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State/Territory Name: Texas

State Plan Amendment (SPA) #: 16-0003

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Companion Letter
- 3) CMS 179 Form
- 4) Approved Page(s)

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

August 29, 2016

Our Reference: SPA TX 16-0003

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

Dear Ms. Snyder:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 16-0003, dated June 6, 2016. This state plan amendment proposes to exclude monies and interest held in certain school-based savings accounts from consideration in determining resource and income eligibility.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date of August 1, 2016. A copy of the CMS-179 and approved plan page are enclosed with this letter. Also included is a companion letter to this SPA approval that addresses CMS' concerns with the method the State is using to determine financial eligibility for medically needy pregnant women and children.

If you have any questions please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by Email at Ford.Blunt@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator

cc: Dana Williamson, Manager, Policy Development Support

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August 29, 2016

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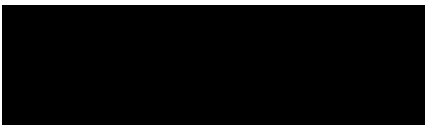
On June 6, 2016, the Centers for Medicare & Medicaid Services (CMS) received Texas' state plan amendment (SPA) Transmittal # TX 16-0003. We are issuing this companion letter to the approval of this SPA.

Texas proposed in this SPA to exclude monies and interest held in certain school-based savings accounts from consideration in determining resource and income eligibility. During our review of this SPA, the state indicated that it has been determining financial eligibility for medically needy pregnant women and children using rules comparable to the modified adjusted gross income rules ("MAGI-like" rules) described in 42 C.F.R. §435.603 rather than the income rules described in 42 CFR §435.831(b)(1).

CMS has permitted states to apply MAGI-like rules in the determination of financial eligibility for certain medically needy groups, contingent on CMS approval of a SPA. In order to continue applying MAGI-like rules to the medically needy groups referenced above, Texas will need to submit a SPA to confirm its use of these rules as soon as possible.

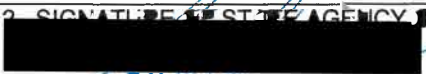

CMS staff are available to assist the state in identifying the substantive changes needed for the SPA. If you have questions about the content of this letter, please contact Ford Blunt at (214) 767- 6381 or Ford.Blunt@cms.hhs.gov.

Sincerely,



Bill Brooks
Associate Regional Administrator

cc: Dana Williamson, Manager, Policy Development Support

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| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES | | 1. TRANSMITTAL NUMBER: <div style="text-align: center;">16-0003</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;">August 1, 2016</div> | |
| 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 (See separate Transmittal for each amendment) | | | |
| 6. FEDERAL STATUTE/REGULATION CITATION: §1902(r)(2) of the Social Security Act, relating to less restrictive methodologies for determining income and resource eligibility; 42 CFR §435.601, relating to the Application of financial eligibility methodologies. | | 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 excludes certain amounts held in school-based savings accounts and interest earned on the accounts when determining eligibility for Medicaid for the Elderly and People with Disabilities (MEPD) and Medically Needy with Spend Down (MNSD) programs in accordance with Section 32.02611, Texas Human Resources Code. | | | |
| 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: Gary Jessee State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711 | |
| 13. TYPE AND NAME: Gary Jessee | | | |
| 14. TITLE: State Medicaid Director | | | |
| 15. DATE SUBMITTED: June 6, 2016 | | | |
| FOR REGIONAL OFFICE USE ONLY | | | |
| 17. DATE RECEIVED: <div style="text-align: center;">June 06, 2016</div> | | 18. DATE APPROVED: <div style="text-align: center;">August 29, 2016</div> | |
| PLAN APPROVED – ONE COPY ATTACHED | | | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL: <div style="text-align: center;">August 01, 2016</div> | | 20. SIGNATURE OF REGIONAL OFFICIAL:  | |
| 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: | | | |

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 16-0003

**Number of the
Plan Section or Attachment**

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

Supplement 8a to Attachment 2.6-A
Page 5

Supplement 8a to Attachment 2.6-A
Page 5 (N/A–New Page)

Supplement 8b to Attachment 2.6-A
Page 6

Supplement 8b to Attachment 2.6-A
Page 6 (N/A–New Page)

State: Texas
Date Received: June 06, 2016
Date Approved: August 29, 2016
Date Effective: August 01, 2016
Transmittal Number: 16-0003

State Plan under Title XIX of the Social Security Act
State: Texas

MORE LIBERAL METHODS OF TREATING INCOME UNDER SECTION
1902(r)(2) OF THE ACT

☒ Non-Section 1902(f) State

Allow an exclusion on interest earned from certificates of deposit, savings accounts, or series 1 savings bonds held in a School Based Savings Program account. A student or student and an adult in the student's family jointly must establish an account or purchase a bond under the program. The amount in an account or cash value of a bond can be no more than the cost of undergraduate resident tuition and required fees for one academic year consisting of 30 semester credit hours charged by the general academic teaching institution with the highest such tuition and fee costs for the most recent academic year in accordance with State law.

This liberal income policy applies to the following groups:

- Individuals who would be eligible for cash assistance if they were not in medical institutions under 1902(a)(10)(A)(ii)(IV) and 42 CFR 435.211;
- Working individuals with disabilities who buy into Medicaid (Medicaid Buy-In Program) under 1902(a)(10)(A)(ii)(XIII);
- Children with disabilities in the Medicaid Buy-In for Children under 1902(cc);
- Qualified Medicare Beneficiaries, Specified Low-Income Medicare Beneficiaries, Qualifying Individuals, and Qualified Disabled and Working Individuals under 1902(a)(10)(e), 1905(p), and 1905(s).

*Less restrictive methods may not result in exceeding gross income limitations under section 1903(f)

State: Texas
Date Received: June 06, 2016
Date Approved: August 29, 2016
Date Effective: August 01, 2016
Transmittal Number: 16-0003

TN: TX 16-0003 Approval Date: 8-29-2016
Supersedes TN: None New Effective Date: 8-1-2016

State Plan under Title XIX of the Social Security Act
State: Texas

MORE LIBERAL METHODS OF TREATING RESOURCES UNDER SECTION
1902(r)(2) OF THE ACT

☒ Non-Section 1902(f) State

Allow an exclusion of resources for a School Based Savings Program up to the applicable amount permissible by State Law held in certificates of deposit, savings accounts, or Series 1 savings bonds. A student or student and an adult in the student's family jointly must establish an account or purchase a bond under the program. The amount in an account or cash value of a bond can be no more than the cost of undergraduate resident tuition and required fees for one academic year consisting of 30 semester credit hours charged by the general academic teaching institution with the highest such tuition and fee costs for the most recent academic year in accordance with State law.

This liberal resource policy applies to the following groups:

- Medically Needy coverage for pregnant women and individuals under 18 years of age under 42 CFR §435.301;
- Individuals who would be eligible for cash assistance if they were not in a medical institution under 1902(a)(10)(A)(ii)(IV) and 42 CFR 453.211;
- Individuals in institutions who are eligible under a special income level under 42 CFR 435.236;
- Working individuals with disabilities who buy into Medicaid (Medicaid Buy-In program) under 1902(a)(10)(A)(ii)(XIII);
- Qualified Medicare Beneficiaries, Specified Low-Income Medicare Beneficiaries,
- Qualifying Individuals, and Qualified Disabled and Working Individuals under 1902(a)(10)(e), 1905(p), and 1905(s).

TN: 16-0003 Approval Date: 08-29-16
Supersedes TN: NONE- (NEW) Effective Date: 08-01-16

State: Texas
Date Received: June 06, 2016
Date Approved: August 29, 2016
Date Effective: August 01, 2016
Transmittal Number: 16-0003