



## Center for Medicaid and CHIP Services

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December 4, 2014

Ms. Kay Ghahremani  
Medicaid Director  
Texas Health and Human Services Commission  
P.O. Box 13247  
Austin, TX 78711

Dear Ms. Ghahremani,

We are writing to discuss recent changes made to home and community-based services (HCBS) regulations that include implications for your §1115 Demonstration, the Texas Healthcare Transformation. Amendments were made effective March 17, 2014 under 42 CFR Part 441.301, 441.302, and 441.304 to regulations regarding home and community-based services under §1915(c) of the Social Security Act. Because your §1115 Demonstration refers to the 1915(c) authority for HCBS services, and because there is not a waiver of this authority in your Demonstration, your program must comply with these regulatory changes.

The key components of relevance to your demonstration include:

1. Regulatory changes to Person-Centered Planning found at 42 CFR 441.301(c)(1), (2) and (3)
2. Regulatory changes to what comprise home and community-based (HCB) settings found at 42 CFR 441.301(c)(4), and (5), and
3. Regulations on how transition plans may be used to bring HCB settings into compliance found at 42 CFR 441.301(c)(6)

Further information about the requirements and some helpful tools can be found at <http://www.medicaid.gov/medicaid-chip-program-information/by-topics/long-term-services-and-supports/home-and-community-based-services/home-and-community-based-services.html>, and Technical Assistance is available upon request.

For purposes of your §1115 Demonstration, we are requiring that you address the application of the HCBS regulation to all HCBS services provided through the Demonstration in your statewide transition plan due by March 17, 2015. You are not required to submit a §1115-specific transition plan, unless your §1115 is the only HCBS authority in your state. If that is the case the §1115-specific transition plan is due by March 17, 2015. If you have an earlier due date for your Statewide Transition Plan (due to having an earlier 1915(c) renewal or amendment), you may choose whether you will include the §1115 services in the earlier Statewide Plan, or amend the Statewide Transition Plan by March 17, 2015 to include those services.

Please contact your §1115 Project Officer, Brenda Blunt at 410-786-8802 or [Brenda.Blunt@cms.hhs.gov](mailto:Brenda.Blunt@cms.hhs.gov) if you have questions regarding this letter. For questions related to compliance with the final HCBS regulation, please contact Dianne Kayala at 410-786-3417 or

[Dianne.Kayala@cms.hhs.gov](mailto:Dianne.Kayala@cms.hhs.gov). We look forward to working with you on the implementation of these important provisions for some of our most vulnerable beneficiaries.

Sincerely,

/s/

Cindy Mann  
Director