

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 11-044	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: September 1, 2011	
5. TYPE OF PLAN MATERIAL (<i>Circle One</i>):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 USC 1396n(g)		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2011 \$0 b. FFY 2012 \$0 c. FFY 2013 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT TO BLOCKS 8 & 9		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): SEE ATTACHMENT TO BLOCKS 8 & 9	
10. SUBJECT OF AMENDMENT: This amendment revises the reimbursement methodology for case management for persons with chronic mental illness by removing the annual settlement process and establishing prospective and uniform statewide reimbursement rates by type of service.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.	
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: Billy R. Millwee		Billy R. Millwee State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: July 25, 2011			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 26 July, 2011		18. DATE APPROVED: 14 October, 2011	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 September, 2011		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

STATE	<u>Texas</u>	A
DATE REC'D	<u>7-26-11</u>	
DATE APPV'D	<u>10-14-11</u>	
DATE EFF	<u>9-1-11</u>	
HCFA 179	<u>11-44</u>	

21. Case Management for Persons with Chronic Mental Illness

Reimbursement for case management services for individuals with chronic mental illness is subject to the specifications, conditions and limitations required by the Health and Human Services Commission (HHSC). Providers are reimbursed based on a 15-minute face-to-face unit of service by type of service that is prospective and uniform statewide.

The prospective and uniform statewide reimbursement rates will be determined by summing the total agency expenditures for each type of case management service for the most recent cost-reported fiscal year and dividing by the total number of units of each type of service provided during that fiscal year. The following provider costs will be collected for use as a basis for updating reimbursement rates:

- (1) Inclusion of certain reported expenses. Providers must ensure that all requested costs are included in the cost reporting system.

- (2) Several different kinds of data are collected. The collected data will include the number of units of service provided. The cost data include direct costs, programmatic indirect costs, and general and administrative costs including salaries, benefits, and non-labor costs. Programmatic indirect costs include salaries, benefits and other costs of this case management program that are indirectly related to the delivery of case management services to clients. General and administrative overhead costs include the salaries, benefits and other costs that, while not directly part of the case management services program, constitute costs that support the operations of the case management services program.

- (3) Providers must eliminate unallowable expenses from the cost report. Unallowable expenses included in the cost report are omitted from the cost report database and appropriate adjustments are made to expenses and other information reported by providers. The purpose is to ensure that the database reflects costs and other information which are consistent with efficiency, economy, and quality of care; are necessary for the provision of covered case management services; and are consistent with federal and state Medicaid regulations. If there is doubt as to the accuracy or allowableness of a significant part of the information reported, individual cost reports may be eliminated from the database.

SUPERSEDES: TN- 11-07

TN 11-44 Approval Date 10-14-11 Effective Date 9-1-11
Supersedes TN 11-07

21. Case Management for Persons with Chronic Mental Illness (continued).

(4) Total costs are projected from the historical reporting period to the prospective rate period. Cost projections adjust the allowable historical costs for significant changes in cost related conditions anticipated to occur between the historical cost period and the prospective rate period. Significant conditions include, but are not necessarily limited to, wage and price inflation or deflation, changes in program utilization and efficiency, modification of federal or state regulations and statutes. The Personal Consumption Expenditures (PCE) Chain-Type Index, which is based on data from the US Department of Commerce, is the most general measure of inflation is used to project costs.

The reimbursement for services effective September 1, 2010 through January 31, 2011 will be equal to the reimbursement on August 31, 2010, less one percent. The reimbursement for services effective February 1, 2011 will be equal to the reimbursement on August 31, 2010, less two percent. The agency's fee schedule was revised with new fees effective for services on or after February 1, 2011. The fee schedule was posted by April 8, 2011.

SUPERSEDES: TN- 04-08

STATE	<u>Texas</u>	A
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