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State/Territory Name: Texas

State Plan Amendment (SPA) #: 15-09

This file contains the following documents in the order listed:

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



#### DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

May 5, 2015

Our Reference: SPA TX 15-009

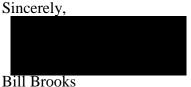
Ms. Kay Ghahremani State Medicaid/CHIP Director Health and Human Services Commission Post Office Box 13247 Mail Code H100 Austin, Texas 78711

Dear Ms. Ghahremani:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 15-009, dated March 31, 2015. This state plan amendment updates the fee schedule for durable medical equipment, prosthetics, orthotics and medical supplies.

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



Associate Regional Administrator

cc: Becky Brownlee, Policy Development Support

DEPARTMENT OF HEALTH AND HUMAN SERVICES CENTERS FOR MEDICARE AND MEDICAID SERVICES	FORM APPROVED OMB NO. 0938-0193		
	1. TRANSMITTAL NUMBER:	2. STATE:	
TRANSMITTAL AND NOTICE OF APPROVAL OF	15.000	TEXAS	
STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	15-009		
	3. PROGRAM IDENTIFICATION: TI SECURITY ACT (MEDICAID)	TLE XIX OF THE SOCIAL	
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE:		
CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	January 1, 2015	January 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: Home Health Durable Medical Equipment (DME) and Supplies:	7. FEDERAL BUDGET IMPACT: S a. FFY 2015	SEE ATTACHMENT \$1,337,049	
§1905(a)(7) of the Social Security Act; 42 CFR §440.70(b)(3);	b. <b>FFY 2016</b>	\$1,783,609	
Prosthetic Devices: §1905(a)(12) of the Social Security Act; 42	c. FFY 2017	\$1,854,636	
CFR § 440.120 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPER OR ATTACHMENT (If Applicable)		
SEE ATTACHMENT TO BLOCKS 8 & 9	SEE ATTACHMENT TO BLOCKS 8	& 9	
10. SUBJECT OF AMENDMENT:		an an i <sub>na an</sub> 70 an bha ann an tha an an tha an an taraig	
The proposed amendment revises the durable medical equipment, prosthetics, orthotics, and supplies fee schedule.			
11. GOVERNOR'S REVIEW (Check One):			
GOVERNOR'S OFFICE REPORTED NO COMMENT	OTHER, AS SPECIFIED: Ser this date. Comments, if any, will be for		
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED			
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:		
	Kay Ghahremani		
13. T	State Medicaid Director		
Kay Ghahremahi	Post Office Box 13247, MC: H-100 Austin, Texas 78711		
14. TITLE:			
State Medicaid Director			
15. DATE SUBMITTED:			
March 31, 2015			
FOR REGIONAL OFFICE USE ONLY 17. DATE RECEIVED:	18. DATE APPROVED: 5 Mars 201		
31 March, 2015	18. DATE APPROVED: 5 May, 201	5	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNAT	IAL:	
1 January, 2015			
21. TYPED NAME:	22. TITLE: Associate Regional Ad	lministrator	
Bill Brooks	Division of Medicaid and Child	dren's Health	
23. REMARKS:			

### Attachment to Blocks 8 & 9 of CMS Form 179

#### **Transmittal Number 15-009**

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

Attachment 4.19-B Page 3a Attachment 4.19-B Page 3a (TN 14-048)

> State: Texas Date Received: 31 March, 2015 Date Approved: 5 May, 2015 Date Effective: 1 January, 2015 Transmittal Number: 15-0009

State: Texas Date Received: 31 March, 2015 Date Approved: 5 May, 2015 Date Effective: 1 January, 2015 Transmittal Number: 15-0009

State of Texas Attachment 4.19-B Page 3a

## 8. Home Health Services (continued)

- (b) Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)
  - (1) If the item of DMEPOS is covered by Medicare, the Medicaid fee will be equal to or a percentage of the Medicare fee schedule specific to Texas that is available at the time of the fee review, unless there is documentation that the Medicare fee is insufficient for the items covered under the procedure code and required by the Medicaid population.
  - (2) For items of DMEPOS not paid at the Medicare fee, the provider will either be reimbursed a fee determined by HHSC or through manual pricing. The fee determined by HHSC will be determined from cost information from providers, manufacturers, surveys of the Medicaid fees for other states, survey information from national fee analyzers, or other relevant fee-related information.
  - (3) Manual pricing is reasonable when one procedure code covers a broad range of items with a broad range of costs, since a single fee may not be a reasonable fee for all items covered under the procedure code, resulting in access-to-care issues. Examples include 1) procedure codes with a description of "not otherwise covered," "unclassified," or "other miscellaneous;" and 2) procedure codes covering customized items. If manual pricing is used, the provider is reimbursed either the documented Manufacturer's Suggested Retail Price (MSRP) less 18 percent, or the documented Average Wholesale Price (AWP) less 10.5 percent, whichever one is applicable. If one of these is not available, the provider's documented invoice cost is used as the basis for manual pricing. AWP pricing is used primarily for nutritional products and DMEPOS items sold in pharmacies.
  - (4) The Medicaid fees for oxygen equipment, oxygen, and oxygen-related supplies will not exceed the Medicare fee for the same procedure code.
  - (5) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
  - (6) The agency's fee schedule was revised with new fees for durable medical equipment, prosthetics, orthotics, and supplies effective January 1, 2015, and was posted on the agency's website on April 15, 2015.

TN No. 15-0009

Approval Date 5-5-2015

Supersedes TN No. 14-0048