



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

THOMAS M. SUEHS
EXECUTIVE COMMISSIONER

October 5, 2010

Mr. Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health
Centers for Medicare and Medicaid Services
Department of Health and Human Services
1301 Young Street, Room 833
Dallas, Texas 75202

Dear Mr. Brooks:

The purpose of this letter is to submit transmittal number 10-054, amendment number 947 to the Texas State Plan for Medical Assistance under Title XIX of the Social Security Act. The proposed amendment updates the reimbursement methodology for specialized rehabilitation services. The amendment ends the use of the Time and Financial Information (TAFI) data collecting tool. In its place, the Random Moment Time Study will be implemented and a new cost report will be developed to collect cost information. The requested effective date for the proposed amendment is October 1, 2010.

Please let me know if you have any questions or need additional information. Emily Zalkovsky, Manager for Policy Development Support in the Medicaid and CHIP Division, serves as the lead staff on this matter and can be reached at (512) 491-2078 or by e-mail at emily.zalkovsky@hhsc.state.tx.us.

Sincerely,

Billy R. Millwee
State Medicaid Director

Attachments

cc: Ford Blunt, CMS
Billy Bob Farrell, CMS
Scott Harper, CMS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 10-054	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: October 1, 2010	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment) <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
6. FEDERAL STATUTE/REGULATION CITATION: Social Security Act § 1915(g) (42 USC §1396n(g))		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2010 \$0 b. FFY 2011 \$0 c. FFY 2012 \$0	
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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT TO BLOCKS 8 AND 9	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 updates the reimbursement methodology for specialized rehabilitation services. The amendment ends the use of the Time and Financial Information (TAFI) data collecting tool. In its place, the Random Moment Time Study will be implemented and a new cost report will be developed to collect cost information.			
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: Billy R. Millwee State Medicaid Director Post Office Box 13247 MC:H-100 Austin, Texas 78711	
13. TYPED NAME: Billy R. Millwee			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED October 5, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED:	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			

Attachment to Block 7 of CMS Form 179

TX Transmittal No. 10-054, Amendment No. 947

	Total Fiscal Impact	Federal	State
FFY 2010	\$0	\$0	\$0
FFY 2011	\$0	\$0	\$0
FFY 2012	\$0	\$0	\$0

There is no fiscal impact to either the state or federal budgets.

Attachment to Blocks 8 and 9 of CMS Form 179

TX Transmittal No. 10-054, Amendment 947

**Number of the
Plan Section or Attachment**

Attachment 4.19-B
Page 39

**Number of the Superseded
Plan Section or Attachment**

Attachment 4.19-B
Page 39 (TN 10-14)

47. Specialized Rehabilitation Services

- (a) The Commission determines a prospective uniform reimbursement rate for the Texas Early Childhood Intervention Program (ECI) Medicaid programs. Early Childhood Intervention program providers are reimbursed according to the reimbursement methodology. The Commission determines the rate based on costs contained in the ECI providers' Time and Financial Information (TAFI) reports, which are reported on a quarterly basis. The recommended rate is determined in the following manner:
 - (1) Salaries and benefits for staff delivering services are added to allocated costs for ECI overhead and host agency administration costs. Allocations are made using time study information from the TAFI reports.
 - (2) These total costs for services are divided by the total direct service hours to calculate a cost per hour.
 - (3) The resulting total cost per hour for services is projected from the historical reporting period to the perspective rate period using the Personal Consumption Expenditures (PCE) Chain -Type Index.
 - (4) The projected total cost per hour for services is the proposed reimbursement rate. The reimbursement rate will be paid on an hourly basis, and will be pro-rated for 15-minute intervals.
 - (5) The provider's reported costs will be examined annually to determine if it is necessary to re-base the rate.
- (b) The Commission establishes the reimbursement rate following a public meeting after consideration of financial and statistical information and public testimony.
- (c) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, Page 1.
- (d) The rate of \$119.69 per hour, which has been in effect since October 1, 2006, is adjusted by applying inflation from federal fiscal year 2007 to federal fiscal year 2010 of 5.71 percent to calculate a new rate of \$126.52 to be effective March 15, 2010.
- (e) Beginning October 1, 2010, the TAFI system to collect time and financial information will no longer be used. Effective October 1, 2010, the Random Moment Time Study (RMTS) will be implemented and a new cost report will be developed to collect cost.
- (f) The agency's fee schedule was revised with a new rate for specialized rehabilitation services effective for services on or after March 15, 2010. The new rate was posted within 30 days of approval by CMS.

TN No. _____

Approval Date _____

Effective Date _____

Supersedes TN No. _____

Standard Funding Questions
TX Transmittal No. 10-054, Amendment No. 947

The following questions are being asked and should be answered in relation to all payments made to all providers reimbursed pursuant to a methodology described in Attachment 4.19-B of this SPA. For SPAs that provide for changes to payments for clinic or outpatient hospital services or for enhanced or supplemental payments to physician or other practitioners, the questions must be answered for all payments made under the state plan for such service.

1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.).

Response: All providers retain all of the Medicaid payments.

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local government entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:
 - (i) a complete list of the names of entities transferring or certifying funds;
 - (ii) the operational nature of the entity (state, county, city, other);

- (iii) the total amounts transferred or certified by each entity;
- (iv) clarify whether the certifying or transferring entity has general taxing authority; and,
- (v) whether the certifying or transferring entity received appropriations (identify level of appropriations).

Response: The state share of the Medicaid payments made to providers is funded by legislative appropriations to the Texas Department of Assistive and Rehabilitative Services. Projected expenditures in fiscal year 2010:

Total =	\$ 25,940,986
Federal =	\$ 14,074,145
State =	\$ 11,866,841

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.

Response: There are no supplemental or enhanced payments made to providers of these services.

4. Please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State owned or operated, non-state government owned or operated, and privately owned or operated). Please provide a current (i.e. applicable to the current rate year) UPL demonstration.

Response: Not applicable. These services are not inpatient hospital, outpatient hospital, or clinic services.

5. Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?

Response: The rate for providers of this service is the same for both governmental and nongovernmental providers of the service, as documented on Page 1 of Attachment 4.19-B. There are no cost reconciliation or cost settlement processes for these services.

Steve Aragon
Chief Counsel
Texas Health and Human Services Commission
Filed: August 25, 2010

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Public Notice

The Texas Health and Human Services Commission announces its intent to submit an amendment to the Texas State Plan for Medical Assistance, under Title XIX of the Social Security Act. The proposed amendment is effective October 1, 2011.

The amendment modifies the current reimbursement methodology in the Texas Medicaid State Plan for Specialized Rehabilitation Services for Infants and Toddlers with Development Delays program by ending the Time and Financial Information (TAFI) system that is used to set reimbursement rates for providers of Specialized Rehabilitation Services effective October 1, 2010 replacing it with the Random Moment Time Study (RMTS) and a new cost report will be developed to collect cost. The proposed amendment has no fiscal impact.

Interested parties may obtain copies of the proposed amendment by contacting Dan Huggins, Director of Rate Analysis for Acute Care Services, by mail at the Rate Analysis Department, Texas Health and Human Services Commission, P.O. Box 85200, H-400, Austin, Texas 78708-5200; by telephone at (512) 491-1432; by facsimile at (512) 491-1998; or by e-mail at dan.huggins@hhsc.state.tx.us. Copies of the proposals will also be made available for public review at the local offices of the Texas Department of Aging and Disability Services.

TRD-201005012
Steve Aragon
Chief Counsel
Texas Health and Human Services Commission
Filed: August 26, 2010

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Texas Department of Insurance

Company Licensing

Application to change the name of HORACE MANN LLOYDS to HML INSURANCE COMPANY, a domestic Lloyds. The home office is in Houston, Texas.

Application for admission to the State of Texas by SECHANGE HEALTH INSURANCE COMPANY, INC., a foreign life, accident, and/or health company. The home office is in Columbus, Ohio.

Any objections must be filed with the Texas Department of Insurance, within 20 calendar days from the date of the *Texas Register* publication, addressed to the attention of Godwin Ohaechesi, 333 Guadalupe Street, M/C 305-2C, Austin, Texas 78701.

TRD-201005154
Gene C. Jarmon
General Counsel and Chief Clerk
Texas Department of Insurance
Filed: September 1, 2010

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Notice of Opportunity to Witness a Presentation Regarding Workers' Compensation Loss Cost Filing by the National Council on Compensation Insurance

TO: Texas Employers, Manufacturers, Insurance Companies, Corporations, Exchanges, Mutuals, Reciprocal, Associations, Lloyds, or

Other Insurers Writing Workers Compensation and Employers' Liability Insurance in the State of Texas, Their Agents and Representatives, and to the Public Generally

The National Council on Compensation Insurance (NCCI) made a Loss Cost filing for workers' compensation on August 12, 2010. NCCI made the filing in its capacity as an advisory organization and pursuant to provisions of the Texas Insurance Code.

On September 28, 2010, NCCI will make two (2) presentations regarding its Loss Cost filing. Interested persons can participate in the presentations on September 28, 2010 in one of two ways: in person in Room 100 of the William P. Hobby Building, 333 Guadalupe Street, Austin, Texas or via the telephone/Internet by accessing AT&T Web Meeting. There will be a presentation at 9:30 a.m. Central Standard Time and the same presentation again at 1:30 p.m. Central Standard Time. There is a maximum of 200 remote participants for each presentation.

Lori Lovgren and Ann Marie Smith from NCCI will make the presentations. For those who want to participate remotely, computer access to view the power point presentation will be provided through the Web Meeting Address of <https://www.webmeeting.att.com> and telephone access will be provided through the Meeting Telephone Number (877) 226-9790. The Access Code for both the computer and telephone for the web meeting is 9252502.

Participants by telephone/Internet or at the live presentation will have an opportunity to present questions about the filing and the presentation. Representatives of NCCI and TDI staff will be available for questions.

Copies of the NCCI Loss Cost Filing are available for review from the Property and Casualty Actuarial Division of the Texas Department of Insurance, 333 Guadalupe Street, Austin, Texas 78701 during regular business hours. For further information please contact Linda Turner by telephone at (512) 475-3017 or by email at lpactuarial@tdi.state.tx.us.

TRD-201005153
Gene C. Jarmon
General Counsel and Chief Clerk
Texas Department of Insurance
Filed: September 1, 2010

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Legislative Budget Board

Request for Qualifications

The Legislative Budget Board (LBB) issues this Request for Qualifications (RFQ) to pre-qualify vendors to assist the LBB in conducting a variety of performance reviews of Texas School and Community College Districts (Districts). Vendors may apply to be pre-qualified to provide expertise related to one or more of the functional areas listed in Section 3.2 of the RFQ.

Contact: The LBB is the Issuing Office and the sole point of contact for the RFQ. The RFQ is available on <http://esbd.cpa.state.tx.us/> (click on View Newest Postings). Questions concerning the RFQ must be in writing and addressed to:

Legislative Budget Board

Fax: (512) 475-2902

E-mail: contract.manager@lbb.state.tx.us

Closing Date: Applications must be received in the issuing office at the address specified above no later than 5:00 p.m. CZT, on August 31, 2011. Proposals received after this time and date will not be consid-



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

THOMAS M. SUEHS
EXECUTIVE COMMISSIONER

July 29, 2010

Angela Young
Administrative Director
Urban Inter-Tribal Center of Texas
209 E. Jefferson Blvd.
Dallas, Texas 75203-2690

Dear Ms. Young:

The American Recovery and Reinvestment Act (ARRA) of 2009 requires states to consult with designees of Indian health programs and Urban Indian Organizations regarding Medicaid and Children's Health Insurance Program (CHIP) matters having a direct effect on Indians, Indian health programs or Urban Indian Organizations. The purpose of this letter is to notify the Urban Inter-Tribal Center of Texas that the Texas Health and Human Services Commission (HHSC) is submitting the following amendments to the Medicaid state plan.

- Transmittal Number 10-046, Amendment 939 - The purpose of amendment is to exempt certain groups enrolled in the Medicaid Buy-in (MBI) program (for adults with a disability or age 65 and older who are working in Texas) from being required to pay premiums or other cost sharing charges. The groups include American Indians and Alaska Natives and persons residing in a federally-declared disaster area. The requested effective date for the proposed amendment is February 3, 2011.
- Transmittal Number 10-052, Amendment 945 - The purpose of this amendment is to update the service description of targeted case management provided to infants and toddlers with developmental delays. The update is necessary to ensure compliance with federal guidelines located in the Code of Federal Regulations, Title 42, Sections 440.169 and 441.18. The requested effective date for the proposed amendment is September 1, 2010.
- Transmittal Number 10-053, Amendment 946 - The purpose of this amendment is to update the reimbursement methodology for targeted case management provided to infants and toddlers with developmental delays by removing references to the Time and Financial Information (TAFI) data collecting tool. The requested effective date for the proposed amendment is October 1, 2010.
- Transmittal Number 10-054, Amendment 947 - The purpose of this amendment is to update the reimbursement methodology for specialized rehabilitation services provided to infants and toddlers with developmental delays by removing references to the Time and Information (TAFI) data collecting tool. The requested effective date for the proposed amendment is October 1, 2010.

Ms. Young
July 29, 2010
Page 2

If you have questions or need additional information regarding the tribal consultation process, please contact Michelle Erwin, Policy Analyst and Tribal Liaison in the Medicaid and CHIP Division, at (512) 491-1145 or by e-mail at michelle.erwin@hhsc.state.tx.us. To obtain copies of the proposed amendment, or if you have questions regarding the amendment, please contact me at PO Box 13247, Austin, Texas 78711; by telephone at (512) 491-2078; by facsimile at (512) 491-1953; or by e-mail at emily.zalkovsky@hhsc.state.tx.us.

Sincerely,

Emily Zalkovsky
Manager, Policy Development Support