



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

ALBERT HAWKINS  
EXECUTIVE COMMISSIONER

December 18, 2008

Mr. Bill Brooks  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
1301 Young Street, Room 833  
Dallas, Texas 75202

Dear Mr. Brooks:

The purpose of this letter is to submit Transmittal Number 08-037, Amendment Number 841, to the Texas State Plan for Medical Assistance under Title XIX of the Social Security Act. The purpose of the proposed amendment is to comply with the Centers for Medicaid and Medicare Services (CMS) final rule titled *Medicaid Program; Clarification of Outpatient Hospital Facility (Including Outpatient Hospital Clinic) Services Definition* (CMS-2213-F), published in the November 7, 2008, Federal Register (73 Fed.Reg. 66187). The requested effective date for the proposed amendment is December 8, 2008.

Please let me know if you have any questions or need additional information. Tamela Griffin, Manager of Policy Development Support in the Medicaid and CHIP Division, serves as the lead staff on this matter and can be reached at (512) 491-1341 or by email at [tamela.griffin@hhsc.state.tx.us](mailto:tamela.griffin@hhsc.state.tx.us).

Sincerely,


A handwritten signature in black ink, appearing to read "Chris Traylor".

Chris Traylor  
State Medicaid Director

CT:cp

Attachments

cc: Ford Blunt  
Billy Bob Farrell

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER:  <b>08-037</b>	2. STATE:  <b>TEXAS</b>
		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:  <b>December 8, 2008</b>	
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: <b>42 CFR 440.20 and Social Security Act Section 1902(a)(2)(A)</b>		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2009 <b>\$0</b> b. FFY 2010 <b>\$0</b>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>SEE ATTACHMENT</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  <b>SEE ATTACHMENT</b>	
10. SUBJECT OF AMENDMENT: <b>The purpose of the proposed amendment is to comply with the Centers for Medicaid and Medicare Services (CMS) final rule titled <i>Medicaid Program; Clarification of Outpatient Hospital Facility (Including Outpatient Hospital Clinic) Services Definition (CMS-2213-F)</i>, published in the November 7, 2008, Federal Register (73 Fed.Reg. 66187).</b>			
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: 		16. RETURN TO:  <b>Chris Traylor State Medicaid Director Post Office Box 85200 Austin, Texas 78711-5200</b>	
13. TYPED NAME: <b>Chris Traylor</b>			
14. TITLE: <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>December 18, 2008</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED:	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			

**Attachment to Block 7 of CMS Form 179**

**Transmittal No. TX 08-037, Amendment No. 841**

	<b>Total Fiscal Impact</b>	<b>Federal</b>	<b>State</b>
<b>FFY2009</b>	\$0	\$0	\$0
<b>FFY2010</b>	\$0	\$0	\$0

This amendment is being implemented to ensure that the state is in compliance with the Final Rule titled *Medicaid Program; Clarification of Outpatient Hospital Facility (Including Outpatient Hospital Clinic) Services Definition* (CMS-2213-F), published in the November 7, 2008, Federal Register (73 Fed.Reg. 66187). Therefore, there is no fiscal impact that will result from implementation of this state plan amendment.

**Attachment to Blocks 8 & 9 of CMS Form 179**

**Transmittal No. TX 08-037, Amendment No. 841**

**Number of the  
Plan Section or Attachment**

Attachment 4.19-B  
Page 2ac

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

Attachment 4.19-B  
New Page

**4. Reimbursement to Outpatient Hospital Services, Continued**

Reimbursement for outpatient hospital facility (including outpatient hospital clinic) services will be developed utilizing a CMS-approved rate methodology. HHSC will work with CMS to develop a CMS-approved milestone document, which will identify the actions to be completed by the State and the dates by which the actions are to be completed to implement the revised methodology. The current rates in effect for these services as of December 7, 2008, will remain in effect until the actions identified on the milestone document are completed.

Implementation of this state plan amendment is contingent on the continued effectiveness of the final rule published at 73 Federal Register 66187 (2008) [CMS-2213-F].

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TN No. \_\_\_\_\_ Approval Date \_\_\_\_\_ Effective Date \_\_\_\_\_

Supersedes TN No. \_\_\_\_\_