



**Division of Medicaid & Children's Health, Region VI**

---

November 2, 2011

Our Reference: SPA 11-038

Mr. Billy Millwee  
Associate Commissioner for Medicaid & CHIP  
Health and Human Services Commission  
Post Office Box 13247  
Mail Code: H100  
Austin, Texas 78711

Dear Mr. Millwee:

This letter is being sent as a companion to our approval of Texas State Plan Amendment (SPA) 11-038 which implements a five percent reimbursement reduction for early and periodic screening, diagnosis and treatment (EPSDT) therapy providers and a 10.5 percent reimbursement reduction for EPSDT durable medical equipment, audiology and hearing services, case management, prosthetics, orthotic services, and supplies.

CMS reviewed the submitted reimbursement pages and the corresponding coverage pages for this service. In reviewing the state plan pages, CMS found a companion page issue in Appendix 1 to Attachment 3.1A and Attachment 3.1B, pages 7b, 7m, 7m.1, and 7m.3. Please revise the state plan pages to include the following information:

**Appendix 1 to Attachment 3.1-A and 3.1-B**

1. Page 7b, Audiology and Hearing Services: In accordance with 42 CFR 440.110, please include language in the State plan specifying that audiology services include any necessary supplies and equipment. Additionally, please include language that individuals are referred for services by a physician or other licensed practitioner. The State may choose to add specific language or provide an assurance in the State plan that all audiology services meet the requirements of 440.110.
2. Page 7m, EPSDT Case Management-Definition of Services: The State discusses the face-to-face assessment, but does not make mention of "periodic reassessment". Pursuant to 42 CFR 440.169, please add this language to the State plan. Additionally, please specify the frequency of assessments and reassessments and provide a justification for the frequencies.
3. Page 7m.1, EPSDT Case Management-Follow-up activities: Please specify the type of monitoring and justify the frequency of monitoring.

4. Page 7m.3, EPSDT Case Management: Pursuant to 42 CFR 441.18(a)(4), please add the following language:

*“Payment: Payment for case management or targeted case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.”*

5. Page 7m.3, EPSDT Case Management: Pursuant to 42 CFR 441.18(a)(7), please add the following language:

*“Case Records: Providers maintain case records that document for all individuals receiving case management as follows: (i) The name of the individual; (ii) The dates of the case management services; (iii) The name of the provider agency (if relevant) and the person providing the case management service; (iv) The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved; (v) Whether the individual has declined services in the care plan; (vi) The need for, and occurrences of, coordination with other case managers; (vii) A timeline for obtaining needed services; (viii) A timeline for reevaluation of the plan.”*

Please respond to this letter within 90 days of its receipt to address the issues described above. Within that period, the State may submit SPAs to resolve these issues or submit a corrective action plan describing in detail how the State will resolve the issues identified above in a timely manner. Failure to respond will result in the initiation of a formal compliance process. During the 90 days, CMS will provide any required technical assistance. If you have any questions, please contact Cheryl Rupley at (214) 767-6278 or [cheryl.rupley@cms.hhs.gov](mailto:cheryl.rupley@cms.hhs.gov).

Sincerely,

/s/

Bill Brooks  
Associate Regional Administrator

Cc: Emily Zalkovsky, Policy Development Support