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State/Territory Name: Texas

State Plan Amendment (SPA) #: 12-10

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
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

December 21, 2012

Our Reference: SPA TX 12-010

Ms. Kay Ghahremani
State Medicaid/CHIP Director
Health and Human Services Commission
Post Office Box 13247
Mail Code H100
Austin, Texas 78711

Dear Ms. Ghahremani:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 12-010, dated March 30, 2012. This state plan amendment changes the reimbursement methodology for brokered non-emergency transportation from fee for service to full risk capitation in thirteen (13) designated counties.



Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of April 16, 2012. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have 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: 12-010	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: April 16, 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: 42 CFR §440.170 42 CFR §431.53 45 CFR § 92.38 §§ 1902(a)(70) and 1905(a)(29) of the Social Security Act		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2012 \$1,078,000 b. FFY 2013 \$2,930,000 c. FFY 2014 \$3,312,000	
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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT TO BLOCKS 8 & 9	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 converts the reimbursement methodology for brokered non-emergency medical transportation from fee-for-service to full risk capitation in the 13 designated counties comprising Service Delivery Area 2: Collin, Dallas, Denton, Ellis, Erath, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, Tarrant and Wise.			
11. GOVERNOR'S REVIEW (Check One):			
<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		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.	
12. SIGNATURE: 		16. RETURN TO: Kay Ghahremani State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
13. TYPED NAME: Kay Ghahremani			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: March 30, 2012			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 30 March, 2012		18. DATE APPROVED: 21 December, 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 16 April, 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 12-010

**Number of the
Plan Section or Attachment**

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

Appendix 1 to Attachment 3.1-A

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Appendix 1 to Attachment 3.1-A

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Page 60 (TN 06-022)
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Page 62 (TN 06-022)
N/A – Delete page
N/A – Delete page
N/A – Delete page
N/A – Delete page
N/A – Delete page
N/A – Delete page

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Appendix 1 to Attachment 3.1-B

Page 57 (TN 12-005)
Page 60 (TN 06-022)
Page 61 (TN 06-022)
Page 62 (TN 06-022)
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N/A – Delete page

Attachment 3.1-D

Page 2

Attachment 3.1-D

Page 2 (TN 12-005)

28. Any other medical care (continued)

a. Transportation (continued)

- ☒ Non-emergency transportation is provided through a brokerage program as an optional medical service in accordance with 1902(a)(70) of the Social Security Act and 42 CFR 440.170(a)(4)(A).

The broker program will operate in the following counties:

Austin, Brazoria, Chambers, Collin, Dallas, Denton, Ellis, Erath, Fort Bend, Galveston, Hardin, Harris, Hood, Hunt, Jasper, Jefferson, Johnson, Kaufman, Liberty, Matagorda, Montgomery, Navarro, Newton, Orange, Palo Pinto, Parker, Polk, Rockwall, San Jacinto, Somervell, Tarrant, Tyler, Walker, Waller, Wharton, and Wise counties.

The State assures it has established a non-emergency medical transportation program in accordance with 1902(a)(70) of the Social Security Act in order to more cost-effectively provide transportation, and can document, upon request from CMS, that the transportation broker was procured in compliance with the requirements of 45 CFR 92.36(b)-(i).

- (1) The State will operate the broker program without the requirements of the following paragraphs of section 1902(a).

- ☒ (1) state-wideness (indicate areas of state that are covered)
☒ (10)(B) comparability (indicate participating beneficiary groups)
☒ (23) freedom of choice (indicate mandatory population groups)

- (2) Transportation services provided will include:

- ☒ wheelchair
☒ taxi
☒ stretcher car
☒ bus passes
☒ tickets
☒ secured transportation
☒ other transportation: demand response transport, attendant, client financial services, lodging, meals, individual contractor, and call center operations

STATE	<u>Texas</u>
DATE REC'D	<u>3-30-12</u>
DATE APPV'D	<u>12-21-12</u>
DATE EFF	<u>4-16-12</u>
11.251.179	<u>12-10</u>

A

SUPERSEDES: TN- 12-05

TN: 12-10

Approval Date: 12-21-12

Effective Date: 4-16-12

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STATE	<u>Texas</u>
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DATE APPV'D	<u>12-21-12</u>
DATE EFF	<u>4-16-12</u>
MOFA 179	<u>12-16</u>

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Appendix 1 to Attachment 3.1-A
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28. Any other medical care (continued)

a. Transportation (continued)

(6) Payment Methodology:

(A) The State will pay the contracted broker by the following method:

- ☒ (i) risk capitation
- ☐ (ii) non-risk capitation
- ☒ (iii) other

The full-risk broker is reimbursed a monthly capitated rate for each eligible client residing in their service delivery area. The rate includes operating costs coupled with factors that include historical rates in geographical area, approximate distance between travel points, service operation requirements, beneficiary transportation needs, and quality of service cost for providing the service to the Medicaid beneficiary and their attendant.

A Medicaid eligible individual residing outside of the full-risk broker's SDA may be required to travel into the broker's designated area to receive services. In these cases, the State reimburses the full-risk broker for demand response services using the fee-for-service methodology.

(B) Who will pay the transportation provider?

- ☒ (i) Broker
- ☐ (ii) State
- ☐ (iii) other

(C) What is the source of the non-Federal share of the transportation payments?

The source of the non-federal share of the transportation payment is the State's general revenue fund.

(D) The State assures that no agreement (contractual or otherwise) exists between the State or any form of local government and the transportation broker to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly). This assurance is not intended to interfere with the ability of a transportation broker to contract for transportation services at a lesser rate and credit any savings to the program.

(E) The State assures that payments made under this state plan will be made directly to transportation providers, that the transportation provider payments are fully retained by the transportation providers, that no agreement (contractual or otherwise) exists between the State or local government, and that the transportation provider to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly).

TN: 12-10

Approval Date: 12-21-12

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STATE	<u>Texas</u>
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28. Any other medical care (continued)

a. Transportation (continued)

(7) The broker is a non-governmental entity:

- ☒ The broker is not itself a provider of transportation nor does it refer to or subcontract with any entity with which it has a prohibited financial relationship as described at 45 CFR 440.170(4)(ii).
- ☐ The broker is itself a provider of transportation or subcontracts with or refers to an entity with which it has a prohibited financial relationship and:
- (i) ☐ transportation is provided in a rural area as defined at 412.62(f) and there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker
 - (ii) ☐ transportation is so specialized that there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker
 - (iii) ☐ the availability of other non-governmental Medicaid participating providers or other providers determined by the State to be qualified is insufficient to meet the need for transportation.

(8) The broker is a governmental entity and provides transportation itself or refers to or subcontracts with another governmental entity for transportation. The governmental broker will:

- ☐ Maintain an accounting system such that all funds allocated to the Medicaid brokerage program and all costs charged to the Medicaid brokerage will be completely separate from any other program.
- ☐ Document that with respect to each individual beneficiary's specific transportation needs, the government provider is the most appropriate and lowest cost alternative.
- ☐ Document that the Medicaid program is paying no more for fixed route public transportation than the rate charged to the general public and no more for public paratransit services than the rate charged to other State human services agencies for the same service.

SUPersedes: 01 06-22

TN: 12-10

Approval Date: 12-21-12

Effective Date: 4-16-12

Supersedes TN: 06-22

STATE	<u>Texas</u>
DATE REC'D	<u>3-30-12</u>
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28. Any other medical care (continued)
a. Transportation (continued)

(9) NEMT brokerage program operations:

The full-risk broker is responsible for directly implementing and managing the NEMT services in specific service delivery areas using a network of providers contracted or enlisted by the broker. The broker serves as the single point of contact for authorizing services, determining the most cost effective mode of transportation that meets the beneficiary's needs, scheduling, dispatching, setting costs, and trip reporting. The broker must ensure services are provided to eligible clients requiring transportation according to the specifications contained in their contract. The full-risk broker is responsible for fulfilling the terms of the transportation contract, which include the following:

- Operating transportation service centers (call centers);
- Assessing, documenting and verifying service needs;
- Recruiting and contracting directly with providers;
- Reimbursing providers directly;
- Overseeing quality assurance to monitor beneficiary access and complaints;
- Ensuring that providers have the necessary experience, performance, references, resources, and qualifications;
- Conducting criminal background checks;
- Ensuring providers employ personnel that are: licensed, as required by state, federal, or local ordinance and are competent and courteous;
- Reserving and assigning trips to providers based on the beneficiaries' needs;
- Reconciling provider billing records against state records;
- Resolving claim and service delivery issues with providers on a timely basis;
- Submitting claims to the State;
- Payment administration;
- Administrative oversight and reporting;
- Monitoring providers to ensure that all contractual requirements are met;
- Sanctioning providers, as deemed necessary to correct deficiencies; and
- Terminating a provider's enrollment when deemed in the best interest of the State.

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Approval Date: 12-21-12

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Supersedes FN: 06-22

06-22

28. Any other medical care (continued)

a. Transportation (continued)

- ☒ Non-emergency transportation is provided through a brokerage program as an optional medical service in accordance with 1902(a)(70) of the Social Security Act and 42 CFR 440.170(a)(4)(A).

The broker program will operate in the following counties:

Austin, Brazoria, Chambers, Collin, Dallas, Denton, Ellis, Erath, Fort Bend, Galveston, Hardin, Harris, Hood, Hunt, Jasper, Jefferson, Johnson, Kaufman, Liberty, Matagorda, Montgomery, Navarro, Newton, Orange, Palo Pinto, Parker, Polk, Rockwall, San Jacinto, Somervell, Tarrant, Tyler, Walker, Waller, Wharton, and Wise counties.

The State assures it has established a non-emergency medical transportation program in accordance with 1902(a)(70) of the Social Security Act in order to more cost-effectively provide transportation, and can document, upon request from CMS, that the transportation broker was procured in compliance with the requirements of 45 CFR 92.36(b)-(i).

- (1) The State will operate the broker program without the requirements of the following paragraphs of section 1902(a).

- ☒ (1) state-wideness (indicate areas of state that are covered)
☒ (10)(B) comparability (indicate participating beneficiary groups)
☒ (23) freedom of choice (indicate mandatory population groups)

- (2) Transportation services provided will include:

- ☒ wheelchair
☒ taxi
☒ stretcher car
☒ bus passes
☒ tickets
☒ secured transportation
☒ other transportation: demand response transport, attendant, client financial services, lodging, meals, individual contractor, and call center operations

STATE	<u>TEXAS</u>
DATE REC'D	<u>3-30-12</u>
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42 CFR 170	<u>12-10</u>

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DATE APPV'D	<u>12-21-12</u>
DATE EFF	<u>4-16-12</u>
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28. Any other medical care (continued)
a. Transportation (continued)

(6) Payment Methodology:

(A) The State will pay the contracted broker by the following method:

- ☒ (i) risk capitation
- ☐ (ii) non-risk capitation
- ☒ (iii) other

The full-risk broker is reimbursed a monthly capitated rate for each eligible client residing in their service delivery area. The rate includes operating costs coupled with factors that include historical rates in geographical area, approximate distance between travel points, service operation requirements, beneficiary transportation needs, and quality of service cost for providing the service to the Medicaid beneficiary and their attendant.

A Medicaid eligible individual residing outside of the full-risk broker's SDA may be required to travel into the broker's designated area to receive services. In these cases, the State reimburses the full-risk broker for demand response services using the fee-for-service methodology.

(B) Who will pay the transportation provider?

- ☒ (i) Broker
- ☐ (ii) State
- ☐ (iii) other

(C) What is the source of the non-Federal share of the transportation payments?

The source of the non-federal share of the transportation payment is the State's general revenue fund.

(D) The State assures that no agreement (contractual or otherwise) exists between the State or any form of local government and the transportation broker to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly). This assurance is not intended to interfere with the ability of a transportation broker to contract for transportation services at a lesser rate and credit any savings to the program.

(E) The State assures that payments made under this state plan will be made directly to transportation providers, that the transportation provider payments are fully retained by the transportation providers, that no agreement (contractual or otherwise) exists between the State or local government, and that the transportation provider to return or redirect any of the Medicaid payment to the State or form of local government (directly or indirectly).

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SUPersedes FN: 06-22

STATE	<u>Texas</u>
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DATE EFF	<u>4-16-12</u>
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28. Any other medical care (continued)

a. Transportation (continued)

(7) The broker is a non-governmental entity:

- ☒ The broker is not itself a provider of transportation nor does it refer to or subcontract with any entity with which it has a prohibited financial relationship as described at 45 CFR 440.170(4)(ii).
- ☐ The broker is itself a provider of transportation or subcontracts with or refers to an entity with which it has a prohibited financial relationship and:
 - (i) ☐ transportation is provided in a rural area as defined at 412.62(f) and there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker
 - (ii) ☐ transportation is so specialized that there is no other available Medicaid participating provider or other provider determined by the State to be qualified except the non-governmental broker
 - (iii) ☐ the availability of other non-governmental Medicaid participating providers or other providers determined by the State to be qualified is insufficient to meet the need for transportation.

(8) The broker is a governmental entity and provides transportation itself or refers to or subcontracts with another governmental entity for transportation. The governmental broker will:

- ☐ Maintain an accounting system such that all funds allocated to the Medicaid brokerage program and all costs charged to the Medicaid brokerage will be completely separate from any other program.
- ☐ Document that with respect to each individual beneficiary's specific transportation needs, the government provider is the most appropriate and lowest cost alternative.
- ☐ Document that the Medicaid program is paying no more for fixed route public transportation than the rate charged to the general public and no more for public paratransit services than the rate charged to other State human services agencies for the same service.

CORRECTION 06-22

IN: 12-10

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28. **Any other medical care (continued)**
a. Transportation (continued)

(9) NEMT brokerage program operations:

The full-risk broker is responsible for directly implementing and managing the NEMT services in specific service delivery areas using a network of providers contracted or enlisted by the broker. The broker serves as the single point of contact for authorizing services, determining the most cost effective mode of transportation that meets the beneficiary's needs, scheduling, dispatching, setting costs, and trip reporting. The broker must ensure services are provided to eligible clients requiring transportation according to the specifications contained in their contract. The full-risk broker is responsible for fulfilling the terms of the transportation contract, which include the following:

- Operating transportation service centers (call centers);
- Assessing, documenting and verifying service needs;
- Recruiting and contracting directly with providers;
- Reimbursing providers directly;
- Overseeing quality assurance to monitor beneficiary access and complaints;
- Ensuring that providers have the necessary experience, performance, references, resources, and qualifications;
- Conducting criminal background checks;
- Ensuring providers employ personnel that are: licensed, as required by state, federal, or local ordinance and are competent and courteous;
- Reserving and assigning trips to providers based on the beneficiaries' needs;
- Reconciling provider billing records against state records;
- Resolving claim and service delivery issues with providers on a timely basis;
- Submitting claims to the State;
- Payment administration;
- Administrative oversight and reporting;
- Monitoring providers to ensure that all contractual requirements are met;
- Sanctioning providers, as deemed necessary to correct deficiencies; and
- Terminating a provider's enrollment when deemed in the best interest of the State.

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Medical Transportation Program, continued.

1. Nonemergency Transportation

To ensure necessary transportation for recipients to and from visits with enrolled Medicaid providers, the single state agency uses several types of transportation and related services that comply with federal assurance of nonemergency medical transportation (NEMT) rules and regulations, are efficient and cost effective, and meet the transportation needs of the beneficiary. The single state agency makes payment for the most effective and efficient transportation that meets the need for the recipient and does not endanger the recipient's health.

Transportation in Texas is provided through two models. These models are the full risk broker model and the 1915(b) waiver model.

Full Risk Broker Model

In service delivery areas (SDAs), transportation and related services (e.g., mass transit, meals, lodging) are provided through a full risk broker that meets the requirements outlined in 42 CFR 440.170(a)(4). The full risk broker is paid a negotiated per-member per-month rate. In cases where a client resides in a non-full risk broker service delivery area but must travel to a full risk broker area for health care services, the state arranges for transportation to the full risk broker area and, when applicable, arranges for meals and lodging while the client is in the full risk broker area. The full risk broker arranges demand response transportation for the individual to and from the health care service during the stay. In these instances, the full risk broker is paid for demand response transportation on a fee-for-service basis.

The counties included in the full risk broker model are:

Austin, Brazoria, Chambers, Collin, Dallas, Denton, Ellis, Erath, Fort Bend, Galveston, Hardin, Harris, Hood, Hunt, Jasper, Jefferson, Johnson, Kaufman, Liberty, Matagorda, Montgomery, Navarro, Newton, Orange, Palo Pinto, Parker, Polk, Rockwall, San Jacinto, Somervell, Tarrant, Tyler, Walker, Waller, Wharton, and Wise counties.

12-05

TN: 12-10

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