

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244



Center for Medicaid and CHIP Services

Ms. Jami Snyder
State Medicaid Director
Associate Commissioner for Medicaid / CHIP
Texas Health and Human Services Commission
P.O. Box 13247
Mail Code: H100
Austin, Texas 78711

DEC 21 2016

Re: Reconsideration of Disallowance Control Number: TX/2016/001/MAP

Dear Ms. Snyder:

The Centers for Medicare and Medicaid Services (CMS) reviewed the policy and factual issues raised by the Texas Health and Human Services Commission's (HHSC) request for reconsideration of CMS's disallowance dated September 1, 2016. CMS has determined that the State's arguments do not merit a withdrawal or revision of the disallowance. Although CMS agrees that the disallowance calculation should be based on actual figures, if available, the State did not provide supporting documentation to validate the figures presented in its letter. As a result, CMS affirms the disallowance of \$26,844,551 in Federal Financial Participation (FFP) for the quarter ending December 31, 2015.

Appeals to the HHS Departmental Appeals Board (DAB)

A notice of appeal to the DAB must be submitted within 60 calendar days following the state's receipt of this determination. Refer to 45 C.F.R. Part 16 and 42 C.F.R. § 430.42 for additional information, including procedures of the DAB. The notice of appeal must be submitted by mail, commercial delivery, facsimile/fax (for appeals 10 pages or less), or electronically via the DAB's electronic filing system (DAB E-File). Depending on the particular transmission mode, the appeal is recognized to have been submitted on the date that it was postmarked, sent by certified or registered mail, deposited with a commercial mail delivery service, faxed (where permitted), or successfully transmitted via DAB E-File. Regardless of the mode utilized to transmit the original copy, **a duplicate hard copy should be simultaneously forwarded to my attention at the address at the top of this letter.** Once submitted, the DAB will directly notify the state of further procedures. Information regarding specific modes for delivery follows.

- Mail or commercial delivery must be addressed as follows:

U.S. Department of Health and Human Services
Departmental Appeals Board
Appellate Division
MS6127
330 Independence Ave S.W.
Cohen Building, Room G-644
Washington, DC 20201

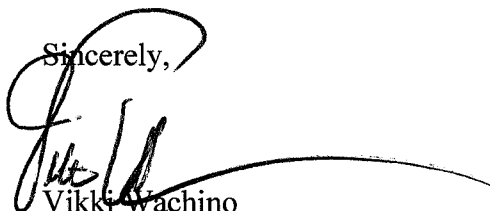
- Facsimile/fax delivery (permitted only if the notice of appeal is 10 pages or less) must use the DAB Appellate Division's fax number: (202)565-0238.

Use of DAB E-File (<https://dab.efile.hhs.gov/>) requires that you or a member of your staff to become a registered user by clicking "Register" at the bottom of the homepage and entering the information requested on the "Register New Account" form and then clicking the "Register Account" button. Once registered, sign on to DAB E-File using the e-mail address and password provided during registration; click "File New Appeal" on the menu; click the "Appellate" button; and provide and upload the requested information and documents on the "File New Appeal-Appellate Division" form. Detailed instructions are available on the homepage.

If the state appeals the disallowance under Section 1116(e) of the Social Security Act (the Act), Section 1903(d) of the Act provides the state the option of retaining the funds that were previously paid to the state and that are now being disallowed, pending a final administrative decision. The state exercised its option to retain the disputed funds at the reconsideration level and no further notice is required to retain the funds at the DAB review level. If the DAB's final decision upholds the disallowance and the state elected to retain the funds during the appeals process, the proper amount of the disallowance, plus interest computed pursuant to Section 1903(d)(5) of the Act, will be offset in the subsequent grant award.

If you require further details regarding this matter, please contact me at (312) 353-1670 or Bill Brooks, Associate Regional Administrator, at (214) 767-4461.

Sincerely,



Vikki Wachino
Director

CC:

Monica Leo, JD, HHSC;
Pamela McDonald, HHSC