

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



**Center for Medicaid, CHIP, and Survey & Certification**

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

FEB - 2 2011

RE: TN 10-83

Dear Mr. Millwee:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 10-83. This amendment revises the reimbursement methodology for nursing facilities to indicate that payment rates effective February 1, 2011 will be equal to rates in effect August 31, 2010, less three percent.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. As part of the review process the State was asked to provide information regarding access to care issues and the funding of the State share of expenditures under Attachment 4.19-D. Based upon your assurances, Medicaid State plan amendment 10-83 is approved effective February 1, 2011. We are enclosing the HCFA-179 and the amended plan page.



If you have any questions, please call Sandra Dasheiff, CPA at (214) 767-6490.

Sincerely,



Cindy Mann  
Director, CMCS

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE AND MEDICAID</b>		1. TRANSMITTAL NUMBER: <b>10-083</b>	2. STATE: <b>TEXAS</b>
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: <b>February 1, 2011</b>	
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 §440.155 Section 1905(a)(4)(A) and (B) of the Social Security Act		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2011      \$(23,776,900) b. FFY 2012      \$(31,243,404) c. FFY 2013      \$(31,243,404)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable): <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>	
10. SUBJECT OF AMENDMENT: <b>The proposed amendment will revise the reimbursement methodology for nursing facilities to indicate that payment rates effective February 1, 2011 will be equal to rates in effect August 31, 2010, less 3.00 percent.</b>			
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 <b>Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.</b> <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: <b>Billy R. Mihwee State Medicaid Director Post Office Box 85200 Austin, Texas 78711-5200</b>	
13. TYPED NAME: <b>Billy R. Mihwee</b>			
14. TITLE: <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>December 29, 2010</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>29 Dec, 2010</b>		18. DATE APPROVED: <b>02-02-11</b>	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>FEB - 1 2011</b>		20. 	
21. TYPED NAME: <b>William Lasowski</b>		22. TITLE: <b>Deputy Director, CMCS</b>	
23. REMARKS:			

**Attachment to Blocks 8 & 9 to CMS Form 179**

**Transmittal No. 10-083**

**Number of the  
Plan Section or Attachment**

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

Attachment 4.19-D, NF  
Page 4e.4

Attachment 4.19-D, NF  
Page 4e.4 (TN 10-039)

**Reimbursement Methodology for Nursing Facilities (continued)**

- (G) Effective September 1, 2010 through January 31, 2011, for each RUG-III and supplemental reimbursement group, each rate component will be equal to the rate component in effect on August 31, 2010, less 1.00 percent. Rate components include the direct-care staff base-rate component, direct-care staff enhancement add-on rate component, other recipient care rate component, dietary rate component, general/administration rate component, fixed capital asset use fee component, and liability insurance rate component.
- (H) Effective February 1, 2011, for each RUG-III and supplemental reimbursement group, each rate component will be equal to the rate component in effect on August 31, 2010, less 3.00 percent. Rate components include the direct-care staff base-rate component, direct-care staff enhancement add-on rate component, other recipient care rate component, dietary rate component, general/administration rate component, fixed capital asset use fee component, and liability insurance rate component. These rates will be posted on the agency's website at <http://www.hhsc.state.tx.us/Medicaid/programs/rad/index.html> on February 1, 2011.

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TN 10-83

Approval Date FEB - 2 2011

Effective Date 2-1-11

Supersedes TN 10-39

**Marks, Marsha L. (CMS/SC)**

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**From:** Cooley, Mark S. (CMS/CMSO)  
**Sent:** Wednesday, February 02, 2011 12:59 PM  
**To:** Dasheiff, Sandra (CMS/CMCHO)  
**Cc:** Brooks, Bill D. (CMS/CMCHO); GOLDSTEIN, STUART S. (CMS/CMSO); Marks, Marsha L. (CMS/SC)  
**Subject:** Approval Package TX 10-083  
**Attachments:** TX 10-083.pdf

Approval package for Texas 10-083