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State/Territory Name: Texas

State Plan Amendment (SPA) #: TX 21-0034

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

December 22, 2021

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

RE: Texas State Plan Amendment (SPA) 21-0034

Dear Ms. Stephens:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 21-0034 effective for services on or after September 1, 2021. This proposed amendment will adjust the payment rate methodology for pediatric nursing facilities so that it is based upon the unadjusted federal per diem rate for rural Medicare skilled nursing facilities for the most recent federal fiscal year.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

We hereby inform you that Medicaid State plan amendment 21-0034 is approved effective September 1, 2021. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe
Director

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 21-0034	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, 2021	
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: Title XIX of the SSA 42 CFR §440.155 42 USC §1396r		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2021 \$105,013 b. FFY 2022 \$1,160,580 c. FFY 2023 \$1,192,288	
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: The proposed amendment will adjust the payment rate methodology for pediatric nursing facilities so that it is based upon the unadjusted federal per diem rate for rural Medicare skilled nursing facilities for the most recent federal fiscal year.			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: Stephanie Stephens <small>Digitally signed by Stephanie Stephens Date: 2021.09.23 16:42:17 -05'00'</small>		16. RETURN TO: Stephanie Stephens State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
13. TYPED NAME: Stephanie Stephens			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: 09/23/21			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: September 28, 2021		18. DATE APPROVED: December 22, 2021	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: September 1, 2021		20. SIGNATURE OF REGIONAL OFFICIAL: <i>Rory Howe</i>	
21. TYPED NAME: Rory Howe		22. TITLE: Director, Financial Management Group	
23. REMARKS:			

IV. Rate Setting Methodology (continued)

- (C) Special reimbursement class. HHSC may define special reimbursement classes, including experimental reimbursement classes of service, to be used in research and demonstration projects on new reimbursement methods and reimbursement classes of service to address the cost differences of a select group of recipients. Special classes may be implemented on a statewide basis, may be limited to a specific region of the state, or may be limited to a selected group of providers. Reimbursement for the Pediatric Care Facility class is calculated as specified in VII.

IV. Rate Setting Methodology (continued)

Reserved

VII. Reimbursement Methodology for Pediatric Care Facilities

- (a) Pediatric Care Facility Class. The purpose of this special class is to recognize, through the adoption of a special payment rate, the cost differences that exist in a nursing facility or distinct unit of a nursing facility that serves predominantly children.
- (b) Definitions.
- (1) Aged in place – The description of adults who were admitted to the pediatric care facility as children but who are no longer children.
- (2) Children – For the purposes of this pediatric care facility class, children are defined as being at or below 22 years of age.
- (A) For a pediatric care facility that is designated in its entirety as a pediatric care facility, the following apply.
- (i) A limited number of individuals who have “aged in place” may be counted as children for purposes of determining if the facility meets the requirements for remaining a pediatric care facility as described in VII(b)(4).
- (ii) The number of such individuals who may be counted as children for purposes of determining if the facility meets the requirements for remaining a pediatric care facility is limited to 33 percent of the average daily census of the facility.
- (B) For a facility to initially become a pediatric care facility or to meet the requirements for a distinct unit to remain a pediatric care facility, individuals who have “aged in place” may not be counted toward meeting the requirements for such designations.
- (3) Distinct unit – A portion of a nursing facility that is physically separate from, and beds are not commingled with, other units of the facility. The distinct unit can be an entire wing, a separate building, an entire floor, or an entire hallway. The distinct unit consists of all beds within the designated area. A distinct unit must consist of 28 or more Medicaid-contracted beds.

- (4) Pediatric care facility – One of the two categories of facilities described below. To become a member of the pediatric care facility class, a contracted provider must send a request in writing by certified mail to the HHSC Provider Finance Department.
- (A) An entire facility that has maintained an average daily census of 80 percent or more children for the six-month period prior to its entry into the pediatric care facility class based on the entire licensed facility. To remain a pediatric care facility, the entire facility must maintain an average daily census of 80 percent or more children.
- (B) A distinct unit of a facility that has maintained an average daily census of 85 percent or more children for the six-month period prior to its entry into the pediatric care facility class based on the distinct unit of the facility. To remain a pediatric care facility, a distinct unit of a facility must maintain an average daily census of 85 percent or more children.
- (c) Payment rate determination. Payment rates will be determined in the following manner.
- (1) Payment rate methodology. The payment rate methodology for this class of service is based upon the unadjusted federal per diem rate for rural Medicare skilled nursing facilities for the most recent federal fiscal year as published in the Federal Register. Payment rates determined in this manner will be:
- (A) based on available funds and subject to legislative appropriations; and
- (B) paid uniformly for all Medicaid residents of a qualifying pediatric care facility.
- (2) Cost reports. Cost reports for pediatric care facilities are governed by the requirements specified in II and III. A nursing facility that contains a pediatric care facility distinct unit must complete two cost reports: one report for the distinct pediatric care facility unit and one report for the remainder of the facility.
- (3) Additional reimbursements. A pediatric care facility will not be eligible for additional reimbursements from either of the following sources.
- (A) The ventilator-dependent or the children-with-tracheostomies supplemental reimbursements.
- (B) Enhanced rates from the Direct Care Staff Enhancement program.

Reserved

TN: 21-0034

Approval Date: 12/22/2021

Supersedes TN: 00-17

Effective Date: 09/01/2021