



Children and Adults Health Programs Group

May 21, 2014

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

Dear Ms. Ghahremani:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving revisions to attachments H, I, J, and K, as well as technical corrections to Texas's 1115 demonstration, entitled Texas Healthcare Transformation and Quality Improvement Program (Project Number 11-W-00278/6).

The revisions to attachment H (Uncompensated Care Claiming Protocol and Application) allow hospitals to claim uncompensated care pool payments for services provided by mid-level professionals and also updates the list of ambulance providers eligible for uncompensated care pool payments.

The revisions to attachment I (Regional Health Partnership (RHP) Planning Protocol) and attachment J (Program Funding and Mechanics Protocol) update the outcome metrics for Texas's Delivery System Reform Incentive Payment (DSRIP) pool. Specifically, these protocol revisions eliminate the option for "off-menu" Category 3 outcomes and add additional outcome measures to the RHP planning protocol in order to ensure that all DSRIP providers can measure the impact of their DSRIP projects according to common standards and specifications.

Attachment K (Administrative Cost Claiming Protocol) is updated to include an administrative cost claiming protocol for RHP anchor entities to claim Federal Financial Participation (FFP) for Medicaid administrative expenditures necessary to implement and operate the DSRIP component of this demonstration.

Finally, CMS is approving your requested technical corrections to the special terms and conditions (STCs) approved on March 6, 2014. These technical corrections address the following issues:

- Delaying the effective date for the nursing facility carve-in from September 1, 2014 to March 1, 2015;
- Correcting the budget neutrality to reflect the delay in the nursing facility carve-in; and
- Updating the definition of supported employment.

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Your CMS point of contact is Dr. Paul Boben. He is available to answer any questions concerning your section 1115 demonstration. Dr. Boben's contact information is as follows:

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Center for Medicaid & CHIP Services
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Mail Stop: S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-1055
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E-mail: paul.boben@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Dr. Boben and to Mr. Bill Brooks, Associate Regional Administrator in our Dallas Regional Office. Mr. Brook's address is:

Bill Brooks
Centers for Medicare & Medicaid Services
1301 Young St. Suite 714
Dallas, TX 75202
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If you have questions regarding this approval, please contact Mr. Eliot Fishman, Director, Children and Adults Health Programs Group, Center for Medicaid & CHIP Services at (410) 786-5647.

Sincerely,

/s/

Diane T. Gerrits
Director
Division of State Demonstrations and Waivers

Enclosures

cc: Eliot Fishman, CMCS
Bill Brooks, Associate Regional Administrator, Region VI