

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

January 18, 2022

Ms. Stephanie Stephens
State Medicaid/CHIP Director
Health and Human Services Commission
Mail Code: H100
Post Office Box 13247
Austin, Texas 78711

RE: Texas TN 21-0045

Dear Ms. Stephens:

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#21-0045, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 30 2021. The proposed amendment updates the physicians' and other practitioners' fee schedules and reimbursement methodology.

Based upon the information provided by the State, we have approved the amendment with an effective date of October 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Monica Neiman at: Monica.Neiman@cms.hhs.gov.

Sincerely,

Todd McMillion

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 21-0045	2. STATE: TEXAS
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: October 1, 2021	
5. TYPE OF PLAN MATERIAL (<i>Circle One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)		
6. FEDERAL STATUTE/REGULATION CITATION: Social Security Act §1902(a)(30); 42 CFR §447.201(b).	7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT * Figures in the thousands a. FFY 2022 (\$8) * b. FFY 2023 (\$8) * c. FFY 2024 (\$8) *	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B Page 1a.2 Page 1a.3	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B Page 1a.2 (TN 19-0007) Page 1a.3 (TN 21-0041)	
10. SUBJECT OF AMENDMENT: The proposed amendment updates the physicians' and other practitioners' fee schedules and reimbursement methodology.		
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICIAL: Stephanie Stephens <small>Digitally signed by Stephanie Stephens Date: 2021.12.30 11:23:30 -06'00'</small>	16. RETURN TO: Stephanie Stephens State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
13. TYPED NAME: Stephanie Stephens		
14. TITLE: State Medicaid Director		
15. DATE SUBMITTED: December 30, 2021		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED: December 30, 2021	18. DATE APPROVED: January 18, 2021	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2021	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Todd McMillion</i>	
21. TYPED NAME: Todd McMillion	22. TITLE: Director, Division of Reimbursement Review	
23. REMARKS:		

1. Physicians and Other Practitioners (continued)

- F. Conversion factor equal to the current Medicare conversion factor – Effective April 1, 2010, for increases to certain RBFs for services provided by physicians and other practitioners. Implemented with respect to maintaining access to care for Medicaid clients for certain necessary medical services.
 - G. \$25.60 – Effective November 1, 2017, for anesthesia services to clients under age 21.
 - H. \$24.32 – Effective November 1, 2017, for anesthesia services to clients 21 years of age and older.
 - I. \$34.00 – Effective March 1, 2019, for anesthesia services to clients under 21 years of age and paid to children’s hospitals when the care team model is utilized, and the following criteria are met:
 - Level I/Level II trauma facility at separately-licensed children’s hospital, and
 - Level IV NICU, and
 - Not-for-profit, and
 - A minimum Medicaid utilization rate of 40 percent.
- (d) Access-based fees (ABFs) are developed to account for deficiencies in RBFs relating to adequacy of access to health care services for Medicaid clients and are based upon: (1) historical charges; (2) current total Medicare fee (i.e., RVU times Conversion Factor) for the individual service; (3) review of Medicaid fees paid by other states; (4) survey of providers' costs to provide the individual service; (5) Medicaid fees for similar services; (6) an analysis of wage and/or labor statistic data for providers; and/or (7) some combination or percentage thereof.
- (e) General guidelines used when updating Medicaid fees for services provided by physicians and other practitioners, include, but not limited to the following: updating the Medicaid relative value units (RVUs) to those currently in effect for Medicare and multiplying the updated RVUs by the current Medicaid conversion factor to result in an updated resource-based fee (RBF); increasing the Medicaid conversion factor to increase RBFs for which no RVU update is required in order to increase access to services; changing an existing RBF to an access-based fee (ABF) when the RBF methodology does not provide sufficient access to care; and changing an existing ABF to a RBF as appropriate.

TN: 21-0045

Supersedes TN: 19-0007

Approval Date: January 18, 2022

Effective Date: 10/01/2021

1. Physicians and Other Practitioners (continued)

- (f) When a procedure code is nationally discontinued, a replacement procedure code is nationally assigned for the discontinued procedure code, and Medicaid implements the replacement procedure code, a state plan amendment will not be submitted since the fee for the service has not changed.
- (g) To ensure access to care and prompt provider reimbursement, when a new national procedure code is assigned to a physician-administered drug or biological product, a preliminary reimbursement rate will be established by the Texas Health and Human Services Commission (HHSC) based on the published Medicare reimbursement rate; or the average wholesale price (AWP) in the absence of a Medicare reimbursement rate for the procedure code or the comparable code. In accordance with 42 CFR §447.205(b)(1), a public notice and state plan amendment will not be submitted for this preliminary reimbursement rate. This will allow the new procedure code to be payable as the reimbursement process is completed with a public notice published and a state plan amendment submitted.
- (h) All fee schedules are available through the agency's website, as outlined on Attachment 4.19-B, page 1.
- (i) The agency's fee schedule was revised with new fees for services provided by physicians and other practitioners affiliated with tuberculosis clinics or employed by tuberculosis clinics, effective July 1, 2018, and this fee schedule was posted on the agency's website on July 6, 2018.
- (j) The agency's fee schedule was revised with new fees for therapy assistants. Effective September 1, 2019, the reimbursement for therapy assistants will equal 80 percent of the payment to a therapist.
- (k) The agency's fee schedule was revised with new fees to include peer specialists effective January 1, 2019, and this fee schedule was posted on the agency's website on January 7, 2019.
- (l) The agency's fee schedule was revised with new fees for physicians and other practitioners effective October 1, 2021, and this fee schedule was posted on the agency's website on November 17, 2021.

TN: 21-0045
Supersedes TN: 21-0041

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