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State Plan Amendment

SPA 19-0027 (DMEPOS) - Effective 08/01/2019

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street
Dallas, Texas 75202

Regional Operations Group

October 18, 2019

Our Reference: TX SPA 19-0027

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 19-0027, dated September 27, 2019. This state plan amendment updates the durable medical equipment, prosthetics, orthotics, and supplies fee schedules.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of August 1, 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,

[redacted]

Bill Brooks
Director
Regional Operations Group

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE AND MEDICAID SERVICES

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES

1. TRANSMITTAL NUMBER: **19-0027**

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: **August 1, 2019**

5. TYPE OF PLAN MATERIAL *(Circle One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:

Social Security Act §1902(a) (30); 42 CFR §447.201(b).

7. FEDERAL BUDGET IMPACT: **SEE ATTACHMENT**

a. **FFY 2019 $ 24,193**
b. **FFY 2020 $152,911**
c. **FFY 2021 $157,519**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

SEE ATTACHMENT TO BLOCKS 8 & 9

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:

SEE ATTACHMENT TO BLOCKS 8 & 9

10. SUBJECT OF AMENDMENT:

The proposed amendment updates the durable medical equipment, prosthetics, orthotics, and supplies fee schedules.

11. 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.

12. SIGNATURE OF STATE AGENCY OFFICIAL: [redacted]

13. TYPED NAME: **Stephanie Muth**

14. TITLE: **State Medicaid Director**

15. DATE SUBMITTED: **September 27, 2019**

16. RETURN TO:

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **September 27, 2019**

18. DATE APPROVED: **October 18, 2019**

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: **August 1, 2019**

20. SIGNATURE OF REGIONAL OFFICIAL: [redacted]

21. TYPED NAME: **Bill Brooks**

22. TITLE: **Director**
Regional Operations Group

23. REMARKS:

FORM CMS – 179 (07-92)

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 19-0027

Number of the Plan Section or Attachment	**Number of the Superseded Plan Section or Attachment**
Attachment 4.19-B Page 3a	Attachment 4.19-B Page 3a (TN 19-0016)

State: Texas
Date Received: 09-27-19
Date Approved: 10-18-19
Date Effective: 08-01-19
Transmittal Number: 19-0027

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 on 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 August 1, 2019, and was posted on the agency’s website on September 5, 2019.

State: Texas
Date Received: 09-27-19
Date Approved: 10-18-19
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