



Children and Adults Health Programs Group

SEP 09 2013

Kay Ghahremani
State Medicaid Director
Texas Health and Human Services Commission
P.O. Box 13247
Austin, TX 78711

Dear Ms. Ghahremani:

This letter provides the Centers for Medicare & Medicaid Services (CMS) approval of revisions to the Regional Healthcare Partnership (RHP) 10 plan that was submitted to CMS for reconsideration on August 23, 2013 as part of the state's Delivery System Reform Incentive Payment (DSRIP) Pool, authorized under the state's 1115 demonstration, entitled Texas Healthcare Transformation and Quality Improvement Program (Project Number 11-W-00278/6).

In accordance with the expectations set forth in the demonstration's Program Funding and Mechanics (PFM) Protocol, the state reviewed all plan revisions prior to submitting the projects to CMS to ensure that Regional Healthcare Partnerships (RHPs) addressed the concerns identified by CMS during its initial review. CMS' 15-day re-review focused on ensuring that the state followed its process correctly and that the RHP adequately addressed CMS' initial concerns.

Thirty-five of RHP 10's DSRIP project revisions submitted by the state have been initially approved. The list of approved projects is enclosed. These providers may now begin receiving DSRIP payments for demonstration years (DY) 2 and DY 3 for the DSRIP project approved in this letter, provided they show documented achievement of the milestones described in their plan, in accordance with the requirements set forth in the DSRIP PFM Protocol.

The remaining three DSRIP project revisions submitted by the state continue to be under review by CMS. We will provide formal feedback on these projects at a later date.

These review findings do not alter the responsibility of the state or the RHP to comply with all federal program integrity and funding requirements of the Medicaid program, the demonstration's special terms and conditions (STCs), or the accompanying protocols, the PFM protocol (attachment J of the STCs) and the RHP Planning Protocol (attachment I of the STCs).

In addition, the RHP must continue to address all other requirements of the PFM protocol described in CMS's initial review letter, sent April 25, 2013, including priority technical corrections and revisions to Category 3 targets.

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Your project officer is Mr. Robert Nelb. He is available to answer any questions concerning your section 1115 demonstration. Mr. Nelb's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
Division of State Demonstrations and Waivers
7500 Security Boulevard
Mail Stop: S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-1055
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E-mail: robert.nelb@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Mr. Nelb and to Mr. Bill Brooks, Associate Regional Administrator in our Dallas Regional Office. Mr. Brooks' address is:

Bill Brooks
Centers for Medicare & Medicaid Services
1301 Young St. Suite 714
Dallas, TX 75202
Telephone: (214) 767-4461
E-mail: Bill.Brooks@cms.hhs.gov

If you have questions regarding this approval, please feel free to contact me or either of the contacts listed above.

Sincerely,



Diane T. Gerrits
Director
Division of State Demonstrations and Waivers

Enclosures

cc: Bill Brooks, Associate Regional Administrator, Region VI
David Salsberry, RHP 10 Lead Contact

**Attachment –
CMS Review of Revisions for Regional Healthcare Partnership (RHP) 10**

Overview

As described in the accompanying letter, CMS conducted its 15-day re-review of revised projects accordance with paragraph 15.a of the Texas 1115 demonstration Program Funding and Mechanics (PFM) protocol. The results of CMS’s re-review are described below for revisions to the RHP 10 plan submitted August 23, 2013.

Table 1 - Initially approved projects

The following revised category 1 and 2 projects, submitted by the state August 23, 2013, are initially approved and may begin claiming DSRIP funding for documenting achievement of the specified milestones in accordance with the requirements set forth in the PFM protocol. For both demonstration year (DY) 2 and DY 3 combined CMS is initially approving a total of **\$183,194,092**.

As described in CMS’s initial review findings for RHP 10, sent April 25, 2013, additional revisions to projects will be needed to resolve priority technical corrections, to set targets for Category 3 outcomes, and to approve the project values for DY 4 and 5, consistent with paragraphs 15.b and 15.c of the Program Funding and Mechanics (PFM) protocol.

Unique Project ID	Project Option	Provider Name	Initially approved DY 2 - 3 project value (total computable)	Summary of change made for approval (as provided by the state)
022817305.1.1	1.10.2	Tarrant County/dba Tarrant County Public Health	\$2,990,394	Provider moved project on-menu and addressed core components. Provider also provided additional information in the cover sheet, as requested by CMS.
022817305.1.2	1.1.2	Tarrant County/dba Tarrant County Public Health	\$2,110,797	Provider added to the project milestones and accepted the CMS alternate value for DY2-3.
022817305.2.1	2.7.4	Tarrant County/dba Tarrant County Public Health	\$3,042,052	Provider added to the project milestones and accepted the CMS alternate value for DY2-3.
022817305.2.2	2.6.1	Tarrant County/dba Tarrant County Public Health	\$2,418,503	Provider moved the project on-menu and addressed core components and QPI. Provider also adjusted project metrics to reflect the increased number of clients served by the project.
022817305.2.3	2.7.1	Tarrant County/dba Tarrant County Public Health	\$1,399,927	Provider moved the project on-menu and addressed core component. Provider also confirmed that it will utilize evidence-based strategies recommended by CDC.
022817305.2.5	2.7.1	Tarrant County/dba Tarrant County Public Health	\$554,094	Provider moved project on-menu and included additional information regarding the evidence-base for this project and therapies. Provider also submitted additional information to address concern about duplication of funds.

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022817305.2.8	2.7.2	Tarrant County/dba Tarrant County Public Health	\$7,746,964	Provider increased the number of clients in the metric and by accepted the outlier value provided by CMS.
081599501.1.1	1.12.2	MHMR of Tarrant County	\$8,372,594	Provider accepted lower valuation as proposed by CMS with no changes to project narrative for tables.
081599501.2.1	2.13.1	MHMR of Tarrant County	\$5,817,788	Provider moved project on-menu and addressed core components.
081599501.2.2	2.15.1	MHMR of Tarrant County	\$9,643,553	Provider reflected a higher patient impact.
081599501.2.3	2.19.1	MHMR of Tarrant County	\$8,087,009	Provider accepted lower value as proposed by CMS with no changes to project narrative or tables.
081599501.2.4	2.13.2	MHMR of Tarrant County	\$8,266,120	Provider moved project on-menu and addressed core components.
094193202.2.1	2.4.1	Plaza Medical Center of Fort Worth	\$1,930,287	Provider added Cat. 3 measure and retained patient satisfaction improvement target.
112677302.2.3	2.9.1	Texas Health Harris Methodist Hospital Fort Worth	\$3,881,917	Provider added to the milestones for DY4-5. Provider also removed I-8 and replaced it with I-9.
112677302.2.4	2.8.11	Texas Health Harris Methodist Hospital Fort Worth	\$3,510,849	Provider added to the project milestones and removed the overlap between Cat 2 and Cat 3.
120726804.2.2	2.8.11	Texas Health Harris Methodist Hospital Southwest Fort Worth	\$613,836	Provider addressed the overlap flag by modifying outcomes for DY4-5.
120726804.2.3	2.9.1	Texas Health Harris Methodist Hospital Southwest Fort Worth	\$757,597	Provider replaced improvement milestone I-8 with improvement milestone I-9.2 and I-9 for DY-5.
126675104.1.2	1.6.2	John Peter Smith Hospital	\$12,371,121	Provider added to the project milestones for DY3-5.
126675104.1.3	1.9.2	John Peter Smith Hospital	\$5,712,104	Provider specified the number of visits for Medicaid/uninsured patients.
126675104.2.12	2.8.11	John Peter Smith Hospital	\$12,850,518	Provider accepted lesser value as adjusted by CMS and made no changes to project.
126675104.2.13	2.10.1	John Peter Smith Hospital	\$10,198,843	Provider reflected patient impact in the milestones table.
126675104.2.14	2.5.1	John Peter Smith Hospital	\$5,493,318	Provider accepted the lower value for DY2-3 which addresses both the CMS outlier issue and the state flag.
126675104.2.7	2.17.1	John Peter Smith Hospital	\$5,328,731	Provider added quantifiable patient impact information to the milestones.
126675104.2.9	2.16.1	John Peter Smith	\$12,935,059	Provider added QPI and accepted the CMS outlier

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Unique Project ID	Project Option	Provider Name	Initially approved DY 2 - 3 project value (total computable)	Summary of change made for approval (as provided by the state)
		Hospital		value.
130606006.1.2	1.1.1	Wise Regional Health System	\$6,353,856	Provider added QPI milestones for DY4-5 and accepted the CMS outlier value.
130614405.2.4	2.9.1	Texas Health Arlington Memorial Hospital	\$2,586,257	Provider added to the milestones for DY4-5. The provider also addressed a potential Cat 2/Cat 3 overlap issue by replacing Cat 2 milestones that were flagged in similar projects as overlapping with Cat 3.
130724106.1.2	1.12.1	Pecan Valley Centers for Behavioral and Developmental Healthcare	\$2,286,195	Provider (non-hospital) changed Category 3 Patient Satisfaction to TBD to maintain original valuation.
135036506.1.2	1.9.2	Baylor All Saints Medical Center at Fort Worth	\$1,181,418	Provider completed Appendix C and added expected benefit of project for the Medicaid/uninsured population.
135036506.2.4	2.19.1	Baylor All Saints Medical Center at Fort Worth	\$1,236,797	Provider replaced two Category 3 outcomes. Provider also clarified Category 2 improvement metrics to ensure there is no duplication.
136326908.2.4	2.9.1	Texas Health Harris Methodist Hospital Hurst-Euless-Bedford	\$821,924	Provider replaced outcomes to address overlap issue.
138980111.1.2	1.1.3	University of North Texas Health Science Center	\$9,625,541	Provider accepted the lower CMS value for DY2-3 for an outlier project.
138980111.1.8	1.7.2	University of North Texas Health Science Center	\$6,360,431	Provider accepted the lower alternate value to address state flag and CMS outlier flag.
162334001.1.1	1.9.2	JPS Physician Group	\$7,064,696	Provider submitted additional information on milestones and impact of project on Medicaid/uninsured patients. Based on these figures, the project's valuation per additional visits and per Medicaid/indigent visit is low compared to other specialty care projects. The provider also addressed the CMS specialty care flag by providing additional justification and filing out Appendix C.
186221101.2.1	2.9.1	Methodist Mansfield Medical Center	\$902,451	Provider replaced project milestones to address overlap issue.
206106101.2.1	2.1.1	Wise Clinical Care Associates	\$8,740,551	Provider added QPI information to DY4-5 to address state valuation flag.
Total			\$183,194,092	