

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

November 12, 2009

Our Reference: SPA TX 07-030

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

Dear Mr. Traylor:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 07-030, dated August 15, 2007. The purpose of this plan amendment is to modify the Medicaid reimbursement methodology for tuberculosis (TB) clinics by removing the 2.5 percent reduction. This language removal assures that the state plan and the current methodology are congruent.

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, 2007. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

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

Sincerely,

/s/

Bill Brooks
Associate Regional Administrator

Enclosures

cc: Tamela Griffin, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: TX 07-030	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTER FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: September 1, 2007	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR § 440.90		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. F.Y. 2007 \$0 b. F.Y. 2008 \$0 c. F.Y. 2009 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT	
10. SUBJECT OF AMENDMENT: The purpose of this amendment is to modify the Medicaid reimbursement methodology for tuberculosis (TB) clinics. Current state plan language directs HHSC to reduce TB clinic payments by 2.5 percent. This language has been in place since September 1, 2003, but a corresponding reduction in provider payments was never implemented. The removal of this language assures that our State Plan and our current reimbursement methodology are congruent.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: Chris Traylor		Chris Traylor State Medicaid Director Post Office Box 85200 Austin, Texas 78711-5200	
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: 8/13/07			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 15 August, 2007		18. DATE APPROVED: 12 November, 2009	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 September, 2007		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Div of Medicaid & Children's Health	
23. REMARKS:			

(3) The cost-based encounter rates are developed from a clinical service model that represents the components of services delivered to all classes of clients. The model will utilize the time-motion and cost data collected from a representative sample of providers. Providers will collect the following data components by each individual service category on daily log sheets:

- (a) type of provider delivering service,
- (b) time required to deliver service,
- (c) type of examination,
- (d) service code, and
- (e) classification of client.

Data will be consolidated from the sample and linked to the service model to determine actual costs for each type of examination. Case coordination services will be included in the actual encounter rate development.

(4) The actual costs associated with medications will be updated annually based on the most current state contract prices.

(e) Inflation Adjustments. During the interim periods between the re-basing of the cost-studies, the department may make, subject to the availability of funds, adjustments to the various encounter rates to account for general inflation. To account for general inflation, the encounter rates may be adjusted by the forecasted rate of change of the Implicit Price Deflator – Personal Consumption Expenditures (IPD-PCE). To prospectively inflate the encounter rates, the department uses the lowest feasible IPD-PCE forecast consistent with the forecasts of nationally recognized sources available to the department.

SUPERSEDES: TN- 03-19

STATE <u>Texas</u>	A
DATE REC'D <u>8-16-07</u>	
DATE APPV'D <u>11-12-09</u>	
DATE EFF <u>9-1-07</u>	
HCFA 179 <u>07-30</u>	