

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER:  <div style="text-align: center; font-weight: bold;">13-013</div>	2. STATE:  <div style="text-align: center; font-weight: bold;">TEXAS</div>
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) 4. PROPOSED EFFECTIVE DATE:  <div style="text-align: center; font-weight: bold;">April 1, 2013</div>	
5. TYPE OF PLAN MATERIAL (Circle One):  <div style="display: flex; justify-content: space-between;"> <span><input type="checkbox"/> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)</span> <span><input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN</span> <span><input checked="" type="checkbox"/> AMENDMENT</span> </div>			
6. FEDERAL STATUTE/REGULATION CITATION: <b>42 CFR §440.30, Other laboratory and X-ray services; 42 CFR Part 493, Laboratory Requirements; Section 1903(i)(7) of the Social Security Act; and Social Security Act 1833 (h)(1)(A)</b>		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2013                      \$ (\$ 9,853,876) b. FFY 2014                      \$ (\$20,523,152) c. FFY 2015                      \$ (\$21,303,849)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>	
10. SUBJECT OF AMENDMENT:  <b>The proposed amendment updates the reimbursement for clinical diagnostic laboratories (CDL) fee schedule. The requested effective date for the proposed amendment is April 1, 2013.</b>			
11. GOVERNOR'S REVIEW (Check One): <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <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         </div> <div style="width: 50%;"> <input checked="" type="checkbox"/> OTHER, AS SPECIFIED:  <b>Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.</b> </div> </div>			
12. SIGNATURE OF STATE AGENCY OFFICIAL:  		16. RETURN TO:  <b>Kay Ghahremani          State Medicaid Director          PO Box 13247 MC H-100          Austin, Texas 78711</b>	
13. TYPED NAME: <b>Kay Ghahremani</b>			
14. TITLE: <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>June 28, 2013</b>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:    28 June, 2013		18. DATE APPROVED:    28 August, 2013	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <div style="text-align: center;">1 April, 2013</div>		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: <div style="text-align: center;">Bill Brooks</div>		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			

### 3. Clinical Diagnostic Laboratory Services

Medicaid providers of clinical diagnostic laboratory (CDL) services are reimbursed based on fee schedules as follows:

- (a) The Texas Department of State Health Services (DSHS) Laboratory provides Early and Periodic Screening, Diagnosis and Treatment (EPSDT) medical and newborn screening services through a federal freedom-of-choice exemption as well as any other laboratory services provided that are not covered by this exemption.
  - (1) The DSHS laboratory is reimbursed for all laboratory services provided at 100 percent of the Medicare fees.
  - (2) HHSC will update these fees effective each year on April 1, based on 100 percent of the Medicare fees in effect as of January 1 of that same year.
- (b) Sole community hospitals are reimbursed the lesser of their billed charges or the fee determined by HHSC, which is 100 percent of the Medicare fee. Under Medicare the fee schedule amount paid to sole community hospitals is three and one third percent higher than the fee schedule amount paid to other types of providers of CDL service.
  - (1) HHSC will update these fees effective each year on April 1, based on 86.8 percent of the Medicare fees in effect as of January 1 of that same year.
  - (2) The Medicaid fee for any new procedure codes added during the year will be based on 86.8 percent of the Medicare fees in effect as of January 1 of that same year.
- (c) The remaining providers of these services are reimbursed the lesser of their billed charges or the fee determined by HHSC, which is 100 percent of the Medicare fee.
  - (1) HHSC will update these fees effective each year on April 1, based on 84 percent of the Medicare fees in effect as of January 1 of that same year.
  - (2) The Medicaid fee for any new procedure codes added during the year will be based on 84 percent of the Medicare fees in effect as of January 1 of that same year.
- (d) The reimbursement methodologies in 3(a) – (c) ensure that Medicaid payments to these providers for these services meet the upper payment limit requirements in Section 1903(i)(7) of the Social Security Act, which requires that Medicaid payments for clinical laboratory services must not exceed the Medicare fee for the service.
- (e) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, Page 1. The agency's fee schedule was revised with new fees effective April 1, 2013, and is effective for services provided on or after that date. The fee schedule will be posted on the agency's website on April 5, 2013.

---

TN \_\_\_\_\_

Approval Date \_\_\_\_\_

Effective Date \_\_\_\_\_

Supersedes TN \_\_\_\_\_