

**08/15/2025**

## **Updates to the STAR PLUS LTSS Billing Matrices due to PDPM LTC Implementation**

### **Background:**

Effective September 1, 2025, the Texas Health and Human Services Commission (HHSC) will implement the Patient-Driven Payment Model Long-Term Care (PDPM LTC) as the new reimbursement methodology for Nursing Facilities (NF), replacing the Resource Utilization Group (RUG) methodology for members in STAR+PLUS Home and Community Based Services (HCBS).

Transitioning members to the PDPM LTC methodology will occur over time. Members will continue to have the RUG level the member was assigned on or before August 31, 2025 until the managed care organization (MCO) or Medicare-Medicaid Plan (MMP) enters a Medical Necessity and Level of Care (MN/LOC) re-assessment into the Long-Term Care Online Portal (LTCOP) on or after September 1, 2025.

HHSC requires MCOs and MMPs to ensure service authorizations and claims use codes for the member's reimbursement level on the date the service was delivered.

As a part of the transition to PDPM LTC, HHSC updated STAR+PLUS Handbook Appendix XVI (Long Term Services and Supports Codes and Modifiers), which includes changes to modifiers for assisted living (AL) and respite services. The procedure codes will remain the same (Refer to the STAR+PLUS Handbook Appendix XVI, *Long Term Services and Supports Codes and Modifiers* [attached] for more information). HHSC does not expect these changes to affect service delivery for STAR+PLUS HCBS members.

This MCO Notice:

- Communicates changes HHSC made to the STAR+PLUS Long-Term Services and Supports (LTSS) Billing Matrix as part of PDPM LTC implementation; and
- Provides MCOs and MMPs with optional, example language that may be used to communicate the changes to providers.

### **Key LTSS Billing Matrix Updates:**

Changes to the LTSS Billing Matrix as part of PDPM LTC implementation are as follows:

#### **a. Modifier Changes:**

Modifier U2: added to levels 1 and 3-6 for:

- Assisted Living Apartment (Single Occupancy); and
- Respite Care-Assisted Living (Non-Apartment).

Modifier U3: added to levels 1-2 and 4-6 for:

- Assisted Living (Non-Apartment);
- Assisted Living Apartment (Double Occupancy); and
- Respite Care-Assisted Living Apartment (Double Occupancy).

Modifier U4: added to levels 1-3 and 5-6 for:

- Respite Care-Assisted Living Apartment (Single Occupancy).

Modifier UB: added to:

- Level 3 for Assisted Living (Non-Apartment); and
- Level 2 for Respite Care-Assisted Living (Non-Apartment).

Modifier UA: added to:

- Level 2 for Assisted Living (Single Occupancy);
- Level 3 for Assisted Living (Double Occupancy);
- Level 3 for Respite Care-Assisted Living (Double Occupancy); and
- Level 4 for Respite Care-Assisted Living (Single Occupancy).

#### b. PDPM LTC Service Category Mapping

The updated STAR+PLUS LTSS Billing Matrices introduce the following PDPM LTC service categories that will be used for members with a PDPM LTC level utilizing AL and respite services. These categories align with the PDPM LTC level that correlates with the results of a member's MN/LOC assessment:

- AL and Respite Level 1: E1Y, E2Y, E3Y, E1X, E2X, E3X
- AL and Respite Level 2: H1Y, H2Y, H3Y, H1X, H2X, H3X
- AL and Respite Level 3: C1Y, C2Y, C3Y, C1X, C2X, C3X
- AL and Respite Level 4: L1Y, L2Y, L3Y, L1X, L2X, L3X
- AL and Respite Level 5: B1Y, B2Y, B3Y, B1X, B2X, B3X
- AL and Respite Level 6: P1Y, P2Y, P3Y, P1X, P2X, P3X, Z01, PCE

#### **Action:**

As explained in MCO Notice *Upcoming Changes to STAR+PLUS Billing Codes and Modifiers: Transition to PDPM LTC Model* (July 10, 2025), MCOs and MMPs are contractually required to ensure their network providers are informed about how the updates to the billing codes and modifiers will affect requirements for prior authorizations and claims submissions.

Under the Medicaid managed care contracts, MCOs and MMPs must provide their network providers with clear and timely information about the revisions to the billing codes and modifiers. HHSC expects MCOs and MMPs to direct their network providers to:

- Review the updated long-term services and supports (LTSS) billing matrices and use the new procedure codes and modifiers when submitting prior authorizations and claims;
- Adjust prior authorizations to align with the revised LTSS billing codes;
- Update internal systems and billing processes to reflect the transition from RUG to PDPM LTC billing requirements; and
- Follow updated procedures to avoid Electronic Visit Verification (EVV) issues and prevent claim rejections related to the new billing codes and modifiers.

MCOs and MMPs may (but are not required to) use the example notification language in the attachment, *STAR+PLUS PDPM LTC Implementation Provider Notification Language*, when informing network providers of the updates.

**Resources:**

<b>Attachments:</b>	<p>STAR+PLUS Handbook Appendix XVI, Long Term Services and Supports Codes and Modifiers</p> <p>STAR+PLUS PDPM LTC Implementation Provider Notification Language</p> <p>MCO Notice - Upcoming Changes to STAR+PLUS Long-Term Services and Support (LTSS) Billing Codes and Modifiers: Transition to PDPM LTC Model (July 10, 2025)</p>
<b>Other:</b>	<p><a href="#">STAR+PLUS   Provider Finance Department</a></p>

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**Attachment:**

STAR+PLUS PDPM LTC Implementation Provider Notification Language (EXAMPLE LANGUAGE).docx sph\_rev25-3\_appendix\_xvi\_billing\_matrix\_final\_approved.xlsx Upcoming Changes to STAR+PLUS LTSS Billing Codes and Modifiers\_ Transition to PDPM LTC Model.pdf

**Type:** Action Required

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