



April 18, 2022

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Director Bowdoin:

Enclosed with this letter is Texas's federal fiscal year 2022, quarter 4 spending plan and narrative update described in the May 13, 2021 State Medicaid Director Letter #21-003. As a result of the timeline for receipt of conditional approval and changes to the scope of activities, revisions were required to the state's spending plan and narrative. The purpose of this letter is to provide explanation and context for the revisions that are in track changes in the attachments.

Three activities described in the prior version of the state's spending plan have been removed from this quarterly update because there is no longer sufficient time for implementation. This includes the following activities.

- The activity to "Expand a pilot providing enhanced mental health services to people with IDD in the community" is removed. Implementation of this project is no longer feasible due to the short timeline to implement an expansion, evaluate the expansion in a meaningful way, and ensure appropriate funding levels as the pilot closed.

- The activity to provide “Assistance with HCBS project management” is removed. Due to state procurement requirements, the project is no longer feasible due to the short timeline.
- The activity to “Mitigate Impacts of COVID-19 on Provider Compliance Monitoring” is removed. Due to the shortened timeline and need for significant training of contracted staff to perform monitoring functions, the state is seeking alternative strategies to mitigate the impact of COVID-19 on required provider monitoring activities.

Texas proposes to add two new activities in this update. This includes the following activities.

- “Direct care employer registry” seeks funding for the creation of a state-specific employment registry allowing direct care attendants and employers, including employers self-directing their care, to find the best fit for open positions (Activity 12).
- “Efficiency for program enrollment activities” proposes to improve the state’s HCBS infrastructure by improving productivity and efficiency in enrollment activities through automation (Activity 22).

Texas has also identified technology needs to add to items already included and approved in the plan. This includes the following activities.

- For “Update Licensing Systems to Enhance Provider Oversight”, the state intends to update licensing systems to assist in the oversight of providers for the pilot program delivering long term services and supports to individuals with intellectual and development disabilities and similar functional needs through managed care, as well as for individualized skills and socialization (Activity 13).
- “Enhance Efficiency through Electronic Data Interfaces” is updated to include funding for the state’s Medicaid Management Information System

(MMIS) to ensure the electronic data interfaces are interoperable (Activity 6).

- “Digitize Provider Oversight Tools” has been separated into two distinct activities. The first describes converting processes to oversee providers in community-based programs, including HCBS and consumer-directed, from paper and manual database entry to an interoperable provider monitoring tool (Activity 16). “Digitize Contract Documents” will digitize paper documents and records for state contracts with the same types of providers (Activity 17). The state has moved to a digital contracting platform, but thousands of state records necessary for oversight of these contracted providers are on paper in archives. Digitizing these documents will enhance efficiency in oversight activities. Where appropriate, the state intends to submit Advanced Planning Document requests.

Lastly, updates have been made to projected costs for activities involving technology changes. As the state works through project planning and submission of Advanced Planning Documents, funding amounts for projects are updated. Cost models are being finalized as the scope of the projects and timelines are finalized. The state intends to reserve a portion of the state general revenue attributable to the increased federal medical assistance percentage to fund any contingencies associated with activities funded through this plan.

We are committed to working with stakeholders including providers and recipients of HCBS services in Texas to inform future updates to this spending plan. Please feel free to contact Amanda Dillon should you have any questions or require any additional information.

Sincerely,

Stephanie
Stephens

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Stephanie Stephens
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Stephanie Stephens
State Medicaid Director