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State/Territory Name: Texas

State Plan Amendment (SPA): 24-0013

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



Financial Management Group

April 5, 2024

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

RE: Texas TN 24-0013

Dear Director: Emily Zalkovsky,

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#24-0013 which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 20 2024. The proposed amendment updates the fee schedules and the Medicaid reimbursement methodology for Clinical Diagnostic Laboratory services.

Based upon the information provided by the State, we have approved the amendment with an effective date of March 1, 2024. 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
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 4 0 0 1 3

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
March 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
**Social Security Act §§1902(a)(30), 1905 (a)(3) and 1905(a)(9).;
42 CFR §447.201(b).**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2024 \$ (\$2,111)
b. FFY 2025 \$ (\$10,627)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19-B
4.19-B Pages 1c**

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 PAGENUMBER OF THE SUPERSEDED PLAN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

**Attachment 4.19-B
4.19-B Pages 1c (TN 23-0006)**

9. SUBJECT OF AMENDMENT

The proposed amendment updates the fee schedules and the Medicaid reimbursement methodology for Clinical Diagnostic Laboratory services.

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



15. RETURN TO

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

12. TYPED NAME
Emily Zalkovsky

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
~~March 21, 2024~~ **March 20, 2024**

FOR CMS USE ONLY

16. DATE RECEIVED
March 20, 2024

17. DATE APPROVED
April 5, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
March 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

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

22. REMARKS
Pen and ink change for SPA submission date on 179 Form box 14. The original submission date is 03/20/2024.

3. Clinical Diagnostic Laboratory Services

Medicaid providers of clinical diagnostic laboratory (CDL) services are reimbursed based on fee schedules as follows:

- (a) The Texas Department of State Health Services (DSHS) Laboratory provides Early and Periodic Screening, Diagnostic and Treatment (EPSDT) medical and newborn screening services through a federal freedom-of-choice exemption as well as any other laboratory services provided that are not covered by this exemption. The DSHS laboratory is reimbursed for all laboratory services provided at a percentage of the Medicare fees.
- (b) Sole community hospitals are reimbursed the lesser of their billed charges or the fee determined by HHSC, which is a percentage of the Medicare fee. The Medicaid fee for any new procedure codes added during the year will be based on a percentage of the Medicare fees in effect as of January 1 of that same year.
- (c) The remaining providers of these services are reimbursed the lesser of their billed charges or the fee determined by HHSC, which is a percentage of the Medicare fee. The Medicaid fee for any new procedure codes added during the year will be based on a percentage of the Medicare fees in effect as of January 1 of that same year.
- (d) The reimbursement methodologies in 3(a) – (c) ensure that Medicaid payments to these providers for these services meet the upper payment limit requirements in Section 1903(i)(7) of the Social Security Act by requiring that Medicaid payments for clinical laboratory services must not exceed the Medicare fee for the service on a per test basis. This provision does not apply to the DSHS laboratory reimbursement, Rural Hospitals, or Sole Community Hospitals, which will be established at a percentage of the Medicare fee.
- (e) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, Page 1.
- (f) With the exceptions noted on this page in (a) and (b), services related to the testing of COVID-19 (coronavirus) effective March 1, 2024, are reimbursed at 92% of the Medicare rate. Effective September 1, 2024, COVID-19 testing services will fully align with pricing methodologies as outlined in (a) through (e).
- (g) The agency's fee schedule was revised with new fees for clinical diagnostic laboratory services effective March 1, 2024, and was posted on the agency's website on or prior to March 15, 2024. A fee schedule that fully aligns with pricing methodologies as outlined in (a) through (e) will post on the agency's website on or prior to September 15, 2024.

TN: 24-0013 Approval Date: April 5, 2024

Supersedes TN: 23-0006 Effective Date: March 1, 2024