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State/Territory Name: Texas

State Plan Amendment (SPA) : 23-0017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

September 13, 2023

Director: Stephanie Stephens
State Medicaid/CHIP Director
Health and Human Services Commission
Mail Code: H100
Post Office Box 13247
Austin, Texas 78711

RE: Texas TN 23-0017

Dear Director: Emily Zalkovsky,

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#23-0017, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 20, 2023. The purpose of the amendment is to update the rate methodology and payment rates for Prescribed Pediatric Extended Care Centers (PPECC).

Based upon the information provided by the State, we have approved the amendment with an effective date of June 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Monica Neiman at: Monica.Neiman@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of the sender.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
2 3 0 0 1 7

2. STATE
T X

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT

TO: **CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

4. PROPOSED EFFECTIVE DATE
June 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
**42 CFR § 440.167
Section 1905(a)(24) of the Social Security Act**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY **2023** \$ **0**
b. FFY **2024** \$ **0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19-B
Page 25n**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)

**Attachment 4.19-B
Page 25n (TN 22-0016)**

9. SUBJECT OF AMENDMENT
The purpose of the amendment is to update the rate methodology and payment rates for Prescribed Pediatric Extended Care Centers (PPECC).

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Stephanie Stephens

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
June 20, 2023

15. RETURN TO

**Stephanie Stephens
State Medicaid Director
Post Office Box 13247, MC: H-100
Austin, Texas 78711**

FOR CMS USE ONLY

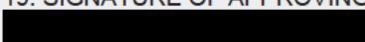
16. DATE RECEIVED
June 20, 2023

17. DATE APPROVED
September 13, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
June 1, 2023

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

19. SIGNATURE OF APPROVING OFFICIAL


21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review.

22. REMARKS

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

(19) Prescribed Pediatric Extended Care Center (PPECC) Services

- (a) Payment rates are developed based on payment rates determined for other programs that provide similar services. If there are no similar services or no prior provider experience in the state that can inform the development of payment rates, payment rates are determined using a pro forma analysis.
- (b) A pro forma analysis is defined as an item-by-item, or classes-of-items, calculation of the reasonable and necessary expenses for a provider to operate a PPECC while meeting all regulatory requirements. This analysis may involve assumptions about the salary of an administrator or program director, staff salaries, employee benefits and payroll taxes, building depreciation, mortgage interest, contracted client care expenses, and other building or administration expenses using inflated historical costs of delivering similar services, where appropriate data are available, and estimating the basic types and costs of products and services necessary to deliver services meeting federal and state requirements.
- (c) To determine the cost per unit of service, all the pro forma expenses are totaled, and the total is divided by the estimated units of service.
- (d) Providers of a bundled service payment will maintain data to include information showing the provision, by the practitioner, of the individual covered Medicaid service in the bundled payment, the extent of services the provider furnishes to beneficiaries, and the cost, by practitioner and type of service, of services delivered under the bundled rate.
- (e) PPECCs are limited to 12 hours a day and are further restricted by state licensure requirements to daytime hours; therefore, the rates will not include room and board.
- (f) The per diem PPECC transportation rate is a once per day round trip encounter rate. The rate is payable only on days the client utilizes PPECC transportation.
- (g) HHSC reviews and, if necessary, updates all rates on a biennial basis.
- (h) If HHSC requires the provider to submit a cost report, the provider must follow the prescribed cost reporting guidelines.
- (i) All fee schedules are available through the agency's website as outlined in Attachment 4.19-B, page 1.
- (j) The agency's fee schedule will be revised with new fees for PPECC services effective June 1, 2023. The fee schedule will be posted on the agency website by September 1, 2023.