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State Plan Amendment

SPA 19-0022 (Clinical Diagnostic Laboratory Services) - Effective 07/04/2019

This file contains the following documents in order listed:

1. CMS Approval Letter
2. CMS Form 179
3. Superseding Page Listing (Attachment to Blocks 8 & 9 of CMS Form 179)
4. Approved SPA Page
Regional Operations Group

October 21, 2019

Our Reference: TX SPA 19-0022

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

Dear Ms. Muth:

We have reviewed the State’s proposed amendment to the Texas State Plan submitted under Transmittal Number 19-0022, dated September 24, 2019. This state plan amendment updates the clinical laboratory services page of the State Plan as a result of the 2019 calendar year fee review of clinical diagnostic laboratory services.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of July 4, 2019. A copy of the CMS-179 and approved plan page are enclosed with this letter.

If you have any questions, please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by e-mail at Ford.Blunt@cms.hhs.gov.

Sincerely,

Bill Brooks  
Director  
Regional Operations Group
The proposed amendment updates the clinical diagnostic laboratory services page of the State Plan as a result of the 2019 calendar year fee review of clinical diagnostic laboratory services.
Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 19-0022

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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 108 percent of the Medicare fees.

(b) Sole community hospitals are reimbursed the lesser of their billed charges or the fee determined by HHSC, which is 100 percent of the Medicare fee. Under Medicare, the fee schedule amount paid to sole community hospitals is three and one third percent higher than the fee schedule amount paid to other types of providers of CDL service.

The Medicaid fee for any new procedure codes added during the year will be based on 96 percent 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 100 percent of the Medicare fee.

The Medicaid fee for any new procedure codes added during the year will be based on 84 percent 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, 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) The agency’s fee schedule was revised with new fees for clinical diagnostic laboratory services effective July 4, 2019, and were posted on the agency’s website on July 17, 2019.

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TN: 19-0022  Approval Date: 10-21-19
Supersedes TN: 19-0002  Effective Date: 07-04-19

State: Texas
Date Received: 09-24-19
Date Approved: 10-21-19
Date Effective: 07-04-19
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