

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



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

September 30, 2014

DEFERRAL TX/2014/3/E/03/MAP

Kay Ghahremani
State Medicaid Director
Texas Health and Human Services Commission
Mail Code: H100
P.O. Box 13247
Austin, Texas 78711

Dear Ms. Ghahremani:

The Centers for Medicare & Medicaid Services (CMS) has completed the review of expenditures claimed on the Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program (Form CMS-64) for the quarter ended June 30, 2014. Based upon this review, CMS is deferring expenditures of \$126,292,641 Total Computable (TC), \$74,891,536 Federal Financial Participation (FFP) claimed as a Federal fiscal year (FFY) 2013 expenditure on Line 7 of the report.

The deferral was taken on a grant award dated September 25, 2014 in the amount of \$126,292,641 TC, \$74,891,536 FFP and represents claims for expenditures made in the 3rd Quarter FFY 2014. The deferral is related to expenditures claimed for reimbursement related to uncompensated care payments made to hospital organizations that operate in the surrounding areas of Dallas, Tarrant, and Nueces counties (see Attachment 1 below).

Region	Original Total Computable	Donations (State Share @ .407)	New Total Computable	FFP at Risk @ .593
Dallas Fort Worth	196,410,729.34	\$ 79,939,167	\$ 79,939,167	\$ 47,403,926
Corpus Christi	113,890,599.26	\$ 46,353,474	\$ 46,353,474	\$ 27,487,610
Austin	TBD	TBD	TBD	TBD
Total	\$ 310,301,329	\$ 126,292,641	\$ 126,292,641	\$ 74,891,536

CMS has questions regarding the source of the non-federal share of these expenditures. In particular, CMS would like to explore further our understanding of the financing mechanism being utilized and its intersection with the recent guidance issued in State Medicaid Director Letter #14-004 on May 9, 2014. It appears that the intergovernmental transfer (IGT) may be derived from funds that the government entity previously would have spent on providing the services that are now being provided/funded by the private entity and or direct payments made to the governmental entity from private entities.

Therefore, in accordance with the Code of Federal Regulations (CFR) for Medicaid at 42 CFR 430.40 (b), HHSC is hereby advised that payment of \$126,292,641 TC, \$74,891,536 FFP reported on line 7 as FFY2013 expenditures to medical assistance payments, is being deferred as claimed under Title XIX.

Any further claims for FFP in these areas will be deferred until the source of the non-federal share is determined appropriate. In accordance with 42 CFR 430.40 (c)(1), you have 60 days from the receipt of this letter to submit further documentation to support the expenditures deferred in order to avoid a possible disallowance. If additional time is required to provide further documentation for our review, you may submit a written request for an extension of up to 60 days. Also, you should adjust your next PMS drawdown by the amount of the deferral.

If you have any questions please contact Jeffrey Branch at 214-767-6449 or via e-mail Jeffrey.Branch@cms.hhs.gov.

Sincerely,

Bill Brooks
Associate Regional Administrator
Division of Medicaid and Children's Health

cc via Email: Suzanne Henson / HHSC
Debbie Wilson / HHSC
Richard Bartlett / HHSC
Monica Leo / HHSC
Sivan Silver / HHSC

Attachment

ATTACHMENT 1

Voucher	Posting Date	Name	Sum Amount
00929522	06/19/2014	BAYLOR ALL SAINTS MEDICAL CENTER	5,116,424.94
00929522	06/19/2014	BAYLOR ALL SAINTS MEDICAL CENTER	738,958.23
00929527	06/19/2014	BAYLOR SPECIALTY HEALTH CENTERS	1,196,914.99
00929532	06/19/2014	Baylor Heart and Vascular Center LLP	1,014,681.99
00929545	06/19/2014	BAYLOR MED CTR CARROLLTON	4,730,045.92
00929545	06/19/2014	BAYLOR MED CTR CARROLLTON	73,710.07
00929553	06/19/2014	Baylor Medical Center at Garland	9,094,677.99
00929557	06/19/2014	Baylor Medical Center-Irving	9,601,010.98
00929585	06/19/2014	BAYLOR REGIONAL MEDICAL CENTER GRAPEVINE	3,514,476.98
00929591	06/19/2014	BAYLOR SPECIALTY HEALTH CENTERS	1,089,643.00
00929596	06/19/2014	Baylor University Medical Center	24,843,840.98
00929671	06/19/2014	BAYLOR MEDICAL CENTER AT WAXAHACHIE	724,374.94
00929752	06/19/2014	PRESBYTERIAN HOSPITAL OF DALLAS	17,210,203.00
00929763	06/19/2014	SCOTT & WHITE HOSPITAL	196,560.20
00929769	06/19/2014	SCOTT & WHITE HOSPITAL-ROUND ROCK	1,420,637.99
00929950	06/19/2014	Medical City Dallas Hospital	4,763,548.99
00929956	06/19/2014	COLUMBIA MEDICAL CENTER OF DENTON SUBSID	5,552,351.01
00929956	06/19/2014	COLUMBIA MEDICAL CENTER OF DENTON SUBSID	1,440,904.18
00929958	06/19/2014	COLUMBIA MEDICAL CENTER	1,797,286.98
00929959	06/19/2014	COLUMBIA MEDICAL CENTER LEWISVILLE	5,772,773.22
00929959	06/19/2014	COLUMBIA MEDICAL CENTER LEWISVILLE	142,498.77
00929960	06/19/2014	COLUMBIA NORTH HILLS HOSPITAL SUBSIDIARY	244,847.32
00929960	06/19/2014	COLUMBIA NORTH HILLS HOSPITAL SUBSIDIARY	6,495,486.66
00929961	06/19/2014	COLUMBIA PLAZA MEDICAL CTR OF FT WORTH	632,804.94
00929961	06/19/2014	COLUMBIA PLAZA MEDICAL CTR OF FT WORTH	7,035,558.06
00930015	06/19/2014	TEXAS HEALTH HARRIS METHODIST HOSPITAL	2,894,916.00
00930020	06/19/2014	ARLINGTON MEMORIAL HOSPITAL	7,916,736.98
00930022	06/19/2014	TEXAS HEALTH PRESBYTERIAN HOSPITAL PLANO	6,310,494.99
00930025	06/19/2014	TEXAS HEALTH HARRIS METHODIST HOSPITAL C	1,965,601.97
00930032	06/19/2014	TEXAS HEALTH HUGULEY INC	4,838,090.00
00930035	06/19/2014	TEXAS HEALTH PRESBYTERIAN HOSPITAL PLANO	259,275.18
00930146	06/19/2014	Harris Methodist Fort Worth	19,035,061.99
00930147	06/19/2014	HARRIS METHODIST NORTHWEST	873,200.98
00930251	06/19/2014	Medical Center of Arlington	557,176.66
00930251	06/19/2014	Medical Center of Arlington	11,500,724.32
00930260	06/19/2014	Methodist Hospitals Of Dallas	3,005,000.98
00930288	06/19/2014	Methodist Hospitals Of Dallas	9,899,263.98
00930318	06/19/2014	Methodist Hospitals Of Dallas	8,047,506.00
00930352	06/19/2014	Methodist Hospitals Of Dallas	4,863,456.98
			196,410,729.34 Total Computable
			79,939,166.84 New TC less Donations (State Share)
			47,403,925.94 New FFP

Voucher	Posting Date	Name	Vendor	Inv Descr	Sum Amount
00929141	06/20/2014	Lavaca Medical Center	17462400	UC DY 2 - OC	207,523.34
00929687	06/19/2014	BAYSHORE MEDICAL CENTER	16218013	OCT 12 - SEP	14,977,447.99
00929825	06/19/2014	CHRISTUS SPOHN HEALTH SYSTEM CORP	17411098	OCT 12 - SEP	38,151,184.28
00929826	06/19/2014	CHRISTUS HEALTH ARK-LA-TEX	17527968	OCT 12 - SEP	4,344,788.70
00929831	06/19/2014	Christus Health Gulf Coast	17605915	OCT 12 - SEP	6,929,347.99
00929846	06/19/2014	Christus Health Gulf Coast	17605915	OCT 12 - SEP	6,211,778.99
00929857	06/19/2014	Christus Health Southeast Texas	17605915	OCT 12 - SEP	5,138,000.00
00929857	06/19/2014	Christus Health Southeast Texas	17605915	OCT 12 - SEP	615,968.01
00929857	06/19/2014	Christus Health Southeast Texas	17605915	OCT 12 - SEP	864,732.19
00929857	06/19/2014	Christus Health Southeast Texas	17605915	OCT 12 - SEP	3,664,734.42
00929857	06/19/2014	Christus Health Southeast Texas	17605915	OCT 12 - SEP	3,113,385.75
00929887	06/19/2014	CHRISTUS SPOHN HEALTH SYSTEM CORP	17411098	OCT 12 - SEP	98,280.10
00929887	06/19/2014	CHRISTUS SPOHN HEALTH SYSTEM CORP	17411098	OCT 12 - SEP	334,299.75
00929887	06/19/2014	CHRISTUS SPOHN HEALTH SYSTEM CORP	17411098	OCT 12 - SEP	3,968,771.50
00929922	06/19/2014	CHRISTUS SPOHN HEALTH SYSTEM CORP	17411098	OCT 12 - SEP	1,044,840.29
00929972	06/19/2014	Bay Area Healthcare Group Ltd	17523874	OCT 12 - SEP	8,487,744.47
00930030	06/19/2014	VICTORIA OF TEXAS LP	16217549	OCT 12 - SEP	9,063,938.57
00930048	06/19/2014	DRISCOLL CHILDRENS HOSPITAL	17425777	OCT 12 - SEP	6,673,832.92
Grand Total					113,890,599.26 TC
					46,353,473.90 New TC less Donations (State Share)
					27,487,610.02 New FFP from less donations