

Table of Contents

State/Territory Name: Texas

State Plan Amendment (SPA) #: 11-45

This file contains the following documents in the order listed:

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

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

March 19, 2012

Our Reference: SPA TX 11-045

Mr. Billy Millwee
Deputy Executive Commissioner for Health Services
Health and Human Services Commission
Post Office Box 13247
Mail Code: H100
Austin, Texas 78711

RECEIVED

APR 3 2012

OFFICE OF THE STATE
MEDICAID DIRECTOR

Dear Mr. Millwee:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 11-045, dated September 2, 2011. This state plan amendment limits the payments for Medicare Part B services for the dual eligible population to no more than the state plan rate, with the exception of renal dialysis services. The state plan amendment also changes the monthly capitation payment for Medicare Part C services to \$10 per member per month.



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 1, 2012. 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,

Bill Brooks
Associate Regional Administrator

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: 11-045	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: January 1, 2012	
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 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: Section 1902(n) of the SSA		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2012 \$(289,469,840) b. FFY 2013 \$(392,593,960) c. FFY 2014 \$(405,676,600)	
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 proposed amendment aligns Texas Medicaid policies on payment of Medicare Part A and B coinsurance and deductibles for certain dual eligible clients, pursuant to the 2012-13 General Appropriations Act. Additionally, the proposed amendment changes the monthly capitation payment amount for Medicare Advantage Plans that contract with the State to \$10 based on the policy change for cost sharing for Part B services.			
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: 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: September 2, 2011			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 2 September, 2011		18. DATE APPROVED: 19 March, 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 January, 2012		20. SIGNATURE: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Div of Medicaid & Children's Health	
23. REMARKS:			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 11-045

**Number of the
Plan Section or Attachment**

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

Attachment 4.19-B
Page 16

Attachment 4.19-B
Page 16 (91-022)

Supplement 1 to Attachment 4.19-B
Page 1
Page 2
Page 3

Supplement 1 to Attachment 4.19-B
Page 1 (91-034)
Page 2 (99-002)
Page 3 (99-002)

Supplement 2 to Attachment 4.19-B
Page 2
Page 3

Supplement 2 to Attachment 4.19-B
Page 2 (08-001)
Page 3 (08-001)

This page intentionally left blank.

SUPERSEDES IN 91-22

STATE	<u>Texas</u>	A
DATE REC'D	<u>9-2-11</u>	
DATE APPV'D	<u>3-19-12</u>	
DATE EFF	<u>1-1-12</u>	
HOEA 179	<u>11-45</u>	

IN: 11-45

Approval Date: 3-19-12

Effective Date: 1-1-12

Supersedes IN 91-22

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: Texas

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Payment of Medicare Part A and Part B Deductible/Coinsurance

Except for a nominal recipient copayment (as specified in Attachment 4.18 of this state plan), if applicable, the Medicaid agency uses the following general method for payment:

1. Payments are limited to state plan rates and payment methodologies for the groups and payments listed below and designated with the letters "SP".

For specific Medicare services which are not otherwise covered by this state plan, the Medicaid agency uses Medicare payment rates unless a special rate or method is set out on Page 3 in items 1&2 of this attachment.

2. Payments are up to the full amount of the Medicare rate for the groups and payments listed below, and designated with the letters "MR."
3. Payments are up to the amount of a special rate, or according to a special method, described on Page 3 in item ____ of this attachment, for those groups and payments listed below and designated with the letters "NR".
4. Any exceptions to the general methods used for a particular group or payment are specified on Page 3 in item 4 of this attachment.

SUPERSEDES: TN- 91-34

STATE	<u>Texas</u>
DATE REC'D	<u>9-2-11</u>
DATE APPV'D	<u>3-19-12</u>
DATE EFF	<u>1-1-12</u>
HCFA 179	<u>11-45</u>

A

TN: 11-45

Approval Date: 3-19-12

Effective Date: 1-1-12

Supersedes TN: 91-34

STATE	<u>Texas</u>	A
DATE REC'D	<u>9-2-11</u>	
DATE APPV'D	<u>3-19-12</u>	
DATE EFF	<u>1-1-12</u>	
NOFA 179	<u>11-45</u>	

State of Texas
Supplement 1 to Attachment 4.19-B
Page 2

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: Texas

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

Payment of Medicare Part A and Part B Deductible/Coinsurance

QMBs:	*Part A <u>SP</u> Deductibles	<u>SP</u> Coinsurance
	*Part B <u>SP</u> Deductibles	<u>SP</u> Coinsurance

Other Medicaid Recipients	*Part A <u>SP</u> Deductibles	<u>SP</u> Coinsurance
	*Part B <u>SP</u> Deductibles	<u>SP</u> Coinsurance

Dual Eligible (QMB Plus)	*Part A <u>SP</u> Deductibles	<u>SP</u> Coinsurance
	*Part B <u>SP</u> Deductibles	<u>SP</u> Coinsurance

SUPERSEDES TN: 99-02

TN: 11-45

Approval Date: 3-19-12

Effective Date: 1-1-12

Supersedes TN: 99-02

STATE	<u>Texas</u>	A
DATE REC'D	<u>9-2-11</u>	
DATE APPV'D	<u>3-19-12</u>	
DATE EFF	<u>1-1-12</u>	
HEFA 179	<u>11-45</u>	

State of Texas
Supplement 1 to Attachment 4.19-B
Page 3

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Texas

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

Payment of Medicare Part A and Part B Deductible/Coinsurance

* The payment of the Medicare Part A deductible and coinsurance for inpatient hospital services and the payment of the Medicare Part B deductible and coinsurance for outpatient and professional services are based on the following. The payment of all other Part A deductible and coinsurance is based on the Medicare rate.

1. If the Medicare payment amount equals or exceeds the Medicaid payment rate, the State is not required to pay the Medicare deductible/coinsurance on a crossover claim.
2. If the Medicare payment amount is less than the Medicaid payment rate, the State is required to pay the Medicare deductible/coinsurance on a crossover claim, but the amount of payment is limited to the lesser of the deductible/coinsurance (resulting in a combined Medicare/State payment amount equal to the Medicare payment rate) or the amount remaining after the Medicare payment amount is subtracted from the Medicaid payment rate (resulting in a combined Medicare/State payment amount equal to the Medicaid payment rate).
3. Coverage of a recipient's deductible and/or coinsurance liabilities as specified in this section satisfies the State's obligation to provide Medicaid coverage for services that would have been paid in the absence of Medicare coverage.
4. On renal dialysis crossover claims, the payment will be equal to the Medicare deductible/coinsurance minus five percent.

SUPERSEDES: TNL 99-02

EN: 11-45

Approval Date 3-19-12

Effective Date: 1-1-12

Supersedes EN 99-02

STATE	Texas	A
DATE REC'D	9-2-11	
DATE APPV'D	3-19-12	
DATE EFF	1-1-12	
HSA 179	11-45	

State of Texas
 Supplement 2 to Attachment 4.19-B
 Page 2

I. Definitions, continued.

- **Participating plan** means an MA health plan that has entered into a state agreement.
- **State** means the State of Texas.
- **State agreement** means the agreement between the State of Texas and an MA health plan whereby the MA health plan receives a monthly capitated payment.

II. Scope

The State will enter into state agreements with MA health plans whereby the State will pay the MA health plans a monthly capitated payment. In exchange, the MA health plan will pay health care providers the cost sharing obligations attributable to dual eligible members. The capitated payment will represent payment in full for the cost sharing obligations attributable to a dual eligible member under sections 3.2 and 4.19-B of the Texas State Plan, plus all costs associated with the administration of the state agreement. Nothing herein precludes an MA health plan from entering into agreements with network providers that vary the amount or method of payment for the cost sharing obligations or from utilizing the MA health plan's coordination of benefits procedures.

For participating plans, the state agreement will be the only vehicle for recovery of the cost sharing obligations attributable to dual eligible members. A participating plan may not seek additional payments from the State or dual eligible members for such cost sharing obligations.

A health care provider who provides services to a participating plan's dual eligible member must seek payment for the member's cost sharing obligations from the participating plan. Such health care provider may not seek payment for the member's cost sharing obligations from the State or the dual eligible member.

A non-participating plan is not entitled to recover cost sharing obligations attributable to a dual eligible member from the State or the dual eligible member.

A health care provider who provides services to a non-participating plan's dual eligible member may submit a claim for cost sharing obligations to the State's claims administrator. The cost sharing obligations are limited to state plan rates and payment methodologies. The claim must comply with the State's requirements for electronic or manual claims adjudication. Such health care provider may not seek payment for the member's cost sharing obligations from the dual eligible member.

TN: 11-45

Approval Date: 3-19-12

Effective Date: 1-1-12

Supersedes TN: 08-01

SUPERSEDES TN: 08-01

III. Methodology

The State has set the capitation for participating plans at \$10 per member per month. This capitation is intended to provide for cost sharing obligations for dual eligible members in Texas. The capitation rate was established based on an analysis of the following: (a) the managed care experience for a large sample of dual eligible members, (b) information regarding current market cost-sharing arrangements for comparable MA health plans, (c) information from other states regarding how they reimburse MA health plans for member cost sharing, and (d) comments from MA health plans that currently participate in Texas.

STATE	<u>Texas</u>	A
DATE REC'D	<u>9-2-11</u>	
DATE APPV'D	<u>3-19-12</u>	
DATE EFF	<u>1-1-12</u>	
NDPA 179	<u>11-45</u>	

SUPERSEDES TN: 08-01

TN: 11-45

Approval Date: 3-19-12

Effective Date: 1-1-12

Supersedes TN: 08-01