

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street, Room 833
Dallas, Texas 75202



Division of Medicaid & Children's Health, Region VI

August 26, 2010

Our Reference: SPA TX 10-037

Mr. Billy Millwee
Associate Commissioner for Medicaid & CHIP
Health and Human Services Commission
Post Office Box 13247
Mail Code: H100
Austin, Texas 78711

Dear Mr. Millwee:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 10-037, dated June 7, 2010. This amendment reduces rates paid to physicians and certain other practitioners by one percent (1%).

Additionally, please note that when the State submits a State Plan Amendment (SPA) that may impact Indians or Indian health providers, CMS will look for evidence of the State's Tribal consultation process for that SPA. Pursuant to the new section 1902(a) (73) of the Act added by section 5006(e) of the American Recovery and Reinvestment Act (ARRA) of 2009, the State must submit evidence to CMS regarding the solicitation of advice prior to submission of the State Plan Amendment. Such consultation must include all federally-recognized tribes, Indian Health Service and Urban Indian Organizations within the State.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of September 1, 2010. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.

If you have any questions, please contact Ford J. Blunt at (214) 767-6381.

Sincerely,

Bill Brooks
Associate Regional Administrator

Enclosures

cc: Emily Zalkovsky, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 10-037	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: September 1, 2010	
5. TYPE OF PLAN MATERIAL (<i>Circle One</i>):			
<input type="checkbox"/> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>) <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.50(a); §1905(a)(5)(A) of Social Security Act, relating to Physician Services; 42 CFR 440.60(a); §1905(a)(6)(A) of Social Security Act, relating to Other Licensed Practitioners.		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2010 \$(1,524,254) b. FFY 2011 \$(16,283,779) c. FFY 2012 \$(16,018,025)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT TO BLOCKS 8 AND 9		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): SEE ATTACHMENT TO BLOCKS 8 AND 9	
10. SUBJECT OF AMENDMENT: The proposed amendment is an update to the physicians and certain other practitioners fee schedule and implements the one percent payment reduction for reimbursements paid to these Medicaid providers.			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.	
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO: Billy R. Millwee State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
13. TYPED NAME: Billy R. Millwee			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED June 7, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 7 June, 2010		18. DATE APPROVED: 26 August, 2010	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 September, 2010		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Div of Medicaid & Children's Health	
23. REMARKS:			

STATE	<u>TEXAS</u>
DATE RECD.	<u>6-7-10</u>
DATE APP'D	<u>8-26-10</u>
DATE EFF	<u>9-1-10</u>
HCFA 179	<u>10-37</u>

43. Licensed Clinical Social Worker Services

Payment to Licensed Clinical Social Workers for mental health counseling for emotional disorders or conditions is limited to the lesser of the actual charge or 70 percent of the existing fee for similar services provided by psychiatrists and psychologists made in accordance with item 1 of this attachment, relating to the reimbursement methodology for physicians and certain other practitioners.

- a) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- b) The agency's fee schedule was revised with new fees for Licensed Clinical Social Workers effective September 1, 2010, and this fee schedule was posted on the agency's website on September 3, 2010.
- c) The reimbursement for services effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

44. Licensed Professional Counselor Services

Payment to Licensed Professional Counselors for mental health counseling for emotional disorders or conditions is limited to the lesser of the actual charge or 70 percent of the existing fee for similar services provided by psychiatrists and psychologists made in accordance with item 1 of this attachment, relating to the reimbursement methodology for physicians and certain other practitioners.

- a) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- b) The agency's fee schedule was revised with new fees for Licensed Professional Counselors effective September 1, 2010, and this fee schedule was posted on the agency's website on September 3, 2010.
- c) The reimbursement for services effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

45. Licensed Marriage and Family Therapist Services

Payment to Licensed Marriage and Family Therapists for mental health counseling for emotional disorders or conditions is limited to the lesser of actual charge or 70 percent of the existing fee for similar services provided by psychiatrists and psychologists made in accordance with item 1 of this attachment, relating to the reimbursement methodology for physicians and certain other practitioners.

- a) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- b) The agency's fee schedule was revised with new fees for Licensed Marriage and Family Therapists effective September 1, 2010, and this fee schedule was posted on the agency's website on September 3, 2010.
- c) The reimbursement for services effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

TN No. 10-37

Approval Date 8-26-10

Effective Date 9-1-10

Supersedes TN No. 07-31

SUPERSEDES: TN- 07-31

49. Physician Assistants

- (a) Payment for covered professional services provided by a physician assistant (PA) and billed under the PA's own provider number is limited to the lesser of the provider's billed charges or 92 percent of the rate reimbursed to a physician for the same professional service made in accordance with item 1 of this attachment, relating to the reimbursement methodology for physicians and certain other practitioners. Payment to PAs is the same level as physicians for laboratory services, x-ray services, injections, family planning services, drugs and supplies.
- (b) All fee schedules are available through the agency's website, as outlined on Attachment 4.19-B, page 1.
- (c) The agency's fee schedule was revised with new fees for physician assistants effective September 1, 2010, and is effective for services provided on or after that date. This fee schedule was posted on the agency's website on September 3, 2010.
- (d) The reimbursement for services effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

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DATE REC'D.	<u>6-7-10</u>	
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Approval Date 8-26-10

Effective Date 9-1-10

Supersedes TN No. 08-19

SUPERSEDES: TN- 08-19

41. Services Provided by Certified Registered Nurse Anesthetists

- a) Payment for covered anesthesia services provided by a participating certified registered nurse anesthetist (CRNA) is limited to the lesser of the actual charge or 92 percent of the rate reimbursed to a physician anesthesiologist for the same services made in accordance with item 1 of this attachment
- b) This reimbursement methodology applies to the CRNA service only if the CRNA is not medically directed.
- 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 certified registered nurse anesthetists effective September 1, 2010, and this fee schedule was posted on the agency's website on September 3, 2010.
- e) The reimbursement for services effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

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DATE REC'D.	<u>6-7-10</u>	
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DATE EFF.	<u>9-1-10</u>	
HQ FA 179	<u>10-37</u>	

TN No. 10-37

Approval Date 8-26-10

Effective Date 9-1-10

Supersedes TN No. 07-38

SUPERSEDES: TN- 07-38

35. Services by Certified Pediatric Nurse Practitioners and Certified Family Nurse Practitioners

- (a) Certified Pediatric Nurse Practitioners (CPNPs) and Certified Family Nurse Practitioners (CFNPs) are known in Texas as Advance Practice Nurses (APNs). APNs include Nurse Practitioners (NPs) and Clinical Nurse Specialists (CNSs). NPs and CNSs deliver the services that can be provided by CPNPs and CFNPs. Payment for covered professional services provided by NPs and CNSs is limited to the lesser of the provider's billed charges or 92 percent of the rate reimbursed to a physician for the same professional service made in accordance with item 1 of this attachment, relating to the reimbursement methodology for physicians and certain other practitioners. Payment to NPs and CNSs is at the same level as physicians for drugs and supplies.
- (b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- (c) The agency's fee schedule was revised with new fees for certified nurse practitioners and certified family nurse practitioners effective September 1, 2010, and this fee schedule was posted on the agency's website on September 3, 2010.
- (d) The reimbursement for services effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

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DATE REC'D	<u>6-7-10</u>	
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HOFA 179	<u>10-37</u>	

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Approval Date 8-26-10

Effective Date 9-1-10

Supersedes TN No. 08-18

SUPERSEDES: TN- 08-18

STATE	<u>TEXAS</u>
DATE REC'D.	<u>6-7-10</u>
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1. Physicians and Certain Other Practitioners (continued)

- F. \$18.420 – Effective January 1, 2010, for nonobsterical anesthesia services to clients 21 years of age and older.
- G. \$23.220 - Effective September 1, 2007 for obstetrical anesthesia services to clients under 21 years of age. Implemented with respect to recipients under age 21 pursuant to the order of the court in *Frew v. Hawkins*, Civil Action #3:93/CV65 (Eastern District – Paris Division) on April 27, 2007 (Corrective Action Order: Adequate Supply of Healthcare Providers).
- H. \$19.580 - Effective September 1, 2007 for obstetrical anesthesia services to clients 21 years of age and older.
- (d) Access-based fees (ABFs) are developed to account for deficiencies in RBFs relating to adequacy of access to health care services for Medicaid clients and are based upon: (1) historical charges; (2) current total Medicare fee (i.e., RVU times the conversion factor) for the individual service; (3) review of Medicaid fees paid by other states; (4) survey of providers' costs to provide the individual service; (5) Medicaid fees for similar services; and/or (6) some combination or percentage thereof.
- (e) General guidelines used when updating Medicaid fees for services provided by physicians and certain other practitioners, include, but are not limited to the following: updating the Medicaid relative value units (RVUs) to those currently in effect for Medicare and multiplying the updated RVUs by the current Medicaid conversion factor to result in an updated resource-based fee (RBF); increasing the Medicaid conversion factor to increase RBFs for which no RVU update is required in order to increase access to services; changing an existing RBF to an access-based fee (ABF) when the RBF methodology does not provide sufficient access to care; and changing an existing ABF to a RBF as appropriate.
- (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 physicians effective September 1, 2010, and this fee schedule was posted on the agency's website on September 3, 2010.
- (i) The reimbursement for services effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

TN No. 10-37

Approval Date 8-26-10

Effective Date 9-1-10

Supersedes TN No. 10-24

SUPERSEDES: TN- 10-24