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State/Territory Name: Texas

State Plan Amendment (SPA) #: 08-026

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Superseding Page Listing
- 4) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-13-15
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

Mr. Chris Traylor
State Medicaid Director
Texas Health and Human Services Commission
P.O. Box 13247
Austin, Texas 78711

JUN - 4 2009

RE: TN 08-026

Dear Mr. Traylor:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 08-026. This amendment modifies the reimbursement methodology for freestanding psychiatric facilities that primarily treat children under age 21. This change would allow these freestanding psychiatric facilities to be exempt from the prospective payment methodology if they met certain requirements and be reimbursed under the TEFRA cost-based reimbursement methodology.



We conducted our review of your submittal according to the statutory requirements at sections 1902(a2), 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 funding of the State share of expenditures under Attachment 4.19-A. Based upon the assurances provided, we are approving Medicaid State plan amendment 08-026, effective September 1, 2008. We are enclosing the HCFA-179 and the amended plan pages.

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

Sincerely,

Jackie Garner
Acting Director
Center for Medicaid and State Operations

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 08-026	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: September 1, 2008	
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 8 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §440.160		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2008 \$ 52,264 b. FFY 2009 \$712,087 c. FFY 2010 \$723,375	
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 purpose of this amendment is to modify the reimbursement methodology for freestanding psychiatric facilities that primarily treat children under age 21 by exempting these facilities from the prospective payment methodology that applies to other psychiatric facilities. The exempted children's psychiatric facilities would be reimbursed under the TEFRA cost-based reimbursement methodology.			
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: Chris Traylor State Medicaid Director Post Office Box 85200 Austin, Texas 78711-5200	
13. TYPED NAME: Chris Traylor			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: September 29, 2008			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: 6-4-09	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: SEP - 1 2008		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: William Lasowski		22. TITLE: Deputy Director, CMSO	
23. REMARKS:			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal No. 08-026, Amendment No. 830

**Number of the
Plan Section or Attachment**

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

Basic Plan, Section 3.1
Page 20a

Basic Plan, Section 3.1
Page 20a (TN 94-030)

Basic Plan, Section 4.15
Page 51

Basic Plan, Section 4.15
Page 51 (TN 94-030)

Attachment 3.1-A
Page 7

Attachment 3.1-A
Page 7 (TN 90-050)

Attachment 3.1-B
Page 6

Attachment 3.1-B
Page 6 (TN 90-050)

Appendix 1 to Attachment 3.1-A
Page 37

Appendix 1 to Attachment 3.1-A
Page 37 (TN 88-021)

Appendix 1 to Attachment 3.1-B
Page 37

Appendix 1 to Attachment 3.1-B
Page 37 (TN 88-021)

Attachment 4.19-A
Page 10e

Attachment 4.19-A
Page 10e (TN 08-002)

State: texas
Date Received: 29 September, 2008
Date Approved: 4 June, 2009
Date effective: 1 September, 2008
Transmittal Number TX 08-026

20a

Revision: HCFA-PM-91-4TC (BPD)
August 1991

OMB No: 0938-

State/Territory: TEXAS

Citation

3.1(a)(2) Amount, Duration, and Scope of Services: Medically Needy
(Continued)

- ☐ (iii) Pregnancy-related, including family planning services, and postpartum services for a 60-day period (beginning on the day the pregnancy ends) and any remaining days in the month in which the 60th day falls are provided to women who, while pregnant, were eligible for, applied for, and perceived medical assistance on the day the pregnancy ends.
- ☒ (iv) Services for any other medical condition that may complicate the pregnancy (other than pregnancy-related and postpartum services) are provided to pregnant women.
- ☐ (v) Ambulatory services, as defined in ATTACHMENT 3.1-B, for recipients under age 18 and recipients entitled to institutional services.
- ☐ (vi) Home health services to recipients entitled to nursing facility services as indicated in item 3.1(b) of this plan.
- ☒ (vii) Services in an institution for mental diseases for individuals over age 65.
- ☒ (viii) Services in an intermediate care facility for the mentally retarded.
- ☒ (ix) Inpatient psychiatric services for individuals under age 21.

42 CFR 440.140,
440.150, 440.160,
Subpart B,
442.441, Subpart
C, 1902(a)(20) and
(21) of the Act

TN No. 08-026

Approval Date JUN - 4 2009

Effective Date 9-1-08

Supersedes TN No. 94-030

Revision: HCFA-PM-92-2 (HSQB)
March 1992

State/Territory: TEXAS

Citation 4.15 Inspection of Care in Intermediate Care Facilities for the Mentally Retarded, Facilities Providing Inpatient Psychiatric Services for Individuals Under 21, and Mental Hospitals

42 CFR Part 456
Subpart I, and
1902(a)(31) and
1903(g) of the
Act

_____ The State has contracted with a Peer Review Organization (PRO) to perform inspection of care for:

_____ ICFs/MR;

_____ Inpatient psychiatric facilities for recipients under age 21; and

_____ Mental Hospitals.

42 CFR Part 456
Subpart A and
1902(a)(30) of
the Act

XX All applicable requirements of 42 CFR Part 456, Subpart I, are met with respect to periodic inspections of care and services.

_____ Not applicable with respect to intermediate care facilities for the mentally retarded services; such services are not provided under this plan.

_____ Not applicable with respect to services for individuals age 65 or over in institutions for mental disease; such services are not provided under this plan.

_____ Not applicable with respect to inpatient psychiatric services for individuals under age 21; such services are not provided under this plan

State: texas

Date Received: 29 September, 2008

Date Approved: 4 June, 2009

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Transmittal Number TX 08-026

TN No. 08-026

Approval Date JUN - 4 2009

Effective Date 9-1-08

Supersedes TN No. 94-030

AMOUNT, DURATION AND SCOPE OF MEDICAL AND
REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY

15. Services in an intermediate care facility for the mentally retarded, as defined in section 1905(d), (other than in an institution for mental diseases) for individuals who are determined, in accordance with sanction 1902(a)(31)(A), to be in need of such care.

☒ Provided: ☐ No Limitations ☒ With Limitations*
☐ Not provided

16. Inpatient psychiatric facility services for individuals under 21 years of age.

☒ Provided: ☒ No Limitations* ☐ With Limitations
☐ Not provided

17. Nurse-midwife services.

☒ Provided: ☐ No Limitations ☒ With Limitations*
☐ Not provided

18. Hospice care (in accordance with section 1905(o) of the Act.

☒ Provided: ☐ No Limitations ☒ With Limitations*
☐ Not provided

State: texas
Date Received: 29 September, 2008
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Transmittal Number TX 08-026

*Description provided on attachment.

TN No. 08-026

Approval Date JUN - 4 2009

Effective Date 9-1-08

Supersedes TN No. 90-050

AMOUNT, DURATION AND SCOPE OF SERVICES PROVIDED TO MEDICALLY
NEEDY GROUP(S): Pregnant Women, Children, Caretaker Relatives

15. Services in an intermediate care facility for the mentally retarded, as defined in section 1905(d), (other than in an institution for mental diseases) for individuals who are determined, in accordance with sanction 1902(a)(31)(A), to be in need of such care.

☒ Provided: ☐ No Limitations ☒ With Limitations*
☐ Not provided

16. Inpatient psychiatric facility services for individuals under 21 years of age.

☒ Provided: ☒ No Limitations* ☐ With Limitations
☐ Not provided

17. Nurse-midwife services.

☒ Provided: ☐ No Limitations ☒ With Limitations*
☐ Not provided

18. Hospice care (in accordance with section 1905(o) of the Act.

☒ Provided: ☐ No Limitations ☒ With Limitations*
☐ Not provided

State: texas
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*Description provided on attachment.

TN No. 08-026

Approval Date JUN -4 2009

Effective Date 9-1-08

Supersedes TN No. 90-050

16. Inpatient Psychiatric Facility Services for Individuals Under 21 Years of Age.

Inpatient psychiatric facility services for individuals under 21 years of age are provided in accordance with 42 CFR §440.160 and are prior authorized. Reimbursement is subject to the requirements set out in 42 CFR §441 Subpart D.

State: texas
Date Received: 29 September, 2008
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Transmittal Number TX 08-026

TN No. 08-026

Approval Date JUN -4 2009

Effective Date 9-1-08

Supersedes TN No. 88-021

16. Inpatient Psychiatric Facility Services for Individuals Under 21 Years of Age.

Inpatient psychiatric facility services for individuals under 21 years of age are provided in accordance with 42 CFR §440.160 and are prior authorized. Reimbursement is subject to the requirements set out in 42 CFR §441 Subpart D.

State: texas
Date Received: 29 September, 2008
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TN No. 08-026

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Supersedes TN No. 88-021

State: texas
Date Received: 29 September, 2008
Date Approved: 4 June, 2009
Date effective: 1 September, 2008
Transmittal Number TX 08-026

State of Texas
Attachment 4.19-A
Page 10e

(y) Reimbursement to freestanding psychiatric facilities.

- (1) Effective January 1, 2008, HHSC or its designee reimburses freestanding psychiatric facilities under the prospective payment system, a hospital-specific per diem rate. The per diem rate will be determined based upon the Medicare federal base per diem for inpatient psychiatric facilities with facility-based adjustments for wages, rural location, and length of stay as determined by Medicare. HHSC or its designee will not cost settle for services provided to recipients admitted as inpatients to freestanding psychiatric facilities reimbursed under the prospective payment system on or after January 1, 2008. The freestanding psychiatric inpatient per diem rates are for Medicaid clients under 21 years of age. Rates will be based on the 2007 federal base per diem.
- (2) Reimbursement to children's freestanding psychiatric facilities. On or after September 1, 2008, an in-state freestanding psychiatric facility that primarily serves individuals under the age of 21 will be exempted from the freestanding psychiatric facility prospective payment system methodology described in subsection (y)(1) of this section and instead reimbursed as an in-state children's hospital as described in subsection (o) of this section if the facility meets the following requirements:
 - (A) After a Medicaid participating freestanding psychiatric hospital is recognized by Medicare as a freestanding psychiatric facility, it must request of HHSC or its designee that the facility be reimbursed as a children's hospital. The hospital must submit its request on or after September 1, 2008, in writing, to HHSC or its designee's provider enrollment contact and include documentation showing that during the previous two hospital fiscal years, at least 95 percent of the facility's total inpatient days were for services to individuals under the age of 21. HHSC will cost settle the annual cost report for the hospital fiscal year in which the request was submitted.
 - (B) After a freestanding psychiatric hospital has been recognized by HHSC as a children's hospital, for continued recognition as a children's hospital, it must annually submit to HHSC's Medicaid Audit Division documentation with its annual cost report showing that at least 95 percent of its total inpatient days were for services to individuals under the age of 21. A hospital that does not meet this 95 percent threshold based on its annual cost report will be reimbursed based on the prospective hospital-specific per diem rate as described in subsection (y)(1) of this section, effective the first day of the hospital fiscal year following the cost reporting period in which the hospital did not meet the 95 percent threshold.

TN No. 08-026

Approval Date JUN - 4 2009

Effective Date 9-1-08

Supersedes TN No. 08-002