



Children and Adults Health Programs Group

DEC 04 2013

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

Dear Ms. Ghahremani:

We are writing to share the results of the Centers for Medicare & Medicaid Services (CMS) review of the remaining revisions to the Regional Healthcare Partnership (RHP) 9 plan, which were submitted by the state 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). CMS's initial approval of revisions to 41 projects from RHP 9 was previously sent to the state on September 9, 2013.

The findings of CMS's secondary review of these project revisions, in accordance with the expectations set forth in the demonstration's Program Funding and Mechanics (PFM) Protocol, are enclosed. In summary, of the remaining project revisions from RHP 9, one project is initially approved with a project valuation adjustment.

This provider may now begin receiving DSRIP payments for demonstration years (DY) 2 and DY 3 for the DSRIP project approved in this letter, provided the provider shows documented achievement of the milestones described in the plan, in accordance with the requirements set forth in the DSRIP PFM Protocol.

In accordance with the PFM protocol, funding for projects that are not approved or are not approved at the value proposed may be reallocated to the RHP for new three-year DSRIP projects that may be proposed during demonstration year 3.

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), the PFM Protocol (attachment J of the STCs), or 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 May 23, 2013, including priority technical corrections and revisions to Category 3 targets.

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
Facsimile: (410) 786-8534
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
Jody Springer, RHP 9 Lead Contact

*Attachment –
CMS Review of Revisions for Regional Healthcare Partnership (RHP) 9*

Overview

As described in the accompanying letter, CMS conducted its re-review of the remaining revised projects from RHP 9 in accordance with paragraph 15.a of the Texas 1115 demonstration Program Funding and Mechanics (PFM) protocol. CMS’s initial approval of revisions to 41 projects from RHP 9 was previously sent to the state on September 9, 2013.

In summary, of the remaining project revision from RHP 9, one project is initially approved with a project valuation adjustment (Table 1). For both demonstration year (DY) 2 and DY 3 combined, CMS is initially approving a total of **\$15,345,820** as part of this letter.

Table 1 - Initially approved projects with project value adjustments

The following revised category 1 and 2 project, submitted by the state August 23, 2013, is initially approved with a project value adjustment described in the table below. CMS reviewed the project value justifications given by the provider but still found that this project was an outlier compared to other DSRIP projects based on the information available to CMS.

This provider may begin claiming DSRIP funding at the funding level specified for documenting achievement of the specified milestones in accordance with the requirements set forth in the PFM protocol.

As described in CMS’s initial review findings for RHP 9, sent May 23, 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	Provider’s proposed DY 2 - 3 project value (total computable)	Initially approved DY 2 - 3 project value (total computable)
127295703.2.5	2.5.1	Parkland Memorial Hospital	\$15,360,089	\$15,345,820
Total			\$15,360,089	\$15,345,820