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State/Territory Name: Texas

State Plan Amendment (SPA) #:   15-20

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

DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

August 11, 2015

Our Reference: SPA TX 15-020

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 15-020, dated July 10, 2015. This state plan amendment updates the clinical diagnostic laboratories fee schedules.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of July 1, 2015. 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,

Bill Brooks
Associate Regional Administrator

cc: Becky Brownlee, Policy Development Support

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES

1. TRANSMITTAL NUMBER:	2. STATE:
15-020	**TEXAS**

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:

July 1, 2015

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

☐ NEW STATE PLAN   ☐ 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 §§440.30 (Other laboratory and X-ray services), 440.210(a)(1) (Required services for the categorically needy), 440.220(a)(4) (Required services for the medically needy), 447.201(b) (State plan requirements); 42 CFR Part 493, Laboratory Requirements; Social Security Act §§1833(h)(1)(A) and 1903(i)(7)

7. FEDERAL BUDGET IMPACT:	**SEE ATTACHMENT**
a. FFY 2015	$(1,187,255)
b. FFY 2016	$(4,755,122)
c. FFY 2017	$(4,927,654)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: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 clinical diagnostic laboratories (CDL) fee schedule.

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:
Kay Ghahremani

14. TITLE:
State Medicaid Director

15. DATE SUBMITTED:
July 10, 2015

16. RETURN TO:

**Kay Ghahremani
State Medicaid Director
Post Office Box 13247, MC: H-100
Austin, Texas 78711**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 10 July, 2015

18. DATE APPROVED: 11 August, 2015

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 July, 2015

20. SIGNATURE OF REGIONAL OFFICIAL: ▉▉▉▉▉▉

21. TYPED NAME: Bill Brooks

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

23. REMARKS:

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 15-020

Number of the
Plan Section or Attachment

Attachment 4.19-B
   Page 1c

Number of the Superseded
Plan Section or Attachment

Attachment 4.19-B
   Page 1c (TN 15-012)

State: Texas
Date Approved: 11 August, 2015
Date Received: 10 July, 2015
Date Effective: 1 July, 2015
Transmittal Number: TX 15-0020

State of Texas
Attachment 4.19-B
Page 1c

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.

The DSHS laboratory is reimbursed for all laboratory services provided at 100 percent of the Medicare fees.

(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.

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.

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 on a per test basis.

(e) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, Page 1.

(f) The agency's fee schedule was revised with new fees for clinical diagnostic laboratory services effective July 1, 2015, and was posted on the agency's website on July 10, 2015.