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State/Territory Name: Texas

State Plan Amendment (SPA) #: 18-0024

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

February 21, 2019

Ms. Stephanie Muth
State Medicaid/CHIP Director
Health and Human Services Commission
Mail Code: H100
Post Office Box 13247
Austin, Texas 78711

RE: TN 18-0024

Dear Ms. Muth:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 18-0024. The proposed amendment will allow the Texas Health and Human Services Commission (HHSC) to make Medicaid Direct Graduate Medical Education payments to nine non-state government-owned and operated teaching hospitals.

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.

Based upon the information provided by the State, Medicaid State plan amendment 18-0024 is approved effective October 1, 2018. We are enclosing the CMS-179 and the new plan page.



If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A black rectangular redaction box covering the signature of Kristin Fan.

Kristin Fan
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 18-0024	2. STATE: TEXAS
		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: October 1, 2018	
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 §440.10 and 42 CFR §440.20		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2019 \$ 49,421,684 b. FFY 2020 \$ 51,714,837 c. FFY 2021 \$ 51,714,837	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT TO BLOCKS 8 & 9		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT TO BLOCKS 8 & 9	
10. SUBJECT OF AMENDMENT: The proposed amendment will allow the Texas Health and Human Services Commission (HHSC) to make Medicaid GME payments to non-state government-owned and operated teaching hospitals. The non-federal share of the payments will be provided by the governmental entity that owns and operates the hospital, through intergovernmental transfers to HHSC.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Stephanie Muth State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
13. TYPED NAME: Stephanie Muth			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: December 21, 2018			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: December 21, 2018		18. DATE APPROVED: FEB 21 2019	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2018		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Fan		22. TITLE: Director, FMG	
23. REMARKS:			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 18-0024

**Number of the
Plan Section or Attachment**

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

Attachment 4.19-A
Page 10g

Attachment 4.19-A
Page 10g (08-0025)

<p>State: Texas Date Received: December 21, 2018 Date Approved: FEB 21 2019 Date Effective: October 1, 2018 Transmittal Number: 18-0024</p>

Inpatient Direct Graduate Medical Education (GME) Reimbursement, Continued

- (D) Inpatient direct medical education costs are removed from the reimbursement methodology and not used in the calculation of the provider's inpatient cost settlement.
 - (E) The DGME interim payments will be reimbursed on a Quarterly basis only after hospital services have been rendered. The interim payments will be payable within 90 days of the receipt of the hospital's quarterly FTE data. Each hospital's quarterly FTE data will be divided by 4 to determine the average FTE's for each quarter. The interim payments will be reconciled and settled based on audited final cost report.
- (a) Inpatient Direct Graduate Medical Education (GME) Cost Reimbursement for non-state government-owned and operated teaching hospitals.
- (1) Effective October 1, 2018, HHSC or its designee reimburses non-state government-owned and operated teaching hospitals Inpatient Direct Graduate Medical Education (GME) Cost for hospital cost reports ending in state fiscal year 2019.
 - (2) Definitions
 - (A) Non-state government-owned and operated teaching hospital - a hospital with a properly approved medical residency program that is owned and operated by a local government entity, including but not limited to, a city, county, or hospital district.
 - (B) FTE residents - the hospital's number of full time equivalent (FTE) interns, residents, or fellows who participate in a program that is determined by HHSC to be a properly approved medical residency program including a program in osteopathy, dentistry, or podiatry, as required in order to become certified by the appropriate specialty board.
 - (C) Medicare per resident amount (PRA) - average direct cost per medical resident, as reported on the Hospital Cost Report; CMS Form 2552-10; Worksheet E-4; Line 18.
 - (D) GME Medicaid inpatient utilization percentage - the hospital's proportion of paid Medicaid inpatient days, including managed care days, divided by the hospital's total inpatient days, as reported on Hospital Cost Report; CMS Form 2552-10; Worksheet S-3; Part 1; columns 7 and 8.
 - (3) HHSC calculates the total annual DGME payment for each hospital as follows:
 - (A) Multiplies the FTE residents by the Medicare per resident amount;
 - (B) Multiplies the result in (A) by the GME Medicaid inpatient utilization percentage.
 - (4) No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.

TN: 18-0024
Supersedes TN: 08-25

Approval Date: FEB 21 2019
Effective Date: 10-01-2018

State: Texas
Date Received: December 21, 2018
Date Approved: FEB 21 2019
Date Effective: October 1, 2018
Transmittal Number: 18-0024