



October 19, 2026

Mr. Dan Brillman
Deputy Administrator and Director
Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop: S2-25-26
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Re: Acceptance of Conforming Change to the Texas Healthcare
Transformation and Quality Improvement Program Section 1115
Demonstration (Project Number 11-W-00278/6)

Dear Mr. Brillman:

The Texas Health and Human Services Commission (HHSC) is writing to formally acknowledge and accept the Centers for Medicare & Medicaid Services' (CMS) conforming change to the special terms and conditions (STCs) for the Texas Healthcare Transformation and Quality Improvement Program (THTQIP) Section 1115 demonstration (Project Number 11-W-00278/6), as outlined in CMS's letter dated September 25, 2026.

HHSC accepts Attachment Y and the conforming change to the THTQIP STCs, effective October 1, 2026, through September 30, 2030. Specifically, HHSC acknowledges the revision to Table 9 for Medicaid Eligibility Group 64.21U and 64.21UP, replacing the reference to qualified "aliens" with "federal financial participation-eligible noncitizens" to align the demonstration with

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section 1903(v)(5) of the Social Security Act, as added by section 71109 of the Working Families Tax Cut legislation.

HHSC further acknowledges that this action does not change the demonstration's budget neutrality agreement and that the conforming change will be incorporated into the full THTQIP STCs in a future approval action. HHSC will incorporate the change into demonstration monitoring and evaluation activities, as appropriate, and will continue to comply with applicable federal requirements and the demonstration's approved authorities and STCs.

HHSC appreciates CMS's continued partnership and looks forward to ongoing collaboration in administering the THTQIP demonstration. If you have any questions or need additional information, please contact Kathi Montalbano, Director, Federal Coordination, Rules and Committees, who serves as the lead staff on this matter and may be reached by email at kathi.montalbano@hhs.texas.gov.

Sincerely,

Stephanie
Stephens

Digitally signed by
Stephanie Stephens
Date: 2026.10.19
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Stephanie Stephens
Chief Medicaid and CHIP Services Officer