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

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: **10-082**

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: **February 1, 2011**

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

☐ ☐ 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:
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.

7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT

a. FFY **2011**	**$(13,798,418)**
b. FFY **2012**	**$(19,195,762)**
c. FFY **2013**	**$(19,840,738)**

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: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 is an update to the physicians and certain other practitioners reimbursement methodology and implements a one percent payment reduction for reimbursements paid to these providers.

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:

13. TYPED NAME:
Billy R. Millwee

14. TITLE:
State Medicaid Director

15. DATE SUBMITTED
December 29, 2010

16. RETURN TO:

Billy R. Millwee
State Medicaid Director
Post Office Box 85200
Austin, Texas 78708

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 29 December, 2010

18. DATE APPROVED: 21 March, 2011

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
1 February, 2011

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Bill Brooks

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children's Health

23. REMARKS:

FORM CMS – 179 (07-92)

STATE Texas
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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 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.

1. Physicians and Certain Other Practitioners (continued)

(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 February 1, 2011 and this fee schedule will be posted on the agency's website on April 8, 2011.

(i) The reimbursement for services effective September 1, 2010 through January 31, 2011 will be equal to the reimbursement on August 31, 2010, less one percent. For new reimbursement rates or reimbursement rates that were revised after August 31, 2010, for services effective September 1, 2010 through January 31, 2011, the reimbursement will be reduced by one percent.

(j) The reimbursement for services effective February 1, 2011 will be equal to the reimbursement on August 31, 2010, less two percent. For new reimbursement rates or reimbursement rates revised after August 31, 2010, for services effective February 1, 2011, the reimbursement will be reduced by two percent.

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

(a) Certified pediatric nurse practitioners (CPNP) and certified family nurse practitioners (CFNP) are known in Texas as advance practice nurses (APN). APNs include nurse practioners (NP) and clinical nurse specialists (CNS). 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 CPNPs and CFNPs effective February 1, 2011 and this fee schedule will be posted on the agency's website on April 8, 2011.

(d) The reimbursement for services effective September 1, 2010 through January 31, 2011 will be equal to the reimbursement on August 31, 2010, less one percent. For new reimbursement rates or reimbursement rates that were revised after August 31, 2010, for services effective September 1, 2010 through January 31, 2011, the reimbursement will be reduced by one percent.

(e) The reimbursement for services effective February 1, 2011 will be equal to the reimbursement on August 31, 2010, less two percent. For new reimbursement rates or reimbursement rates revised after August 31, 2010, for services effective February 1, 2011, the reimbursement will be reduced by two percent.

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SUPERSEDES: TN- 10-37

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 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 CRNAs effective February 1, 2011, and this fee schedule will be posted on the agency's website on April 8, 2011.

(e) The reimbursement for services effective September 1, 2010 through January 31, 2011 will be equal to the reimbursement on August 31, 2010, less one percent. For new reimbursement rates or reimbursement rates that were revised after August 31, 2010, for services effective September 1, 2010 through January 31, 2011, the reimbursement will be reduced by one percent.

(f) The reimbursement for services effective February 1, 2011 will be equal to the reimbursement on August 31, 2010, less two percent. For new reimbursement rates or reimbursement rates revised after August 31, 2010, for services effective February 1, 2011, the reimbursement will be reduced by two percent.

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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 February 1, 2011, and this fee schedule will be posted on the agency's website on April 8, 2011.

(c) The reimbursement for services effective September 1, 2010 through January 31, 2011 will be equal to the reimbursement on August 31, 2010, less one percent. For new reimbursement rates or reimbursement rates that were revised after August 31, 2010, for services effective September 1, 2010 through January 31, 2011, the reimbursement will be reduced by one percent.

(d) The reimbursement for services effective February 1, 2011 will be equal to the reimbursement on August 31, 2010, less two percent. For new reimbursement rates or reimbursement rates revised after August 31, 2010, for services effective February 1, 2011, the reimbursement will be reduced by two 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 February 1, 2011, and this fee schedule will be posted on the agency's website on April 8, 2011.

44. Licensed Professional Counselor Services (continued)

(c) The reimbursement for services effective September 1, 2010 through January 31, 2011 will be equal to the reimbursement on August 31, 2010, less one percent. For new reimbursement rates or reimbursement rates that were revised after August 31, 2010, for services effective September 1, 2010 through January 31, 2011, the reimbursement will be reduced by one percent.

(d) The reimbursement for services effective February 1, 2011 will be equal to the reimbursement on August 31, 2010, less two percent. For new reimbursement rates or reimbursement rates revised after August 31, 2010, for services effective February 1, 2011, the reimbursement will be reduced by two 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 therapist services effective February 1, 2011, and this fee schedule will be posted on the agency's website on April 8, 2011.

(c) The reimbursement for services effective September 1, 2010 through January 31, 2011 will be equal to the reimbursement on August 31, 2010, less one percent. For new reimbursement rates or reimbursement rates that were revised after August 31, 2010, for services effective September 1, 2010 through January 31, 2011, the reimbursement will be reduced by one percent.

(d) The reimbursement for services effective February 1, 2011 will be equal to the reimbursement on August 31, 2010, less two percent. For new reimbursement rates or reimbursement rates revised after August 31, 2010, for services effective February 1, 2011, the reimbursement will be reduced by two percent.

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 February 1, 2011, and is effective for services provided on or after that date. This fee schedule will be posted on the agency's website on April 8, 2011.

(d) The reimbursement for services effective September 1, 2010 through January 31, 2011 will be equal to the reimbursement on August 31, 2010, less one percent. For new reimbursement rates or reimbursement rates that were revised after August 31, 2010, for services effective September 1, 2010 through January 31, 2011, the reimbursement will be reduced by one percent.

(e) The reimbursement for services effective February 1, 2011 will be equal to the reimbursement on August 31, 2010, less two percent. For new reimbursement rates or reimbursement rates revised after August 31, 2010, for services effective February 1, 2011, the reimbursement will be reduced by two percent.

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