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State/Territory Name: Texas

State Plan Amendment (SPA) #: 13-39

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Superseding Page Listing
- 4) Approved SPA Pages

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



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

May 27, 2014

Our Reference: SPA TX 13-039

Ms. Kay Ghahremani
State Medicaid/CHIP Director
Health and Human Services Commission
Post Office Box 13247
Mail Code H100
Austin, Texas 78711

Dear Ms. Ghahremani:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 13-39, dated September 30, 2013. This state plan amendment updates the fee schedule for physicians and other practitioners and adds reimbursement for licensed psychological associates and provisionally licensed psychologists.

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, 2013. A copy of the CMS-179 and approved plan pages are enclosed with this letter.



If you have questions, please contact Cheryl Rupley at (214) 767-6278.

Sincerely,

A black rectangular box redacting the signature of Bill Brooks.

Bill Brooks
Associate Regional Administrator

cc: Becky Brownlee, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 13-039	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, 2013	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment) <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 2013 \$ (521,000) b. FFY 2014 \$(6,032,375) c. FFY 2015 \$(6,240,715)	
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 updates the physicians and other practitioners' fee schedules and adds reimbursement for licensed psychological associates and provisionally licensed psychologists.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Kay Ghahremani State Medicaid Director PO Box 13247 MC H-100 Austin, Texas 78711	
13. TYPED NAME: Kay Ghahremani			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED September 30, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 30 September, 2013		18. DATE APPROVED: 27 May, 2014	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 September, 2013		20. SIGNA 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
3. REMARKS:			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 13-039 (Revised)

**Number of the
Plan Section or Attachment**

Attachment 4.19-B

Page 1a
Page 1a.1
Page 1a.2
Page 1a.3
Page 37
Page 37a

**Number of the Superseded
Plan Section or Attachment**

Attachment 4.19-B

Page 1a (TN 13-021)
Page 1a.1 (TN 12-025)
Page 1a.2 (TN 12-025)
Page 1a.3 (TN 13-038)
Page 37 (TN 13-038)
New Page

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Attachment to Blocks 8 & 9 of CMS Form 179

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Attachment 4.19-B
Page 1a

1. Physicians and Other Practitioners

- (a) Subject to the qualifications, limitations, and exclusions in the amount, duration and scope of benefits as provided elsewhere in the State Plan, payment to eligible providers of laboratory services, including x-ray services, radiation therapy services, physical and occupational therapists' services, physician services (including anesthesia and physician-administered drugs), podiatry services, chiropractic services, optometric services, dentists' services, psychologists' services, certified respiratory care practitioners' services, maternity clinics' services, tuberculosis clinic services, certified nurse midwife services, and advanced telecommunication services (including telemedicine and telehealth services) are reimbursed based on an uniform, statewide, prospective payment system.
- (1) Services delivered by a psychologist are paid at 100 percent of the fee schedule.
- (2) Services delivered by a licensed psychological associate (LPA) or Provisionally Licensed Psychologist (PLP) under the supervision of a psychologist are paid at 70 percent of the fee schedule.
- (b) The fees for covered services provided by physicians and other practitioners are based upon the determination of adequacy of access to health care services by the Texas Health and Human Services Commission (HHSC), as described in this section.
- (1) There shall be no geographical or specialty reimbursement differential for individual services.
- (2) The fees for individual services will be reviewed at least every two years and include:
(A) resource-based fees (RBFs) and
(B) access-based fees (ABFs).
- The fee schedule is published quarterly.
- (3) Measures of adequacy of access to health care services include, but are not limited to, the following determinations:
(A) adequate participation in the Medicaid program by physicians and other practitioners; and/or
(B) the ability of Medicaid recipients to receive adequate health care services in an appropriate setting.

TN: 13-39

Approval Date: 5/27/14

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Supersedes TN: 13-21

1. Physicians and Other Practitioners (continued)

- (c) Resource-based fees (RBFs) are based on actual resources required by an economically efficient provider to deliver each individual service and are calculated by multiplying the applicable relative value unit (RVU) times a conversion factor.
- (1) A relative value unit (RVU) is the relative value assigned to each of the three individual components that comprise the cost of providing individual Medicaid services. The three cost components are intended to reflect the work, overhead and the professional liability expense required to provide each individual service. HHSC will review any changes to or revisions of the various Medicare RVUs and, if applicable, adopt the changes as part of the RBF fee schedule.
- (2) The conversion factor is the dollar amount by which the sum of the three cost component RVUs is multiplied in order to obtain an RBF for each individual service. HHSC may develop and apply multiple conversion factors for various classes of service, such as obstetrics, pediatrics, general surgeons, and/or primary care services. The following conversion factors are applied and are reflected on the fee schedule for services provided by physicians and other practitioners on the agency's website:
- A. \$26.7305 – Effective April 1, 2012, for RBFs for physicians and other practitioners.
- B. \$28.0672 – Effective April 1, 2012, for RBFs for physicians and other practitioners.
- C. \$27.276 – Effective September 1, 1999, for RBFs for physicians and other practitioners.
- D. \$28.640 – Effective September 1, 2007, for increases to certain RBFs for services provided by physicians and other practitioners. 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).
- E. \$30.000 – Effective April 1, 2010, for increases to certain RBFs for services provided by physicians and other practitioners. Implemented with respect to maintaining access to care for Medicaid clients for certain necessary medical services.

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Page 1a.2

1. Physicians and Other Practitioners (continued)

- F. Conversion factor equal to the current Medicare conversion factor – Effective April 1, 2010, for increases to certain RBFs for services provided by physicians and other practitioners. Implemented with respect to maintaining access to care for Medicaid clients for certain necessary medical services.
 - G. \$19.830 – Effective September 1, 2007, for nonobstetrical anesthesia services to clients under age 21. 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. \$18.420 – Effective January 1, 2010, for nonobstetrical anesthesia services to clients 21 years of age and older.
 - I. \$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).
 - J. \$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 other practitioners, include, but 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.

TN: 13-39

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Supersedes TN: 12-25

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 October 1, 2011, and this fee schedule was posted on the agency's website on October 7, 2011.
- (i) The agency's fee schedule was revised with new fees for physicians effective September 1, 2013, and this fee schedule will be posted on the agency's website on September 15, 2013.

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TN: 13-39

Approval Date: 5/27/14

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Supersedes TN: 13-38

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, 2013, and this fee schedule will be posted on the agency's website on September 15, 2013.

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, 2013, and this fee schedule will be posted on the agency's website on September 15, 2013.

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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 September 1, 2013, and this fee schedule will be posted on the agency's website on September 15, 2013.

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TN: 13-39

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Supersedes TN: New page