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State/Territory Name: TX

State Plan Amendment (SPA) : 22-0011

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
Financial Management Group

April 5, 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 22-0011

Dear Ms. Stephens:

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#22-0011, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 14, 2022. The proposed amendment updates the fee schedule for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies.

Based upon the information provided by the State, we have approved the amendment with an effective date of March 1, 2022. 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 2 0 0 1 1
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, 2022

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 2022: $33,360
   b. FFY 2023: $75,068
   c. FFY 2024: $70,313

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
   Attachment 4.19-B
   Page 3a

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
   Attachment 4.19-B
   Page 3a (TN 21-0038)

9. SUBJECT OF AMENDMENT:
The proposed amendment updates the fee schedule for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies.

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

11. SIGNATURE OF STATE AGENCY OFFICIAL:
    Stephanie Stephens
    State Medicaid Director
    Post Office Box 13247, MC: H-100
    Austin, Texas 78711

12. TYPED NAME: Stephanie Stephens
13. TITLE: State Medicaid Director
14. DATE SUBMITTED: March 14, 2022

FOR CMS USE ONLY

16. DATE RECEIVED: March 14, 2022
17. DATE APPROVED: April 5, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL: March 1, 2022
19. SIGNATURE OF APPROVING OFFICIAL: Todd McMillion
   Director Division of Reimbursement Review

20. TYPED NAME OF APPROVING OFFICIAL: Todd McMillion
21. TITLE OF APPROVING OFFICIAL: Director Division of Reimbursement Review

22. REMARKS
8. Home Health Services (continued)

(b) Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

(1) If the item of DMEPOS is covered by Medicare, the Medicaid fee will be equal to or a percentage of the Medicare fee schedule specific to Texas that is available at the time of the fee review, unless there is documentation that the Medicare fee is insufficient for the items covered under the procedure code and required by the Medicaid population.

(2) For items of DMEPOS not paid at the Medicare fee, the provider will either be reimbursed a fee determined by HHSC or through manual pricing. The fee determined by HHSC will be determined from cost information from providers, manufacturers, surveys of the Medicaid fees for other states, survey information from national fee analyzers, or other relevant fee-related information.

(3) Manual pricing is reasonable when one procedure code covers a broad range of items with a broad range of costs since a single fee may not be a reasonable fee for all items covered under the procedure code, resulting in access-to-care issues. Examples include 1) procedure codes with a description of “not otherwise covered,” “unclassified,” or “other miscellaneous;” and 2) procedure codes covering customized items. If manual pricing is used, the provider is reimbursed either the documented Manufacturer’s Suggested Retail Price (MSRP) less 18 percent, or the documented Average Wholesale Price (AWP) less 10.5 percent, whichever one is applicable. If one of these is not available, the provider’s documented invoice cost is used as the basis for manual pricing. AWP pricing is used primarily for nutritional products and DMEPOS items sold in pharmacies.

(4) The Medicaid fees for oxygen equipment, oxygen, and oxygen-related supplies will not exceed the Medicare fee for the same procedure code.

(5) All fee schedules are available through the agency’s website as outlined in Attachment 4.19-B, page 1.

(6) The agency’s fee schedule was revised with new fees for durable medical equipment, prosthetics, orthotics, and supplies effective March 1, 2022, and will post on the agency’s website by March 15, 2022.

TN: 22-0011 Approval Date: April 5, 2022
Supersedes TN: 21-0038 Effective Date: 03-01-2022