

Table of Contents

State Plan Amendment

19-0009 DAHS Cost Report Reform - Effective 01/01/2019

This file contains the following documents in order listed:

1. CMS Approval Letter
2. CMS Form 179
3. Superseding Page Listing (Attachment to Blocks 8 & 9 of CMS Form 179)
4. Approved SPA Page

Regional Operations Group

June 24, 2019

Our Reference: TX SPA 19-0009

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

Dear Ms. Muth,

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 19-0009 dated March 29, 2019. This state plan amendment modifies the reimbursement methodology for the Day Activity and Health Services (DAHS) program by requiring biennial, rather than annual, cost reports. Beginning with their 2019 costs reports, DAHS providers will be required to submit a cost report every other year. During the interim years, DAHS providers who participate in the Attendant Compensation Rate Enhancement Program will be required to submit an Attendant Compensation Report.



Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of January 1, 2019. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have any questions, please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by e-mail at Ford.Blunt@cms.hhs.gov.

Sincerely,



BILL BROOKS
Director
Regional Operations Group

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: <div style="text-align: center; font-weight: bold;">19-0009</div>	2. STATE: <div style="text-align: center; font-weight: bold;">TEXAS</div>
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) the Day Activity and Health Services (DAHS)	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE: <div style="text-align: center; font-weight: bold;">January 1, 2019</div>	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §440.130(d) Section 1905(a)(13) of the Social Security Act	7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2019 (\$0.00) b. FFY 2020 (\$0.00) c. FFY 2021 (\$0.00)		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <div style="text-align: center; font-weight: bold;">SEE ATTACHMENT TO BLOCKS 8 & 9</div>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <div style="text-align: center; font-weight: bold;">SEE ATTACHMENT TO BLOCKS 8 & 9</div>		
10. SUBJECT OF AMENDMENT: The amendment modifies the reimbursement methodology for the Day Activity and Health Services (DAHS) program by requiring biennial, rather than annual, cost reports. Beginning with their 2019 cost reports, DAHS providers will be required to submit a cost report every other year. During interim years, DAHS providers who participate in the Attendant Compensation Rate Enhancement Program will be required to submit an Attendant Compensation Report.			
11. GOVERNOR'S REVIEW (Check One): <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: Stephanie Muth State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711		
13. TYPED NAME: <div style="text-align: center; font-weight: bold;">Stephanie Muth</div>	16. RETURN TO: Stephanie Muth State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711		
14. TITLE: <div style="text-align: center; font-weight: bold;">State Medicaid Director</div>			
15. DATE SUBMITTED: <div style="text-align: center; font-weight: bold;">March 29, 2019</div>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: <div style="text-align: center;">March 29, 2019</div>	18. DATE APPROVED: <div style="text-align: center;">June 24, 2019</div>		
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <div style="text-align: center;">January 1, 2019</div>	20. SIGNATURE: 		
21. TYPED NAME: <div style="text-align: center;">Bill Brooks</div>	22. TITLE: Director <div style="text-align: center;">Regional Operations Group</div>		
23. REMARKS:			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 19-0009

**Number of the
Plan Section or Attachment**

**Number of the Superseded
Plan Section or Attachment**

Attachment 4.19-B
Page 7

Attachment 4.19-B
Page 7 (TN 00-16)

State: Texas
Date Received: 03-29-19
Date Approved: 06-24-19
Date Effective: 01-01-19
Transmittal Number: 19-0009

15. Reimbursement Methodology for Day Activity and Health Services

- I. Authority. The Texas Health and Human Services Commission (HHSC), the Single State Medicaid Agency, has final approval authority of Medicaid payment rates. HHSC determines Day Activity and Health Services (DAHS) Medicaid payment rates after consideration of analysis of financial and statistical information, and the effect of the payment rates on achievement of program objectives, including economic conditions and budgetary considerations.
- II. General. HHSC reimburses DAHS providers for services provided to eligible recipients. Prospective, uniform statewide payment rates are determined for DAHS. Payment rates for attendant compensation are determined prospectively with a retrospective adjustment for failure to meet spending requirements as specified in X(6). Payment rates will be determined for a period of two years.
- III. Pro Forma Costing. When historical costs are unavailable, such as in the case of changes in program requirements, payment rates may be based on a pro forma approach. This approach involves using historical costs of delivering similar services, where appropriate data are available, and determining the types and costs of products and services necessary to deliver services meeting federal and state requirements.
- IV. Adjusting Payment Rates. HHSC will follow the state plan amendment process when payment rates are adjusted to compensate for changes in laws, regulations, policies, guidelines, economic factors, or implementation of federal court orders or settlement agreements.
- V. Cost Reports. To ensure adequate financial and statistical information upon which to base payment rates, each contracted provider is required to submit a cost report every other year and, if necessary, (a) supplemental report(s). It is the responsibility of the provider to submit accurate and complete information, in accordance with all pertinent cost report rules and cost report instructions.
- VI. Audits and Desk Reviews. HHSC conducts desk reviews and field audits of provider cost reports to ensure that the financial and statistical information reported in the cost reports conforms to all applicable rules and instructions.
- VII. Informal Reviews and Appeals. A contracted provider may request an informal review and, subsequently, an appeal of a desk review or field audit disallowance.

TN: <u>19-0009</u>	Approval Date: <u>06-24-19</u>
Supersedes TN: <u>00-16</u>	Effective Date: <u>01-01-19</u>

State: Texas
Date Received: 03-29-19
Date Approved: 06-24-19
Date Effective: 01-01-19
Transmittal Number: 19-0009