Table of Contents

State Plan Amendment

SPA 20-0007 (DMEPOS) - Effective 01/01/2020

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
June 26, 2020

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 20-0007

Dear Ms. Stephens:

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#20-0007, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 31, 2020. This state plan amendment updates the durable medical equipment, prosthetics, orthotics, and supplies fee schedules.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1, 2020. 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 Tamara Sampson at 214-767-6431 or Tamara.Sampson@cms.hhs.gov.

Sincerely,

Todd McMillion
Director
Division of Reimbursement Review

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

Comments, if any, will be forwarded upon receipt.

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

REMARKS: ****State requested pen and ink change on June 9, 2020
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 January 1, 2020, and was posted on the agency’s website on March 15, 2020.