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State/Territory Name: TX

State Plan Amendment (SPA) #:17-0002

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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

October 3, 2017

Our Reference: SPA TX 17-0002

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

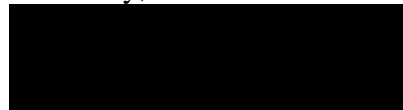
Dear Ms. Snyder:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number (TN) 17-0002, dated July 19, 2017. This plan amendment replaces the requirement that Medicaid managed care organizations (MCOs) reimburse Federally Qualified Health Centers (FQHCs) their full per-visit rate with a requirement that in the event that an MCO or dental maintenance organization pays less than the FQHC's full per-visit rate, the State will ensure the remainder is paid on at least a quarterly basis.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan, with an effective date of September 1, 2017. A copy of the CMS-179 and the approved plan pages are included with this letter.



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

Sincerely,



Bill Brooks
Associate Regional Administrator

cc: Dana Williamson, Manager, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 17-0002	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: September 1, 2017	
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: Section 1902(bb)(5) of the Act		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2017 \$0 b. FFY 2018 \$0 c. FFY 2019 \$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 (<i>If Applicable</i>): SEE ATTACHMENT TO BLOCKS 8 & 9	
10. SUBJECT OF AMENDMENT: The proposed amendment replaces the requirement that Medicaid managed care organizations (MCOs) reimburse Federally Qualified Health Centers (FQHCs) their full per-visit rate with a requirement that in the event that an MCO or dental maintenance organization pays less than the FQHC's full per-visit rate, the State will ensure the remainder is paid on at least a quarterly basis.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<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: Jami Snyder State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
13. TYPED NAME: Jami Snyder			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: July 19, 2017			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: July 19, 2017		18. DATE APPROVED: October 3, 2017	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: September 1, 2017		20. SIGNATURE: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Commissioner Division of Medicaid and Children's Health	
23. REMARKS:			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 17-0002

**Number of the
Plan Section or Attachment**

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

Attachment 4.19-B
Page 24g

Attachment 4.19-B
Page 24g (TN 16-0002)

Attachment 4.19-B
Page 24g.1

Attachment 4.19-B
New Page

State: Texas
Date Received: July 19, 2017
Date Approved: October 3, 2017
Effective Date: September 1, 2017
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(31) Federally Qualified Health Centers (FQHC) (continued)

(b) Alternate Prospective Payment System (APPS) Methodology (continued)

- (iv) HHSC will not increase the effective rate for an FQHC based on the outcome of a state-initiated cost report audit. It is the responsibility of the FQHC to request HHSC to adjust the effective rate.
 - (v) For PPS, the state-initiated review is not applicable.
- (D) Final base rate notification letter. HHSC will provide to an FQHC written notification of any determined final base rate.
- (E) Request for review of final base rate. The FQHC may submit a written request for a review of the final base rate if:
 - (i) The FQHC believes that HHSC made a mathematical error or data entry error in calculating the FQHC's reasonable cost. If HHSC determines the request for review merits a change in the final base rate, HHSC will adjust the final base rate to the effective date of the final base rate notification letter.
 - (ii) The FQHC believes that the FQHC made an error in reporting its cost or data in the final audited Medicare cost report or the Texas Medicaid Supplemental Worksheets that would result in a different calculation of the FQHC's reasonable cost. If HHSC determines the request for review merits a change in the final base rate, HHSC may adjust the final base rate to the effective date of the final base rate notification letter.
 - (iii) If the FQHC disagrees with the results of the review, the FQHC may request a formal appeal.
- (9) A managed care organization or dental maintenance organization will pay to an FQHC the full amount the FQHC should receive under PPS or APPS for covered services performed by the FQHC. The state will reimburse the managed care organization the difference between the amount the managed care organization paid the FQHC and the amount the managed care organization has contracted to pay the FQHC. The state's supplemental payment obligation to the managed care organization will be determined by subtracting the baseline payment under the contract for services being provided from the effective PPS or APPS rate without regard to the effects of financial incentives that are linked to utilization outcomes, reductions in patient costs, or bonuses. In the event that the contracted amount paid to an FQHC by a managed care organization or dental maintenance organization is less than the amount the FQHC would receive under PPS or APPS, whichever is applicable, the state will ensure the FQHC is reimbursed the difference on at least a quarterly basis.

TN: <u>17-0002</u>	Approval Date: <u>10-03-17</u>
Supersedes TN: <u>16-0002</u>	Effective Date: <u>09-01-17</u>

State: Texas
Date Received: July 19, 2017
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(31) Federally Qualified Health Centers (FQHC) (continued)

(b) Alternate Prospective Payment System (APPS) Methodology (continued)

(A) For purposes of this section, the term “APPS” is an alternative payment methodology under 42 U.S.C. §1396a(bb)(6).

(B) As stated in (31)(a) of this attachment, an FQHC may choose between payment under the PPS or APPS methodology.

(C) As stated in (31)(b)(1) of this attachment, a payment made under the APPS methodology must be at least equal to the amount that would be paid under PPS

TN: 17-0002 Approval Date: 10-03-17

Supersedes TN: None-New Page Effective Date: 09-01-17

State: Texas
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