



December 15, 2023

Ms. Diona Kristian
Project Officer
Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop: S2-25-26
7500 Security Boulevard
Baltimore, MD 21244-1850

Re: 11-W-00278/6 Texas Healthcare Transformation and Quality Improvement Program (THTQIP)

Dear Ms. Kristian:

The Texas Health and Human Services Commission (HHSC) accepts your approval dated November 16, 2023, of the Medically Fragile and Case Management for Children and Pregnant Women amendments to the Texas Healthcare Transformation and Quality Improvement Program demonstration (Project Number: 11-W-00278/6).

Approval of these amendments will enable HHSC to:

1. Allow adults who are medically fragile to continue to receive home and community-based services (HCBS) when their health care needs exceed the individual cost limit of the STAR+PLUS HCBS program as they would otherwise be required to transition to institutional care; and
2. For individuals enrolled in a managed care program, this amendment will provide case management to pregnant women with a high-risk condition and to children with a health condition or health risk¹ through managed care instead of the fee-for-service delivery system.

¹[Texas Administrative Code, Title 25, Part 1, Chapter 27, Subchapter A, Rule §27.3](#) defines “high-risk condition” and “children with a health condition/health risk.”

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In addition, HHSC accepts CMS approval of the following technical clarification and correction to the state's Special Terms and Conditions (STCs).

- Clarification to Table 4a to explain that for STAR, personal care services in the home and Community First Choice services are delivered through a fee-for-service delivery model; and
- Correction to STC 41(g) to change the due date for reassessing the Public Health Providers Charity Care Pool (PHP-CCP) limits for Demonstration Year (DY) 13 – DY 17 from September 1, 2023, to March 1, 2024. This date change is also applied to STC 41(h), which now states that if the reassessment is not completed by March 1, 2024, to produce updated limits, all payments from the pool will be unavailable until the reassessment is completed. This change to the STC does not change the amount of funding authorized by this pool.

CMS also added language to STC 82 clarifying evaluation requirements for approved amendments. HHSC is committed to collaborating with CMS on approved amendments to determine if and how they may impact the approved Evaluation Design.

HHSC acknowledges the amendments, technical clarification, and correction are effective as of the date of the approval, November 16, 2023, through September 30, 2030.

Please let me know if you have any questions or need additional information. Kathi Montalbano, Director of Federal Coordination, Rules and Committees, serves as the lead staff on this matter and may be reached at 512-438-4330 or by e-mail at kathi.montalbano@hhs.texas.gov.

Sincerely,

Emily Zalkovsky
State Medicaid Director