

## **Table of Contents**

**State/Territory Name: Texas**

**State Plan Amendment (SPA) #: 20-0018**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
233 North Michigan Ave., Suite 600  
Chicago, Illinois 60601



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**Financial Management Group**

April 2, 2021

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

RE: Texas TN 20-0018

Dear Ms. Stephens:

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#20-0018, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2020. The amendment implements a reimbursement methodology for when a new national procedure code is assigned for HealthCare Common Procedure Coding System (HCPCS) updates and when federally-mandated reimbursement rates, physician-administered drugs (PADs), or biological products are released.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

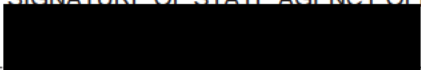

If you have any additional questions or need further assistance, please contact Tamara Sampson at 214-767-6431 or [Tamara.Sampson@cms.hhs.gov](mailto:Tamara.Sampson@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER: <b>20-0018</b>	2. STATE: <b>TEXAS</b>
		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: <b>July 1, 2020</b>	
5. TYPE OF PLAN MATERIAL (Circle One): <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 (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: <b>Social Security Act §1902(a)(30); 42 CFR §447.201(b).</b>		7. FEDERAL BUDGET IMPACT: <b>SEE ATTACHMENT</b> a. FFY 2020 \$0 b. FFY 2021 \$0 c. FFY 2022 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-B</b> Page 1 Page 1a.3		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19-B</b> Page 1 (TN 19-0010) Page 1a.3 (TN 20-0015)	
10. SUBJECT OF AMENDMENT: <b>The proposed amendment changes the reimbursement methodology to allow prompt provider reimbursement when a new national procedure code is assigned for Health Care Common Procedure Coding System updates.</b>			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: <b>Stephanie Stephens</b> <b>State Medicaid Director</b> <b>Post Office Box 13247, MC: H-100</b> <b>Austin, Texas 78711</b>	
13. TYPED NAME: <b>Stephanie Stephens</b>			
14. TITLE: <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>September 30, 2020</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: September 30, 2020		18. DATE APPROVED: April 2, 2021	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2020		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Todd McMillion		22. TITLE: Director, Division of Reimbursement Review	
23. REMARKS:			

All rates and fees can be found by accessing <http://public.tmhp.com/FeeSchedules/Default.aspx>. The rates accessed at this website contain all annual or periodic adjustments to the fee schedule.

Except as otherwise noted in the plan, state developed fee schedules and rates are the same for both governmental and private providers.

To ensure access to care and prompt provider reimbursement, the Texas Health and Human Services Commission (HHSC) will establish reimbursement rates for nondiscretionary items or services, to include: new Healthcare Common Procedure Coding System Updates, federally mandated reimbursement rates, and/or physician-administered drugs or biological products.

For new Healthcare Common Procedure Coding System Updates, reimbursement will be established based on:

1. the Medicare RVU multiplied by the state defined conversion factor(s);
2. in the absence of a Medicare RVU, a percentage of the Medicare fee;
3. in the absence of the Medicare fee, the established Medicaid rate for a similar service;
4. in the absence of the established Medicaid rate for a similar service, the Medicaid rate for other states; or
5. in the absence of the Medicaid rates for other states, a percentage of commercial payor rates.

For physician-administered drugs or biological products, reimbursement will be established based on:

1. a percentage of the published Medicare reimbursement rate;
2. in the absence of a Medicare reimbursement rate, a percentage of the average wholesale price (AWP),
3. in the absence of AWP, a percentage of the Manufacturer's Suggested Retail Price (MSRP),
4. in the absence of MSRP, the established Medicaid rate for a similar service, or
5. in the absence of a Medicaid rate for a similar service, the Medicaid rate for other states.

For federally mandated reimbursement rates, reimbursement will be established based on the federally mandated rate.

**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 July 1, 2018, and this fee schedule was posted on the agency's website on July 6, 2018.
- (i) The agency's fee schedule was revised with new fees for therapy assistants. Effective September 1, 2019, the reimbursement for therapy assistants will equal 80 percent of the payment to a therapist.
- (j) The agency's fee schedule was revised with new fees to include peer specialists effective January 1, 2019, and this fee schedule was posted on the agency's website on January 7, 2019.
- (l) The agency's fee schedule was revised with new fees for physicians and other practitioners effective April 1, 2020, and this fee schedule was posted on the agency's website on April 15, 2020.