

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street, Room 833
Dallas, Texas 75202



Division of Medicaid & Children's Health, Region VI

August 10, 2010

Our Reference: SPA TX 05-010B

Mr. Billy Millwee
Associate Commissioner for Medicaid & CHIP
Health and Human Services Commission
Post Office Box 13247
Mail Code: H100
Austin, Texas 78711

Dear Mr. Millwee:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 05-010B, dated September 28, 2005. This amendment revises the reimbursement methodology for Day Activity Health Services (DAHS) for services on or after September 1, 2005 through August 31, 2007.

As previously communicated to the State, CMS is issuing a companion letter in conjunction with our approval of SPA 05-010B in which we request the State to clarify coverage issues relating to Day Activity Health Services (DAHS). It was determined that certain areas in the coverage section were not consistent with current guidance and regulations at 42 CFR 440.130(d). Please be mindful of the timeframes referenced in the companion letter.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of September 1, 2005. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.

If you have any questions, please contact Ford J. Blunt at (214) 767-6381.

Sincerely,

Bill Brooks
Associate Regional Administrator

Enclosures

Cc: Emily Zalkovsky, Policy Development Support

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES

1. TRANSMITTAL NUMBER:

05-010B

2. STATE:

TEXAS

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE:

September 1, 2005

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE AND MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Circle One):

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR §440.130(d)

7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT

- a. FFY 2005 **\$57,929**
b. FFY 2006 **\$696,834**
c. FFY 2007 **\$743,239**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

SEE ATTACHMENT TO BLOCKS 8 AND 9

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

SEE ATTACHMENT TO BLOCKS 8 AND 9

10. SUBJECT OF AMENDMENT:

The proposed amendment revises the reimbursement methodology for Day Activity and Health Services to change the method for determining the rates for the period of September 1, 2005, through August 31, 2007.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Billy Millwee

14. TITLE:
State Medicaid Director

15. DATE SUBMITTED:
September 28, 2005

16. RETURN TO:

**Billy Millwee
State Medicaid Director
Post Office Box 13247, MC: H-100
Austin, Texas 78711-5200**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **29 September, 2005**

18. DATE APPROVED: **10 August, 2010**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
1 September, 2005

20. SIGNATURE OF REGIONAL OFFICIAL:
**Associate Regional Administrator
Div of Medicare & Children's Health**

21. TYPED NAME:
Bill Brooks

23. REMARKS:

- (D) Recommended payment rate for each cost area component. The median projected unit of service from each cost area is determined. The median cost component for each of the three cost areas is multiplied by 1.044 to calculate the recommended payment rate for each cost area.
- (3) Total recommended payment rate. The recommended payment rate is determined by summing the recommended payment rates described in IX (2) and the cost area component from IX (1)(A).
- (4) For rates effective September 1, 2003 through August 31, 2005, the total recommended payment rate will be equal to the rates in effect August 31, 2003 less 1.1%.
- (5) For rates effective September 1, 2005 through August 31, 2007, the total recommended payment rate will be equal to the rates in effect August 31, 2003. All rates are available through the agency's website as outlined on Attachment 4.19-B, Page 1.

SUPERSEDES: TN- 03-19

STATE	<u>Texas</u>	A
DATE REC'D	<u>9-29-05</u>	
DATE APPV'D	<u>8-10-10</u>	
DATE EFF	<u>9-1-05</u>	
HOEA 179	<u>05-10(B)</u>	

TN No. 05-10(B)

Approval Date 8-10-10

Effective Date 9-1-05

Supersedes TN No. 03-19