DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-25-26
Baltimore, Maryland 21244-1850

State Demonstrations Group

SEP 2 6 2019

Stephanie Muth
State Medicaid Director
Texas Health and Human Services Commission
4900 North Lamar Blvd
P.O. Box 13247
Austin, Texas 78711

Dear Ms. Muth:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) authorizes up to $3,873,206,193 in total computable funds in demonstration years 9, 10, and 11 for the Uncompensated Care (UC) component of the Texas Healthcare Transformation and Quality Improvement Program section 1115(a) demonstration (11-W-00278/6). This number is based on a reassessment of the amount of uncompensated charity care cost provided by Texas hospitals, using information reported by hospitals for 2017 on Worksheet S-10 of the CMS 2552-10 hospital cost report, with adjustments approved by CMS. CMS appreciates the collaborative effort between Texas and CMS in working to address the complicated and technical issues associated with this assessment. As part of CMS' routine auditing process, a portion of hospital cost reports will be examined. While we do not foresee any issues with the audit, should any audit finding impact the final aggregate UC amount, CMS would correspondingly adjust the UC pool amount.

CMS is also issuing revised Special Terms and Conditions for the Texas demonstration to reflect the updated UC limits for DY 9-11, following the process in Special Term and Condition (STC) 35. A copy of the revised demonstration award is enclosed.

Your project officer for this demonstration is Mr. Eli Greenfield. He is available to answer any questions concerning your section 1115 demonstration. Mr. Greenfield's contact information is:

Center for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
Mail Stop: S2-25-26
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-6157
E-mail: Eli.Greenfield@cms.hhs.gov

Official communications regarding official matters should be sent simultaneously to Mr. Greenfield and Bill Brooks, Director of Medicaid Field Operations South in our Dallas office. Mr. Brook's contact information is as follows:

Mr. Bill Brooks
Director, Medicaid Field Operations South
Dallas Regional Office
1301 Young Street, Room 714
Dallas, TX 75202

If you have any questions regarding this approval, please contact your project officer.

Sincerely,

Angela D. Garner
Director, Division of System Reform Demonstrations

Enclosure

cc: Bill Brooks, Director, Division of Medicaid Field Operations (DMFO) South, Regional Operations Group (ROG)
Jeoffrey Branch, State Lead, DMFO South, ROG
Linda Huynh, Texas Health and Human Services (HHSC)
Gary Young, Texas HHSC
Stephanie Stephens, HHSC
Andy Vasquez, Texas HHSC