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State/Territory Name: Texas

State Plan Amendment (SPA) #: 14-46

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

February 26, 2015

Our Reference: SPA TX 14-046

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 14-046, dated December 17, 2014. This state plan amendment exempts participating Medicare Advantage Plans from nursing facility cost sharing obligations for Part A-like services provided during a Dual Eligible Member's Medicare covered stay in a nursing facility.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of March 1, 2015. 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,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator

cc: Becky Brownlee, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 14-046	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: March 1, 2015	
		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: 1902(a)(10)(E) and 1902(n) and 1905(p)(1) of the Social Security Act		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2015 \$0 b. FFY 2016 \$0 c. FFY 2017 \$0	
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 exempts participating Medicare Advantage Plans from Nursing Facility cost sharing obligations.			
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: 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: December 17, 2014			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 17 December, 2014		18. DATE APPROVED: 26 February, 2015	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 March, 2015		20. SIGNATURE OF REGIONAL ADMINISTRATOR: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 14-046

**Number of the
Plan Section or Attachment**

Supplement 1 to Attachment 4.19-B
Page 5
Page 6
Page 7

**Number of the Superseded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

Supplement 2 to Attachment 4.19-B
Page 1 (TN 08-01)
Page 2 (TN 11-45)
Page 3 (TN 11-45)

State: Texas
Date Received: 12-17-14
Date approved: 2-26-15
Date Effective: 3-1-15
Transmittal Number: 14-46

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

COORDINATION OF TITLE XIX WITH PART A AND PART B OF TITLE XVIII FOR
INDIVIDUALS WHO ENROLL WITH MEDICARE ADVANTAGE HEALTH PLANS THAT
ENTER INTO A MEDICARE ADVANTAGE PLAN AGREEMENT WITH THE CENTERS
FOR MEDICARE AND MEDICAID SERVICES.

I. Definitions

For purposes of this provision, the following terms mean:

- **Cost Sharing Obligations** mean those financial payment obligations incurred by the State in satisfaction of the deductibles, coinsurance, and co-payments for the Medicare Part A and Part B programs with respect to Dual Eligible Members. Cost Sharing Obligations do not include: (1) Medicare premiums that the State is required to pay under the Texas State Plan on behalf of Dual Eligible Members; (2) wrap-around services that are covered by Medicaid; or (3) effective March 1, 2015, coinsurance for Part A-like services provided during a Dual Eligible Member's Medicare-covered stay in a nursing facility.
- **Dual Eligible** means a Medicare Managed Care recipient who is also eligible for Medicaid, and for whom the State has a responsibility for payment of Cost Sharing Obligations under the Texas State Plan. The categories of Dual Eligibles covered by this State Plan Amendment are limited to: QMB Only, QMB Plus, and SLMB Plus.
- **Dual Eligible Member** means a Dual Eligible who is eligible to participate in, and voluntarily enrolled in, the Medicare Advantage Health Plan's MA Product.
- **MA Agreement** means the Medicare Advantage Health Plan agreement between a health plan and the Centers for Medicare and Medicaid Services (CMS) to provide the MA Product.
- **MA Product** means the Medicare Part C and other health plan services provided to MA Health Plan members pursuant to an MA Agreement.

State: Texas
Date Received: 12-17-14
Date approved: 2-26-15
Date Effective: 3-1-15
Transmittal Number: 14-46

TN: 14-46

Approval Date: 2-26-15

Effective Date: 3-1-15

Supersedes TN: 08-01

State: Texas
Date Received: 12-17-14
Date approved: 2-26-15
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State of Texas
Supplement 1 to Attachment 4.19-B
Page 6

I. Definitions (continued)

- **MA Health Plan** means a health plan that has entered into a MA Agreement with the CMS.
- **Nonparticipating Plan** means an MA Health Plan that has not entered into a State Agreement.
- **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.

TN: 14-16

Approval Date: 2-26-15

Effective Date: 3-1-15

Supersedes TN: 11-45

II. Scope (continued)

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.

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.

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TN: 14-46

Approval Date: 2-26-15

Effective Date: 3-1-15

Supersedes TN: 11-45