

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street, Room 833
Dallas, Texas 75202



Division of Medicaid & Children's Health, Region VI

June 20, 2011

Our Reference: SPA TX 11-003

Mr. Billy Millwee
Associate Commissioner for Medicaid & CHIP
Health and Human Services Commission
Post Office Box 13247
Mail Code: H100
Austin, Texas 78711

Dear Mr. Millwee:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 11-003, dated March 31, 2011. This state plan amendment adds supplemental payments equal to the difference between 140 percent of the Medicare rate and the Medicaid state plan rate for services performed by physicians who are employed or under contract with Scott & White Memorial Hospital, a non-profit, tax exempt hospital.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of January 8, 2011. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.

If you have any questions, please contact Cheryl Rupley at (214) 767-6278.

Sincerely,

/s/

Bill Brooks
Associate Regional Administrator

Enclosures

cc: Emily Zalkovsky, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: <div style="text-align: center;">11-003</div>	2. STATE: <div style="text-align: center;">TEXAS</div>
		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: <div style="text-align: center;">January 8, 2011</div>	
5. TYPE OF PLAN MATERIAL (Circle One): <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT </div>			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §447.204 and 42 CFR §447.321		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2011 \$ 3,930,620 b. FFY 2012 \$ 5,239,227 c. FFY 2013 \$ 5,163,635	
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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT TO BLOCKS 8 & 9	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: This amendment proposes to update the state plan to allow HHSC to make supplemental payments to physicians who are employed by or under contract with a physician group practice organized by, under the control of, or under contract with a non-profit, tax exempt hospital where both the hospital and the physician group practice provide medical education under contract to a state-owned medical school.			
11. GOVERNOR'S REVIEW (Check One): <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL </div> <div> <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. </div> </div>			
12. SIGNATURE OF STATE AGENCY OFFICIAL: <div style="border-top: 1px solid black; height: 20px; width: 100%;"></div>		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: March 31, 2011			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 31 March, 2011		18. DATE APPROVED: <div style="text-align: center;"><i>20 June 2011</i></div>	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <div style="text-align: center;">8 January, 2011</div>		20. SIGNATURE OF REGIONAL OFFICIAL: <div style="text-align: center;"><i>[Signature]</i></div>	
21. TYPED NAME: <div style="text-align: center;">Bill Brooks</div>		22. TITLE: <div style="text-align: center;">Associate Regional Administrator Division of Medicaid & Children's Health</div>	
23. REMARKS: <div style="height: 50px;"></div>			

- (A) Employed by an eligible physician group practice that is state-owned or state-operated. Physicians under contract with such a physician group practice are not included in supplemental payment calculations.

Eligible state-owned or state-operated physician group practices consist of those affiliated with:

University of Texas–Southwestern
University of Texas–San Antonio
University of Texas–Tyler
University of Texas–Houston
University of Texas Medical Branch–Galveston
University of Texas–MD Anderson Cancer Center
University of North Texas
Texas Tech University–Amarillo
Texas Tech University–El Paso
Texas Tech University–Lubbock
Texas Tech University–Odessa
Texas A&M Health Science Center

- (B) Employed by a governmental hospital;
- (C) Employed by or under contract with a physician group practice organized by, under the control of, or under contract with a governmental hospital; or
- (D) Employed by or under contract with a physician group practice organized by, under the control of, or under contract with a non-profit, tax exempt hospital where both the hospital and the physician group practice provide medical education under contract to a state-owned medical school.

SUPERSEDES: TN- 10-63

STATE <u>Texas</u>	A
DATE REC'D <u>3-31-2011</u>	
DATE APPV'D <u>6-20-2011</u>	
DATE EFF <u>1-8-2011</u>	
HCFA 179 <u>11-03</u>	

TN 11-03 Approval Date 6-20-2011 Effective Date 1-8-2011

Supersedes TN 10-63