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 09-044

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 09-044, dated December 22, 2009. This amendment modifies the rate methodology for the Attendant Compensation Rate Enhancement (ACRE) for the Day Activity Health Services (DAHS) program adding five new enhancement levels, resulting in 25 total levels.

As previously communicated to the State, CMS issued a companion letter in conjunction with our approval of SPA 05-010B in which we requested the State to clarify coverage issues relating to Day Activity Health Services (DAHS). As referenced, that companion letter also applies to this SPA approval. 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 that companion letter.

Additionally, please note that when the State submits a State Plan Amendment (SPA) that may impact Indians or Indian health providers, CMS will look for evidence of the State's Tribal consultation process for that SPA. Pursuant to the new section 1902(a)(73) of the Act added by section 5006(e) of the American Recovery and Reinvestment Act (ARRA) of 2009, the State must submit evidence to CMS regarding the solicitation of advice prior to submission of the State Plan Amendment. Such consultation must include all federally-recognized tribes, Indian Health Service and Urban Indian Organizations within the State.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of November 1, 2009. 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

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