature in the past, but have still had issues with these rates.

- ACRE program ends 8/31—have been in the program for many years. Concerned about CMS accepting waiver agreements in time for the 9/1 start date. If they haven't been approved in time, all rates will go to the current base rate until the new rates are approved.
- Urged HHSC to push for timely federal approval and reach out to the community for a better understanding of the impact/cost report and the impact of these rates.
- **Kathy Cranston, Personal Attendant Coalition of Texas and Adaptive Texas**
 - Generally advocate for staff to have higher wages. Do not want to bring down base wages. Some attendants get \$10.60/hour, while others have been getting more and do not need to be brought down. The staff who are being brought up to \$13/hour benefit, but it's still not a livable wage.
 - Community First Choice serves across all populations. It's important to continue that funding.
- **Nancy Crother, Attendant Services Recipient**
 - Looking for attendant services since March 2025.
 - Fears being forced into a facility if attendants become more difficult to find.
 - Praised attendant services.
 - Explained that wages are lower than those offered by fast food companies.
 - Emphasized the need to get better DME and faster repairs. "I know persons who have been in their homes for over a year because their wheelchair doesn't work and that's awful."
 - Big Beautiful Bill will have a "tsunami" effect on Texas.
- **Cole Glosser, Coalition of Texans with Disabilities**
 - Supportive of base wage increase, but still finds it inefficient.
 - Notes growing demand for attendant services, and that wages are not competitive enough to entice people to pursue those jobs over food services.
 - Called it crucial to reimburse providers of tenant services adequately, such as CES services providers.
- **Sandy Baton, Providers Alliance for Community Services of Texas (PACS Texas)**
 - Appreciated that "there was some thought into how last session rate increases were applied uniformly across the board which disproportionately impacted higher levels of need," which was "corrected this time around."
 - ACRE applied only to the direct care portion of the rate, which allowed the 20% administrative rate to remain intact.

- However, after ACRE's elimination, it looks like the providers that were participating could potentially be getting zero new dollars.
- It looks like HHSC had to adjust supervision hours downward, which has prevented providers from receiving the full benefits of the new wages. Seems unintentional.
- HCS group home rates used a 14% pay roll tax and benefits factor even though the legislature clearly stated 15%. If there's a way to apply that 15% without reducing supervision hours, HHSC should. The 1% difference adds up.
- Providers believed they'd be getting a \$2.40 increase, minus ACRE.
- Providers, particularly ICF providers, struggle to understand how they'd potentially be getting zero new dollars for level of need (LON) 1 for the day or potentially 43 cents for the day for LON 5.
- Providers can't say no when someone needs group home services, but staff is short. Suggesting that HHSC increase supervision hours, especially for lower-acuity LONs.
- **Larry Hill, Hill Resources (Abilene)**
 - "Why was the legislature not fully aware of this crisis to the point that a coalition had to be formed to bring it to their attention?" HHSC should consider this.
 - Community-based IDD providers have relied on "razor-thin margins."
 - 34% staff vacancy rates and excessive overtime for existing staff.
 - Loss of ACRE exacerbated the situation as it provided a slight boost to these wages. Any proposed rate adjustments are insufficient to offset this loss—less than 1% increase in some cases.
 - Asking for rates to align with data from cost reports. Analysis of 361 audited cost reports in 2022 found that group home providers lost over \$84 million annually in infrastructure costs alone.
- **Sandra Taylor, Community Health Core in East Texas (local IDD authority for 9 counties)**
 - Addressing ICF and HCS rates. Extreme financial losses and workforce crisis.
 - Made the painful decision to terminate their ICF contract, displacing patients.
- **Laura LaVigne, ARC of Fort Bend County (Sugar Land)**
 - Closed all waiver programs and all 13 group homes in her area. 50 clients were accepted by another provider, but over 100 are looking for somewhere to go.

- **Leslie Russell, Parent of a child with an IDD who lives in a group home**
 - 1 staff person is often assigned to 3-8 clients.
 - More attention needed for levels 6, 8, and 9.
- **Debra Caudy, 29 Acres (Dallas)**
 - The blanket \$13 wage increase will cause more group homes to close.
 - Suggests that ICAP is not the best tool to use to assess LONs. Does not ask about elopement and does not identify higher-need individuals.
 - LON 6 can require one-on-one support up to 16 hours a day. There's a difference of \$31 dollars an hour from someone with LON 1 and LON 6.
- **Chris Barnhill, PermiaCare (Midland)**
 - A TCCRI white paper in August 2024 warned of the consequences of not increasing IDD services wages: closures and higher reliance on more expensive alternatives.
- **Erin Waller, Texas Council of Community Health Centers**
 - Grateful that lawmakers invested in the IDD workforce, but echoed complaints that this investment is not enough to reverse the crisis.
 - Proposed adjustments will increase in roughly 2.5% increase in revenue.
 - Reports of abuse, neglect, and exploitation are rising.
 - "Central Texas safety net hospital" said it has seen a 140% increase in IDD patients presenting to the ER.
- **Linda Bailey, Evergreen Life Services (Texarkana)**
 - Funding appropriated through riders in previous sessions made up only a small percentage of funds used on IDD services.
 - Closed first intermedial care facility in 2021.
- **Jody Brayton, Educare Community Living**
 - Small ICF with LON 1 will receive only 0.6% rate increase.
 - Small ICF with LON 5 will receive only 0.9% rate increase.
 - "Residential IDD services are also being treated differently than attendant care in application of the administration portion of the proposed rate."
- **Richard Thorne, Advo Companies (Amarillo)**
 - We have been participating in ACRE at a full level 25 since its inception.
 - ICF will give a \$1.74 increase, and HCS will get a \$6.50 increase. Will be used to cover the health insurance and liability insurance increases they just got in July.
 - "For a four-bed HCS home LON 1, assuming one staff within 24 hours, we'll have over a \$40 day shortfall. We can't give a raise on this."

- NY gets \$100k/person to provide care, while we get \$50k/person if lucky.
- Emphasized that this is not a rate increase.
- **Linda Litzinger, Texas Parent to Parent**
 - Fast food pays dollars more than attendant services.
 - Trained attendants can be lost because there's another waiver that pays \$20/hr for CDS.
 - \$13/hr was a start, but HHSC needs to create a bigger base budget and stop calling these exception items.
- **Robert Marshall, Disability Resources (Abilene)**
 - Echoed previous testimonies' concerns about \$13/hour being insufficient.
 - Proposed rates do not reflect the cost of operating 24/7 facilities that require trained staff and significant documentation.
- **Karen Towery, Evergreen Life Services (Longview)**
 - Highly active during the legislative session, especially with legislators on the finance and appropriations committee.
- Written comments on proposed payment rates may be submitted to PFD-LTSS@hhs.texas.gov instead of or in addition to oral testimony until 5:00 p.m. today.