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State/Territory Name: Texas

State Plan Amendment (SPA) #: 15-0016 NIRT

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
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

AUG 18 2015

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

RE: TN 15-016

Dear Ms. Ghahremani:

We have reviewed the proposed amendment to Attachment 3.1-A, 3.1-B, and 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 15-016. This amendment would remove the coverage exclusion for services provided in a tuberculosis institution. The proposed change would allow the state's only tuberculosis inpatient hospital to participate in Medicaid.

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.

Based upon the information provided by the State, Medicaid State plan amendment 15-016 is approved effective December 6, 2015. We are enclosing the CMS-179 and the new plan pages.

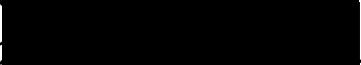
If you have any questions, please call Tamara Sampson at (214) 767-6431.

Sincerely,

A large black rectangular redaction box covering the signature of Timothy Hill.

Timothy Hill
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 15-016	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: December 6, 2015	
5. TYPE OF PLAN MATERIAL (<i>Circle One</i>):			
<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 (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §440.10: inpatient hospital services, other than services in an institution for mental diseases; 42 U.S.C. 1396d (Section 1905 of the Social Security Act)		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2016 \$17,993 b. FFY 2017 \$22,597 c. FFY 2018 \$23,727	
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 (<i>If Applicable</i>): SEE ATTACHMENT TO BLOCKS 8 & 9	
10. SUBJECT OF AMENDMENT: The purpose of this amendment is to remove the exclusion of Medicaid reimbursement for inpatient services provided by a tuberculosis (TB) institution. The proposed change would allow the state's only TB inpatient hospital to participate in Medicaid.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<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 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: June 3, 2015			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 06-03-2015		18. DATE APPROVED: AUG 18 2015	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 12-06-2015		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Fan		22. TITLE: Deputy Director, FMC	
23. REMARKS:			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 15-016

<u>Number of the Plan Section or Attachment</u>	<u>Number of the Superseded Plan Section or Attachment</u>
Appendix 1 to Attachment 3.1-A Page 5 Page 50	Appendix 1 to Attachment 3.1-A Page 5 (TN 91-15) Page 50 (TN 91-15)
Appendix 2 to Attachment 3.1-A Page 1	Appendix 2 to Attachment 3.1-A Page 1 (TN 09-09)
Appendix 1 to Attachment 3.1-B Page 5 Page 50	Appendix 1 to Attachment 3.1-B Page 5 (TN 91-15) Page 50 (TN 03-06)
Appendix 2 to Attachment 3.1-B Page 1	Appendix 2 to Attachment 3.1-B Page 1 (TN 09-09)
Attachment 4.19-A Page 4	Attachment 4.19-A Page 4 (TN 13-36)
Attachment 4.19-A Page 10e.2	Attachment 4.19-A N/A - new page

State: Texas Date Received: June 3, 2015 Date Approved: AUG 18 2015 Date Effective: December 6, 2015 Transmittal Number: 15-016
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4.a Nursing Facility Services for Individuals 21 Years of Age or Older.

Nursing facility services (other than services in an institution for mental disease) provided in a Title XIX nursing facility approved by the single state agency to eligible individuals are limited by a requirement for a medical necessity determination. The treating physician prescribes the nursing facility setting, and the state agency provides the medical necessity determination for which payment will be made.

Nursing facility services includes drugs that are reimbursed through the Vendor Drug Program. This encompasses all drugs contained in the resident's plan of care, subject to the drug rebate provision of Section 1927 of the Social Security Act.

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TN: 15-016 Approval Date: **AUG 18 2015** Effective Date: 12-6-2015
Supersedes TN: 91-15

24.d Nursing Facility Services for Individuals Under 21 Years of Age.

Nursing facility services (other than services in an institution for mental disease) provided in a Title XIX nursing facility approved by the single state agency to eligible individuals are limited by a requirement for a medical necessity determination. The treating physician prescribes the nursing facility setting, and the state agency provides the medical necessity determination for which payment will be made.

Nursing facility services includes drugs that are reimbursed through the Vendor Drug Program. This encompasses all drugs contained in the resident's plan of care, subject to the drug rebate provision of Section 1927 of the Social Security Act.

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State: Texas
Date Received: June 3, 2015
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State of Texas
Appendix 2 to Attachment 3.1-A
Page 1

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES
PROVIDED TO THE CATEGORICALLY NEEDY

General exclusions and limitations applicable to the amount, duration, and scope of medical and remedial care and services provided under this State Plan.

On behalf of the categorically needy, only reasonable costs or reasonable charges as applicable for medical or remedial care will be paid when the items of care furnished are medically necessary for diagnosis, treatment, or both, subject to exclusions and limitations applicable to specific services and third party liability. These exclusions and limitations do not apply to the services covered by the Texas Health Steps Comprehensive Care Program.

The benefits of this program do not include:

1. Services provided to any individual who is an inmate in a public institution (except as a patient in a medical institution approved for participation in the Medicaid program), or is a patient in:
 - (A) the hospital or nursing sections of institutions for individuals with intellectual disabilities, or
 - (B) an institution for mental disease if the patient is between the ages of 22 and 64;
2. Special shoes or other supportive devices for the feet and ambulation aids (except as provided for in the home health services program);
3. Any services provided by military medical facilities, except:
 - (A) military hospitals enrolled to provide inpatient emergency services,
 - (B) Veterans Administration facilities, or
 - (C) United States Public Health Service hospitals;
4. Care and treatment related to any condition covered by workmen's compensation laws;
5. Care, treatment or other services by a doctor of dentistry unless:
 - (A) the recipient's dental diagnosis is causally related to a life-threatening medical condition; or
 - (B) the treatment is specifically authorized by the Health and Human Services Commission (HHSC) or its designee;

TN: 15-016 Approval Date: **AUG 18 2015** Effective Date: 12-6-2015
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4.a Nursing Facility Services for Individuals 21 Years of Age or Older.

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23.d Nursing Facility Services for Individuals Under 21 Years of Age.

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State: Texas
Date Received: June 3, 2015
Date Approved: **AUG 18 2015**
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State of Texas
Appendix 2 to Attachment 3.1-B
Page 1

AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES
PROVIDED TO THE CATEGORICALLY NEEDY

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5. Care, treatment or other services by a doctor of dentistry unless:
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State: Texas
Date Received: June 3, 2015
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Attachment 4.19-A
Page 4

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – INPATIENT HOSPITAL SERVICES

- (33) TEFRA target cap--A limit set under the Social Security Act §1886(b) (42 U.S.C. §1395ww(b)) and applied to a hospital's cost settlement under methods and procedures in the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA). TEFRA target cap is not applied to services provided to patients under age 21, and incentive and penalty payments associated with this limit are not applicable to those services.
- (34) Tentative settlement--Reconciliation of cost in the Medicare/Medicaid hospital fiscal year-end cost report performed by HHSC within six months after HHSC receives an acceptable cost report filed by a hospital.
- (35) Texas provider identifier--A unique number assigned to a provider of Medicaid services in Texas.
- (36) Trauma add-on--An adjustment to the base SDA for a trauma hospital to reflect the higher costs of obtaining and maintaining a trauma facility designation, as well as the direct costs of providing trauma services, relative to non-trauma hospitals or to hospitals with lower trauma facility designations.
- (37) Trauma hospital--An inpatient hospital that meets the Texas Department of State Health Services criteria for a Level I, II, III, or IV trauma facility designation under 25 Texas Administrative Code §157.125 (relating to Requirements for Trauma Facility Designation).
- (38) Universal mean--Average base year cost per claim for all urban hospitals.
- (39) Urban hospital--Hospital located in a metropolitan statistical area and not fitting the definition of rural hospitals, children's hospitals, state-owned teaching hospitals, or freestanding psychiatric hospitals. The term includes the Texas Center for Infectious Disease.
- (c) Base urban and children's hospital standard dollar amount (SDA) calculations. HHSC will use the methodologies described in this subsection to determine two separate average statewide base SDAs: one for children's hospitals and one for urban hospitals. For each category of hospital:
- (1) HHSC calculates the average base year cost per claim as follows:
- (A) Use the sum of the base year costs per claim for each hospital.
- (B) Sum the amount for all hospitals' base year costs from subparagraph (A) of this paragraph.
- (C) For children's hospitals subtract an amount equal to the estimated outlier payment amount for the base year claims for all children's hospitals from subparagraph (B) of this paragraph.

TN: 15-016 Approval Date: **AUG 18 2015** Effective Date: 12-6-2015
Supersedes TN: 13-36

Reimbursement Methodology for Inpatient Hospital Services

- (z) Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of inpatient hospital services. The agency's fee schedule rate was set as of September 1, 2014, and is effective for services provided on or after that date. All rates are published on the agency's website at <http://www.hhsc.state.tx.us/rad/hospital-svcs/inpatient.shtml>

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