

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street, Room 833
Dallas, Texas 75202



Division of Medicaid & Children's Health, Region VI

July 30, 2012

Mr. Billy Millwee
Deputy Executive Commissioner
Health and Human Services Commission
Post Office Box 13247
Mail Code: H100
Austin, Texas 78711

Dear Mr. Millwee:

We are writing to inform you that the Centers for Medicare and Medicaid Services (CMS) is approving Texas' request to amend capitation rates for the NorthSTAR 1915(b) waiver, effective August 1, 2012 through August 31, 2012. Specifically, the rate amendment reflects costs for certain early childhood intervention services that were covered under the contract but billed outside of the NorthSTAR program for the State's Temporary Assistance for Needy Families (TANF) Child risk group, only. The rate for these services was inadvertently omitted from the development of the current rate; and the State requests to add \$0.26 per member per month to the State Fiscal Year 2010 base period experience.

CMS accepts the report submitted by the State's contracted actuary, which certifies that the new rates were developed in accordance with the regulations at 42 CFR 438.6, for the Medicaid population enrolled and the behavioral health services covered.

In order to allow a sufficient timeframe for review, updated capitation rates for this program should have been submitted to the CMS Dallas Regional Office 45 days prior to the expiration of the current rates (current rates expire August 31, 2012) or prior to the State's proposed effective date for revised capitation rates. CMS reminds the State that rates revisions are subject to prior approval; and federal financial participation cannot be claimed until after the rates are approved.

We always appreciate your staff's assistance and look forward to working with you again. Please contact Mary Foster at (214) 767-4419 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks". The signature is written in a cursive, flowing style.

Bill Brooks
Associate Regional Administrator

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MEDICAID DIRECTOR**