

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, CHIP, and Survey & Certification**

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Mr. Billy Millwee  
Associate Commissioner for Medicaid & CHIP  
Health and Human Services Commission  
Post Office Box 13247  
Austin, Texas 78711

AUG 10 2010

RE: TN 10-39

Dear Mr. Millwee:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 10-39. This amendment revises the reimbursement methodology for nursing facilities to indicate that payment rates effective September 1, 2010, will be equal to rates in effect August 31, 2010, less one percent.

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. 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-D. Based upon your assurances we are pleased to inform you that Medicaid State plan amendment 10-39 is approved effective September 1, 2010. We are enclosing the HCFA-179 and the amended plan page.

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

Sincerely,

A solid black rectangular box redacting the signature of Cindy Mann.

Cindy Mann  
Director  
Center for Medicaid, CHIP, and Survey & Certification

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE AND MEDICAID**

1. TRANSMITTAL NUMBER:  
**10-039**

2. STATE:  
**TEXAS**

TO: REGIONAL ADMINISTRATOR  
CENTERS FOR MEDICARE AND MEDICAID SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE:  
**September 1, 2010**

5. TYPE OF PLAN MATERIAL (Circle One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 8 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
**42 CFR §440.40 and §440.155  
Section 1905(a)(4)(A) and (B) of the Social Security Act**

7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT  
a. FFY 2010 (\$ 1,511,881)  
b. FFY 2011 (\$ 16,151,593)  
c. FFY 2012 (\$ 15,874,060)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

**SEE ATTACHMENT TO BLOCKS 8 AND 9**

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

**SEE ATTACHMENT TO BLOCKS 8 AND 9**

10. SUBJECT OF AMENDMENT:

The proposed amendment will revise the reimbursement methodology for nursing facilities to indicate that payment rates effective September 1, 2010, will be equal to rates in effect August 31, 2010, less one percent.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

[Redacted Signature]

16. RETURN TO:

**Billy R. Millwee  
State Medicaid Director  
Post Office Box 13247, MC: H-100  
Austin, Texas 78711**

13. TYPED NAME:  
**Billy R. Millwee**

14. TITLE:  
**State Medicaid Director**

15. DATE SUBMITTED:  
**June 7, 2010**

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED:  
**8-10-10**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:  
**SEP - 1 2010**

20. [Redacted]

21. TYPED NAME:

**William Lasowski**

22. TITLE:

**Deputy Director, CMCS**

23. REMARKS:

**Attachment to Blocks 8 and 9 to CMS Form 179**

**TX Transmittal No. 10-039, Amendment No. 932**

**Number of the  
Plan Section or Attachment**

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

Attachment 4.19-D, NF  
Page 4e4

Attachment 4.19-D, NF  
Page 4e4 (TN 09-016)

**Reimbursement Methodology for Nursing Facilities (continued)**

- (G) Effective September 1, 2010, for each RUG-III and supplemental reimbursement group, each rate component will be equal to the rate component in effect on August 31, 2010, less one percent. Rate components include the direct-care staff base-rate component, direct-care staff enhancement add-on rate component, other recipient care rate component, dietary rate component, general/administration rate component, fixed capital asset use fee component, and liability insurance rate component. These rates will be posted on the agency's website at <http://www.hhsc.state.tx.us/Medicaid/programs/rad/index.html> on September 3, 2010.

TN No. TN 10-39

Approval Date AUG 10 2010

Effective Date SEP - 1 2010

Supersedes TN No. \_\_\_\_\_