
State Demonstrations Group

September 16, 2020

Stephanie Stephens
State Medicaid Director
Texas Health and Human Services Commission
4900 Lamar Boulevard
MC: H100
P.O. Box 13247
Austin, Texas 78751

Dear Ms. Stephens:

Thank you for your request to amend Texas' section 1115(a) demonstration, titled Texas Healthcare Transformation and Quality Improvement Program (THTQIP) (Project number 11-W002786). The Centers for Medicare & Medicaid Services (CMS) received Texas' request on September 1, 2020. We have completed a preliminary review of your request in accordance with Special Term and Condition (STC) #7 and have determined that the state's application does not meet these requirements for a complete application.

The specific elements that are missing from the state's amendment submission, that are needed in order for CMS to determine that the request is complete, are outlined in the attached enclosure. At this time, CMS will not begin our 30-day federal public comment and notice process in accordance with 42 CFR §431.416(b). When the state submits a revised amendment application that includes the missing elements as described in the enclosure, after completion of a state notice process that aligns with the September 27, 1994 Federal Register Notice for Public Notice (59 Fed. Reg. 49249), CMS will conduct another preliminary review to determine if the revised amendment request is complete in accordance with the requirements of STC #7.

We look forward to working with you and your staff and are available to provide technical assistance as you revise the amendment application. If you have any questions, please contact your CMS project officer, Mr. Eli Greenfield, at Eli.Greenfield@cms.hhs.gov.

Sincerely,

Angela D. Garner
Director
Division of System Reform Demonstration

cc: Ford Blunt, State Lead, Medicaid and CHIP Operations Group

ENCLOSURE

Elements Needed for a “Complete” Section 1115 Demonstration Amendment Application

The state did not include the following elements in its application to amend the demonstration:

- 1. Demonstration Amendment Summary and Objectives: The state must provide a detailed description of the amendment, including what the state intends to demonstrate via the amendment as well as impact on beneficiaries with sufficient supporting documentation, the objective of the change and desired outcomes including a conforming title XIX and/or title XXI state plan amendment, if necessary.**

The state’s submission did not describe how the proposed amendment aligns within the approved demonstration goals and objectives and how this amendment will help the state further those goals and objectives/goals; or identify whether this amendment would introduce a new goal and/or objective that relates to the state’s intended outcomes for the demonstration. The state’s submission also did not describe sufficiently the impact of the proposed amendment on beneficiaries in terms of what additional home and community-based services benefits are proposed to be provided; whether there will be beneficiary cost sharing, and if so, detail on that cost sharing; and the overall expected impact on program enrollment.

- 2. The state must provide a data analysis worksheet which identifies the specific “with waiver” impact of the proposed amendment on the current budget neutrality agreement. Such analysis shall include current total computable “With Waiver” and “Without Waiver” status on both a summary and detailed level through the current approval period using the most recent actual expenditures, as well as summary and detailed projections of the change in the “with waiver” expenditure total as a result of the proposed amendment, which isolates (by Eligibility Group) the impact of the amendment.**

The state’s submission did not include any financial analysis of the cost of the proposed amendment to add a new population of 150 individuals each year of the remaining demonstration. The state did not specify the estimated cost of the amendment nor how it impacts the state’s current approved budget neutrality model. Even if costs are expected to be minor relative to the size of the demonstration’s overall budget neutrality ceiling, the state must still provide a financial data analysis detailing projections with the proposed change and with supporting explanation.

- 3. The state must provide updates to existing demonstration reporting and evaluation plans. A description of how the evaluation design, and reports will be modified to incorporate the amendment provisions, as well as the oversight, monitoring and measurement of the provisions.**

The state’s submission did not describe how the proposed amendment fits within the current approved demonstration evaluation design or would require a new or amended

hypothesis. If the proposed amendment is expected to align with one or more of the state's approved evaluation hypothesis being tested, the state must indicate that and describe how the proposed change will be measured under the approved hypothesis and evaluation parameters. The state shall also describe any expected changes to demonstration monitoring and reporting activities as a result of the proposed amendment.

4. Waiver and Expenditure Authorities. The state must provide a list, along with a programmatic description, of the waivers and expenditure authorities that are being requested for the amendment.

The state's submission did not describe how the proposed amendment either fits within the approved demonstration waiver and/or expenditure authorities or whether new authorities are being requested as necessary for the state to implement the proposed amendment.