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State Plan Amendment

SPA 20-0018 (RATE HEARING REFORM) - Effective 09/01/2020

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

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 2, 2021

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 20-0018

Dear Ms. Stephens:

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#20-0018, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2020. The amendment implements a reimbursement methodology for when a new national procedure code is assigned for HealthCare Common Procedure Coding System (HCPCS) updates and when federally-mandated reimbursement rates, physician-administered drugs (PADs), or biological products are released.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

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,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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: **20-0018**

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:
July 1, 2020

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 2020 $0**
b. **FFY 2021 $0**
c. **FFY 2022 $0**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-B
Page 1
Page 1a.3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 4.19-B
Page 1 (TN 19-0010)
Page 1a.3 (TN 20-0015)

10. SUBJECT OF AMENDMENT:
The proposed amendment changes the reimbursement methodology to allow prompt provider reimbursement when a new national procedure code is assigned for Health Care Common Procedure Coding System updates.

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 Stephens

14. TITLE:
State Medicaid Director

15. DATE SUBMITTED:
September 30, 2020

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
September 30, 2020

18. DATE APPROVED:
April 2, 2021

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL:
[redacted]

21. TYPED NAME:
Todd McMillion

22. TITLE:
Director, Division of Reimbursement Review

23. REMARKS:

FORM CMS – 179 (07-92)

All rates and fees can be found by accessing http://public.tmhp.com/FeeSchedules/Default.aspx. The rates accessed at this website contain all annual or periodic adjustments to the fee schedule.

Except as otherwise noted in the plan, state developed fee schedules and rates are the same for both governmental and private providers**.**

To ensure access to care and prompt provider reimbursement, the Texas Health and Human Services Commission (HHSC) will establish reimbursement rates for nondiscretionary items or services, to include: new Healthcare Common Procedure Coding System Updates, federally mandated reimbursement rates, and/or physician-administered drugs or biological products.

For new Healthcare Common Procedure Coding System Updates, reimbursement will be established based on:

1. the Medicare RVU multiplied by the state defined conversion factor(s);
2. in the absence of a Medicare RVU, a percentage of the Medicare fee;
3. in the absence of the Medicare fee, the established Medicaid rate for a similar service;
4. in the absence of the established Medicaid rate for a similar service, the Medicaid rate for other states; or
5. in the absence of the Medicaid rates for other states, a percentage of commercial payor rates.

For physician-administered drugs or biological products, reimbursement will be established based on:

1. a percentage of the published Medicare reimbursement rate;
2. in the absence of a Medicare reimbursement rate, a percentage of the average wholesale price (AWP),
3. in the absence of AWP, a percentage of the Manufacturer's Suggested Retail Price (MSRP),
4. in the absence of MSRP, the established Medicaid rate for a similar service, or
5. in the absence of a Medicaid rate for a similar service, the Medicaid rate for other states.

For federally mandated reimbursement rates, reimbursement will be established based on the federally mandated rate.

1. Physicians and Other Practitioners (continued)

(f) When a procedure code is nationally discontinued, a replacement procedure code is nationally assigned for the discontinued procedure code, and Medicaid implements the replacement procedure code, a state plan amendment will not be submitted since the fee for the service has not changed.

(g) All fee schedules are available through the agency's website, as outlined on Attachment 4.19-B, page 1.

(h) The agency 's fee schedule was revised with new fees for services provided by physicians and other practitioners affiliated with tuberculosis clinics or employed by tuberculosis clinics, effective July 1, 2018, and this fee schedule was posted on the agency's website on July 6, 2018.

(i) The agency's fee schedule was revised with new fees for therapy assistants. Effective September 1, 2019, the reimbursement for therapy assistants will equal 80 percent of the payment to a therapist.

(j) The agency's fee schedule was revised with new fees to include peer specialists effective January 1, 2019, and this fee schedule was posted on the agency's website on January 7, 2019.

(l) The agency's fee schedule was revised with new fees for physicians and other practitioners effective April 1, 2020, and this fee schedule was posted on the agency's website on April 15, 2020.