

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 and CHIP Services
Children and Adults Health Programs Group

August 31, 2012

Billy Millwee
Deputy Executive Commissioner, Office of Health Services
Texas Health and Human Services Commission
11209 Metric Blvd, Building H, Mail Code H100 PO Box 85200
Austin, TX 78758

Dear Mr. Millwee:

Thank you to you and your staff for your work on the Program Funding and Mechanics (PFM) Protocol for the Delivery System Reform Incentive Payment (DSRIP) pool, which is a component of the State's section 1115 demonstration, entitled "Texas Healthcare Transformation and Quality Improvement Program." This PFM Protocol lays the groundwork for the State and CMS's ongoing collaboration on DSRIP activities to achieve our shared goals of meaningful delivery system reform in Texas. We are writing to approve the State's latest revision of the PFM Protocol, submitted August 30, 2012.

We look forward to continuing to work with the State and the Regional Health Partnerships (RHPs) in the development of region-wide transformation plans to promote accountability in Federal funding by achieving measurable improvements in the delivery of care to Medicaid beneficiaries and underserved populations. We encourage a broad spectrum of providers to participate in DSRIP projects, and expect the RHPs to be transparent in the development of their DSRIP plans so that the public can provide meaningful input. We are looking forward to working with you to ensure that each project is valued appropriately and to monitor the achievement of project milestones to ensure that our shared goal of substantial improvements in quality of care and patient outcomes is achieved.

A copy of the approved PFM Protocol is enclosed with this letter. In accordance with special term and condition (STC) 45(d)(ii)(B) of the demonstration, this Protocol will become attachment J of the demonstration's STCs. We are still working with your staff to finalize the details of the Regional Health Plan Planning Protocol in accordance with STC 45(d)(ii)(A), and we will continue to work with you to complete our review expeditiously.

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If you have additional questions or concerns, please contact your assigned project officer, Mr. Robert Nelb. His contact information is as follows:

Robert Nelb, Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-1055
E-mail: robert.nelb@cms.hhs.gov

Official communications regarding program matters should also be sent simultaneously to Mr. Bill Brooks, Associate Regional Administrator for our Dallas Regional Office. His contact information is as follows:

Bill Brooks, Centers for Medicare & Medicaid Services
1301 Young St. Suite 714
Dallas, TX 75202
Telephone: (214) 767-4461
E-mail: Bill.Brooks@cms.hhs.gov

We look forward to continuing to work together to insure that the investment we have made contributes to meaningful transformation of the health care delivery system within the Demonstration period.

Sincerely,

/Victoria Wachino/

Victoria Wachino
Director

cc: Bill Brooks, ARA, CMS Dallas Regional Office

Enclosure