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State/Territory Name: Texas

State Plan Amendment (SPA) #: 16-0023

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Superseding Pages Notice
- 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

January 19, 2017

Our Reference: SPA TX 16-0023

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

Dear Ms. Snyder:

Enclosed is a copy of approved Texas State Plan Amendment (SPA) No. 16-0023, with an effective date of December 15, 2016. This amendment was submitted to reduce payment rates for physical, occupational, and speech therapy services.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act (the Act) and the implementing Federal regulations at 42 CFR 447 Subpart C.

Because the proposed SPA would reduce or restructure provider payment rates, Texas is required to provide documentation in support of its determination that the payments are consistent with efficiency, economy, and quality of care and sufficient to enlist enough providers so that services under the plan are available to beneficiaries at least to the extent that these services are available to the general population, as established in Section 1902(a)(30)(A) of the Act and codified in 42 CFR 447.203(b)(6) and 42 CFR 447.204. To demonstrate compliance with these requirements, the state submitted the following to the Centers for Medicare & Medicaid Services (CMS) with the proposed SPA:

1. With respect to the public process requirements at 42 CFR 447.204(a)(2), Texas provided documentation to show that the state considered input from beneficiaries, providers and other affected stakeholders on beneficiary access to the affected services and the impact of the proposed rate change. Specifically, the state posted notification of the proposed rate reductions for therapy services on the Texas Health and Human Services Commission website on September 4, 2015 and held multiple public meetings with the provider community. The state received a significant amount of input from providers, beneficiaries, and other stakeholders raising concerns about the impact the proposed rate reductions might have on access to care. In response to the input received, the state revised its rate reduction proposal to use rates paid by other states as the basis for establishing the

proposed reductions. Additionally, after considering input specific to the needs of certain beneficiaries, the state made some modifications to its rate reduction proposal by limiting rate reductions for certain services. Through its overall analysis, the state determined that the proposed reductions would not negatively impact access to care.

2. With respect to requirements at 42 CFR 447.204(b), Texas submitted an analysis of the effect of the change in payment rates on access and an analysis of the information and concerns expressed through stakeholder input. The state concluded that the rate changes under the state plan would not negatively impact access to care based on its analysis that: (1) the proposed rates are generally consistent with or above Medicare rates, commercial rates, and Medicaid rates paid for therapy services in an 11 state comparison group, (rates that are currently above 150 percent of the 11 state comparison group will not be reduced below the 150 percent threshold, and rates that are below 150 percent of the 11 state comparison will experience a much smaller decrease); (2) the state experienced significant growth in the utilization of therapy services between 2009 and 2014, and the number of therapy providers and expenditures outpaced the growth in beneficiary utilization during that period; (3) according to geo-mapping data, providers are available throughout all geographic regions of the state and more than 99 percent of beneficiaries receiving therapy services are within 30 miles of a provider; (4) the state received few complaints about available access to services prior to the proposed rate reductions; and (5) nearly all individuals receiving the affected services now receive their care through managed care organizations.
3. The state established procedures to monitor continued access to care after implementation of these rate reductions, consistent with 42 CFR 447.203(b)(6). Specifically, the state will monitor utilization patterns of therapy clients and providers utilizing measures, baseline data and state established thresholds which, if met, would trigger additional review by the state. The state will also track and trend complaint data and provider participation including providers who are no longer accepting Medicaid patients to their practice. Additionally, the state committed to sharing the complaint and utilization data at least annually with the CMS, and exploring opportunities for measuring fee-for-service beneficiary experiences similar to the CAHPS tool used for managed care monitoring.
4. The state also demonstrated that it has ongoing mechanisms for beneficiary and provider input on access to care, such as the beneficiary complaint process consistent with 42 CFR 447.203(b)(6)(ii). These provide that beneficiaries and providers can raise access concerns directly to the state agency and also include: (1) beneficiary call centers; (2) the Office of the Ombudsman; and (3) the Complaints, Appeals and Provider Resolution Division. The state has established that it will respond to public input through these mechanisms, and will retain a record of this input and response.

CMS is approving this SPA as the state has reasonably substantiated its conclusion that access for these services is sufficient through a process consistent with the requirements of 42 CFR 447.203 and conducted the public process and notice described in 42 CFR 447.204 and 42 CFR 447.205. Consistent with the aforementioned regulations, the state has committed to monitoring access and CMS will be periodically contacting the state to understand how the state's monitoring activities are progressing. If access deficiencies are identified, the state will submit a corrective action plan within 90 days of identification.

This letter affirms that the Texas Medicaid SPA 16-0023 is approved effective December 15, 2016 as requested by the state.

We are enclosing the HCFA-179 and the following amended plan pages.

- Attachment 4.19-B, Page 1a.3
- Attachment 4.19-B, Page 3
- Attachment 4.19-B, Page 25e
- Attachment 4.19-B, Page 25f
- Attachment 4.19-B, Page 25g
- Attachment 4.19-B, Page 25i

If you have any questions please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by Email at Ford.Blunt@cms.hhs.gov.

Sincerely,



Bill Brooks
Associate Regional Administrator

cc: Dana Williamson, Manager, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: <div style="text-align: center; font-weight: bold;">16-0023</div>	2. STATE: <div style="text-align: center; font-weight: bold;">TEXAS</div>
		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: <div style="text-align: center;">December 15, 2016</div>	
5. TYPE OF PLAN MATERIAL (<i>Circle One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR § 440.40, 42 CFR § 441.55, and § 1905(r) of the Social Security Act (relating to Early and Periodic Screening, Diagnosis and Treatment); 42 CFR § 440.50(a) and § 1905(a)(5)(A) of the Social Security Act (relating to Physician Services); 42 CFR § 440.60(a) and § 1905(a)(6)(A) of the Social Security Act (relating to Licensed Practitioners); 42 CFR § 440.210(a)(1), 42 CFR § 440.220(a)(4)(i), 42 CFR § 440.225, and § 1902(a)(10) of the Social Security Act (relating to Required Services for Categorically Needy and Medically Needy and relating to Optional Services); 42 CFR § 440.70 and § 1905(a)(7) of the Social Security Act (relating to Home Health Services).		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> a. FFY 2017 b. FFY 2018 c. FFY 2019 </div> <div style="width: 50%; text-align: right;"> \$(2,198,779) \$(2,123,904) \$(2,157,963) </div> </div>	
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 (<i>If Applicable</i>): SEE ATTACHMENT TO BLOCKS 8 & 9	
10. SUBJECT OF AMENDMENT: The proposed amendment updates Medicaid payments and Medicaid fee schedules for physical, occupational, and speech therapy services.			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <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: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. </div> </div>			
12. SIGNATURE OF AGENCY OFFICIAL: 		16. RETURN TO: Jami Snyder State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
13. TYPED NAME: Jami Snyder			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: January 06, 2017 (original submission date was 7/1/16)			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: July 1, 2016		18. DATE APPROVED: January 19, 2017	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: December 15, 2016		20. SIGNATURE OF REGIONAL ADMINISTRATOR: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid and Children's Health	
23. REMARKS: This is a revised CMS 179. The original 179 was submitted on July 1, 2016.			

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 16-0023

**Number of the
Plan Section or Attachment**

Attachment 4.19-B

Page 1a.3

Page 3

Page 25e

Page 25f

Page 25g

Page 25i

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

Attachment 4.19-B

Page 1a.3 (TN 16-0018)

Page 3 (TN 16-0016)

Page 25e (TN 14-008)

Page 25f (TN 14-008)

Page 25g (TN 14-008)

Page 25i (TN 16-0017)

State: Texas
Date Received: 06-01-2016
Date Approved: 01-19-2017
Date Effective 12-15-2016
Transmittal Number: TX 16-0023

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) To ensure access to care and prompt provider reimbursement, when a new national procedure code is assigned to a physician-administered drug or biological product, a preliminary reimbursement rate will be established by the Texas Health and Human Services Commission (HHSC) based on the published Medicare reimbursement rate. In accordance with 42 CFR §447.205(b)(1), a public notice and state plan amendment will not be submitted for this preliminary reimbursement rate. This will allow the new procedure code to be payable as the reimbursement process is completed with a public notice published and a state plan amendment submitted.
- (h) All fee schedules are available through the agency's website, as outlined on Attachment 4.19-B, page 1.
- (i) 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.
- (j) The agency's fee schedule was revised with new fees for physicians effective December 15, 2016, and this fee schedule was posted on the agency's website on January 6, 2017.

TN:	<u>16-0023</u>	Approval Date:	<u>01-19-17</u>
Supersedes TN:	<u>16-0018</u>	Effective Date:	<u>12-15-16</u>

State: Texas
Date Received: 07-01-2016
Date Approved: 01-19-2017
Date Effective 12-15-2016
Transmittal Number: TX 16-0023

8. Home Health Services

(a) Professional Services

- (1) Home health agencies are reimbursed for authorized professional home health services, including skilled nursing visits and therapy visits, delivered to eligible Medicaid recipients, the lesser of the provider's billed charges or the fee schedule established by HHSC.
- (2) The fee schedule established by HHSC is based upon an analysis: (1) Medicare fees; (2) review of Medicaid fees paid by other states; (3) survey of home health agencies costs to provide the services; (4) Medicaid fees for similar services; and/or (5) some combination or percentage thereof.
- (3) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, Page 1.
- (4) The agency's fee schedule was revised with new fees for home health professional services and durable medical equipment prosthetics, orthotics, and supplies effective December 15, 2016, and this fee schedule will be posted on the agency's website on January 6, 2017.

TN: 16-0023	Approval Date: 01-19-17
Supersedes TN: 16-0016	Effective Date: 12-15-16

State: Texas
Date Received: 07-01-2016
Date Approved: 01-19-2017
Date Effective 12-15-2016
Transmittal Number: TX 16-0023

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

(6) Physical therapy (PT)

- (a) Services reimbursable only for Medicaid-eligible clients under age 21 include those delivered by the following provider types:
- (1) Medicare-certified outpatient facilities known as comprehensive outpatient rehabilitation facilities (CORFs) and outpatient rehabilitation facilities (ORFs) in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners. Payments based on a fee schedule are made for these services.
 - (2) School districts in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
 - (3) Home health agencies' reimbursed statewide visits are determined by the Texas Health and Human Services Commission (HHSC) based on an analysis of relevant fee surveys. Payments based on a fee schedule are made for these services.
- (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 EPSDT physical therapy services effective December 15, 2016. The fee schedule will be posted on the agency website on January 6, 2017.

TN:	<u>16-0023</u>	Approval Date:	<u>01-19-17</u>
Supersedes TN:	<u>14-008</u>	Effective Date:	<u>12-15-16</u>

State: Texas
Date Received: 07-01-2016
Date Approved: 01-19-2017
Date Effective 12-15-2016
Transmittal Number: TX 16-0023

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

(7) Occupational therapy (OT)

- (a) Services reimbursable only for Medicaid-eligible clients under age 21 include those delivered by the following provider types:
- (1) Medicare-certified outpatient facilities known as comprehensive outpatient rehabilitation facilities (CORFs) and outpatient rehabilitation facilities (ORFs) in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners. Payments based on a fee schedule are made for these services.
 - (2) School districts in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
 - (3) Home health agencies' reimbursed statewide visits are determined by the Texas Health and Human Services Commission (HHSC) based on an analysis of relevant fee surveys. Payments based on a fee schedule are made for these services.
- (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 EPSDT occupational therapy services effective December 15, 2016. The fee schedule will be posted on the agency website on January 6, 2017.

TN:	<u>16-0023</u>	Approval Date:	<u>01-19-17</u>
Supersedes TN:	<u>14-008</u>	Effective Date:	<u>12-15-16</u>

State: Texas
Date Received: 07-01-2016
Date Approved: 01-19-2017
Date Effective 12-15-2016
Transmittal Number: TX 16-0023

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

(8) Speech and language

- (a) Services reimbursable only for Medicaid-eligible clients under age 21 include those delivered by the following provider types:
- (1) Medicare-certified outpatient facilities known as comprehensive outpatient rehabilitation facilities (CORFs) and outpatient rehabilitation facilities (ORFs) in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners. Payments based on a fee schedule are made for these services.
 - (2) School districts in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
 - (3) Home health agencies' reimbursed statewide visits are determined by the Texas Health and Human Services Commission (HHSC) based on an analysis of relevant fee surveys. Payments based on a fee schedule are made for these services.
- (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 EPSDT speech and language services effective December 15, 2016. The fee schedule will be posted on the agency website on January 6, 2017.

TN:	<u>16-0023</u>	Approval Date:	<u>01-19-17</u>
Supersedes TN:	<u>14-008</u>	Effective Date:	<u>12-15-16</u>

State: Texas
Date Received: 07-01-2016
Date Approved: 01-19-2017
Date Effective 12-15-2016
Transmittal Number: TX 16-0023

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

(10) Physician services

- (a) Services reimbursable only for Medicaid-eligible clients under age 21 include:
 - (1) Vaccines not covered by the Texas Vaccines for Children Program (TVCP) for clients under age 21 which are reimbursed as accessed-based fees in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners. Payments based on a fee schedule are made for these services.
 - (2) Services delivered by school districts, in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
- (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 EPSDT physician services effective December 15, 2016. The fee schedule will be posted on the agency website on January 6, 2017.

TN:	<u>16-0023</u>	Approval Date:	<u>01-19-17</u>
Supersedes TN:	<u>16-0017</u>	Effective Date:	<u>12-15-16</u>

State: Texas
Date Received: 07-01-2016
Date Approved: 01-19-2017
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Transmittal Number: TX 16-0023