

## **Table of Contents**

**State/Territory Name: Texas**

**State Plan Amendment (SPA) : 23-0022**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

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



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**Financial Management Group**

September 15, 2023

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

RE: Texas TN 23-0022

Dear Director: Emily Zalkovsky,

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#23-0022, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 19, 2023. The proposed amendment updates Ambulatory Surgical Center reimbursement methodology and fee schedules.

Based upon the information provided by the State, we have approved the amendment with an effective date of June 1, 2023. 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](mailto:Monica.Neiman@cms.hhs.gov).

Sincerely,



Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
**2 3 0 0 2 2**

2. STATE  
**T X**

3. PROGRAM IDENTIFICATION: TITLE **XIX** OF THE  
SOCIAL SECURITY ACT

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**June 1, 2023**

5. FEDERAL STATUTE/REGULATION CITATION  
**Social Security Act §§1902(a)(30); 42 CFR §447.201(b).**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY **2023** \$ **\$469,359**  
b. FFY **2024** \$ **\$1,189,469**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19-B  
Pages 7 (f),  
and 7 (g)**

8. PAGE NUMBER OF THE SUPERSEDED PLAN  
SECTION OR ATTACHMENT (If Applicable)

**Attachment 4.19-B  
Pages 7 (f) (TN 07-028),  
and 7 (g) (TN 22-0038)**

9. SUBJECT OF AMENDMENT

**The proposed amendment updates Ambulatory Surgical Center reimbursement methodology and fee schedules.**

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

**Stephanie Stephens**

13. TITLE

**State Medicaid Director**

14. DATE SUBMITTED

**June 19, 2023**

15. RETURN TO

**Stephanie Stephens  
State Medicaid Director  
Post Office Box 13247, MC: H-100  
Austin, Texas 78711**

**FOR CMS USE ONLY**

16. DATE RECEIVED  
June 19, 2023

17. DATE APPROVED  
September 15, 2023

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
June 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
Todd McMillon

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Reimbursement Review

22. REMARKS

16. **Ambulatory Surgical Centers (ASCs)**

- (a) Subject to specifications conditions and limitations established by the Texas Health and Human Services Commission (HHSC) or its **designee**, payment for ambulatory surgical center (ASC) facility services provided by freestanding ASCs will be made at a percentage of the Medicare Outpatient Prospective Payment System (OPPS) fee schedule. For ASC facility services not found on the Medicare OPPS fee schedule, HHSC will apply the reimbursement methodologies as outlined on Attachment 4.19-B, page 1. Procedure codes for durable medical equipment, supplies, drugs/biologicals, and other such services covered in an ASC are **reimbursed** in accordance with the specific reimbursement methodology applicable to each such procedure.
- (b) HHSC or its designee reimburses high-volume public and private Medicaid ASCs an additional 5.2 percent in recognition of their vital contribution to the Texas Medicaid program. To be eligible for the high-volume provider payment add-on, an ASC must have been among those ASCs statewide who received Medicaid payments during the qualification period of state fiscal year (SFY) 2004 In the top 95 percent of all Medicaid payments made to ASCs during that qualification period.
- (c) High-volume ASCs receive a 5.2 percent add-on payment for all Medicaid ASC facility services. Payments made to ASCs for durable medical equipment, supplies, drugs/biologicals and other such services are covered in an and therefore are not subject to the high-volume provider payment add-on.
- (d) Payment to a high-volume ASC for a facility service is made based on the lesser of the provider's billed charges or the published Medicaid fee, with that amount becoming the allowed amount. Since Medicaid cannot pay a provider more than its billed charges, if the billed charges are greater than the published Medicaid fee plus the 5.2 percent high-volume provider payment add-on, the Medicaid fee plus the 5.2 percent high-volume provider payment add-on is the actual payment to the provider.
- (e) Example 1:
- (1) Billed charges = \$100.00
  - (2) Medicaid published fee = \$80.00
  - (3) Lesser of billed charges or Medicaid published fee =\$80.00 which becomes the allowed amount.
  - (4) Since the billed charges are greater than the Medicaid fee plus the 5.2% high-volume provider payment add-on (i.e., \$80.00 + \$4.16 = \$84.16), the actual payment to the provider is \$84.16.

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TN: 23-0022

Approval Date: September 15, 2023

Supersedes TN: 07-028

Effective Date: 06/01/23

## 16. Ambulatory Surgical Centers (ASCs) (Continued)

(f) Example 2:

1. Billed charges = \$75.00
2. Medicaid published fee = \$80.00
3. Lesser of billed charges or Medicaid published fee = \$75.00, which becomes the allowed amount.
4. Since the billed charges are not greater than the Medicaid fee plus the 5.2 percent high-volume provider payment add-on (i.e.,  $\$80.00 + \$4.16 = \$84.16$ ), no high-volume provider payment add-on is applied, resulting in the actual payment to the provider of \$75.00.

(g) Example 3:

1. Billed charges = \$82.00
2. Medicaid published fee = \$80.00
3. Lesser of billed charges or Medicaid published fee = \$80.00, which becomes the allowed amount.
4. Since the billed charges are not greater than the Medicaid fee plus the 5.2 percent high-volume provider payment add-on (i.e.,  $\$80.00 + \$4.16 = \$84.16$ ), only part of the high-volume provider payment add-on is applied (i.e., up to the billed charges) resulting in the actual payment to the provider of \$82.00.

(h) Medicaid payments for ASC services do not exceed Medicare payments for these same ASC services.

(i) The agency's fee schedule was revised with new fees effective June 1, 2023, and is effective for services provided on or after that date. The fee schedule will be posted on the agency's website on June 15, 2023.

(j) All fee schedules are available through the agency's website as outlined on attachment 4.19-B, page 1.

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TN: 23-0022

Approval Date: September 15, 2023

Supersedes TN: 22-0038

Effective Date: 06/01/23