



COMMISSIONER
Chris Traylor

July 10, 2012

To: Program for the All-Inclusive Care for the Elderly (PACE) Providers

Subject: Information Letter No. 12-64
Procedural Changes – TMHP Denials

The purpose of this letter is to inform PACE providers of a procedural change for processing Texas Medicaid and Healthcare Partnership (TMHP) Medical Necessity/Level of Care (MN/LOC) denials which were based on the following: "Timer expired and form sent to Denial Inventory" or "Form was sent to Denial Inventory after 21 days expired".

Currently, some of these denials are being forwarded to the Program Support and Special Services unit in DADS central office with a request for a DADS registered nurse (RN) to review and possibly overturn the TMHP decision. 40 Texas Administrative Code (TAC), Part 1, Chapter 60, §60.16, (d) (2) is referenced as a basis for this reconsideration request. This rule states: "In addition, if DADS determines that a PACE client no longer meets the medical necessity criteria for nursing facility care, the client may be deemed to continue to be eligible for PACE until the next annual reassessment, if, in the absence of PACE services, it is reasonable to expect that the client would meet the nursing facility medical necessity criteria within the next six months."

Since the reason for these MNLOC denials is lack of supporting documentation submitted by the provider, the Department of Aging and Disability Services has determined this Chapter 60 rule does not apply to these situations. Therefore, effective immediately, the MN/LOC denials as described above should no longer be forwarded to a DADS central office for review.

If you have any questions or need additional information, please contact Janet Barker at 512-438-2013 or email at janet.barker@dads.state.tx.us.

Sincerely,

[signature on file]

Carol Sloan
Section Manager
Community Services & Program Operations

CS:lr