



December 17, 2024

Ms. Kate Friedman
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-00326/6 Healthy Texas Women (HTW) Waiver Program

Dear Ms. Friedman:

The Texas Health and Human Services Commission (HHSC) accepts your approval of an amendment and temporary extension of the state's section 1115 demonstration titled, "Healthy Texas Women" (Project Number 11-W-00326/6) dated December 12, 2024. HHSC understands the temporary extension is effective as of the date of the approval, December 12, 2024, through June 30, 2025.

HHSC understands that during review of this demonstration extension request, CMS determined its initial approval to categorize sexually transmitted infection (STI) testing and treatment services as a family planning service did not conform with State Medicaid Director Letter guidance.¹ CMS is therefore requiring the demonstration to categorize STI testing and treatment as a family planning-related service for purposes of federal financial participation. Given that the initial miscategorization was proposed and approved by CMS and has been in effect since January 22, 2020, HHSC will require time to operationalize the changes CMS made

¹ [State Medicaid Director Letters #10-013, #14-003, and #16-008:](https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/SMD10013.pdf)
<https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/SMD10013.pdf>
<https://www.medicaid.gov/federal-policy-guidance/downloads/smd-14-003.pdf>
<https://www.medicaid.gov/federal-policy-guidance/downloads/sho16008.pdf>

Ms. Kate Friedman
December 17, 2024
Page 2

to Special Terms and Conditions (STCs) 19 and 20 related to the categorization of family planning and family planning-related services.

In addition, HHSC looks forward to continuing to work with CMS on STC 19 to ensure the language added by CMS conforms to section 1905(a)(4)(C) of the Social Security Act and State Health Official Letter #16-008² and is not limiting the settings where family planning services may be provided. HHSC understands CMS has stated more time is needed to review feedback from HHSC on CMS' changes to STC 19 and discussion on this nuance will be part of continued extension negotiations next year.

HHSC also acknowledges the deletion of subsection (e) in STC 42 related to State Certification of Funding Conditions.

Finally, HHSC understands that, for the temporary extension period, the state's current budget neutrality agreement and per member per month amounts as of demonstration year five will continue to apply and that the state must continue to monitor the demonstration, as described and stipulated in the current STCs.

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

Sincerely,

Ricardo Garcia
Deputy Executive Commissioner (DEC), Policy and Quality on behalf of Emily Zalkovsky, State Medicaid Director

² <https://www.medicaid.gov/federal-policy-guidance/downloads/sho16008.pdf>