

## **Table of Contents**

### **State Plan Amendment**

#### **SPA 20-0020 (DMEPOS) - Effective 09/01/2020**

This file contains the following documents in order listed:

1. CMS Approval Letter
2. CMS Form 179
3. 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



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**Financial Management Group**

November 9, 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 20-0020

Dear Ms. Stephens:

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#20-0020, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2020. This state plan amendment updates the durable medical equipment, prosthetics, orthotics, supplies (DMEPOS) and vision care services fee schedules.

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

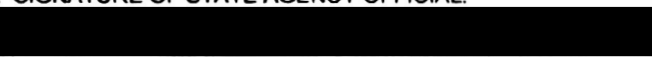
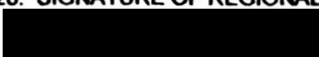
If you have any additional questions or need further assistance, please contact Tamara Sampson at 214-767-6431 or [Tamara.Sampson@cms.hhs.gov](mailto:Tamara.Sampson@cms.hhs.gov).

Sincerely,

A black rectangular box redacting the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER: <b>20-0020</b>	2. STATE: <b>TEXAS</b>
		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: <b>September 1, 2020</b>	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION:  <b>Social Security Act §1902(a) (30); 42 CFR §447.201(b).</b>		7. FEDERAL BUDGET IMPACT: <b>SEE ATTACHMENT</b> a. FFY 2020    \$5 b. FFY 2021    \$59 c. FFY 2022    \$58	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19 b Page 3a Page 3c</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19b Page 3a (TN 20-0016) Page 3c (TN 18-0015)</b>	
10. SUBJECT OF AMENDMENT:  <b>The proposed amendment updates the durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) and vision care services fee schedules.</b>			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  <b>Stephanie Stephens State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711</b>	
13. TYPED NAME: <b>Stephanie Stephens</b>			
14. TITLE: <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>September 30, 2020</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>9/30/2020</b>		18. DATE APPROVED: <b>11/9/2020</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>9/1/2020</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>Todd McMillion</b>		22. TITLE: <b>Director, Division of Reimbursement Review</b>	
23. 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 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 September 1, 2020 and was posted on the agency's website on September 15, 2020.

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TN: 20-0020 Approval Date: 11/9/20

Supersedes TN: 20-0016 Effective Date: 9/1/20

## 10. Vision Care Services

- (a) Providers of professional vision services are reimbursed based on the lesser of the provider's billed charges or fees determined by HHSC in accordance with Item 1 of this attachment, relating to the reimbursement methodology for physicians and certain other practitioners.
- (b) Providers of eyeglasses and contact lenses are reimbursed the lesser of the provider's billed charges or fees determined by HHSC, which are based on a review of Medicare fees and/or other data available to HHSC, such as a relevant cost or fee surveys.
- (c) All fee schedules are available through the agency's website, as outlined on Attachment 4.19-B, page 1.
- (d) The agency's fee schedule was revised with new fees for vision care services effective September 1, 2020, and this fee schedule was posted on the agency's website on September 15, 2020.

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TN: 20-0020 Approval Date: 11/9/20

Supersedes TN: 18-0015 Effective Date: 9/1/20