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State/Territory Name: Texas

State Plan Amendment (SPA) : 23-0022

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601

Financial Management Group

September 15, 2023

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

RE: Texas TN 23-0022

Dear Director: Emily Zalkovsky,

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#23-0022, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 19, 2023. The proposed amendment updates Ambulatory Surgical Center reimbursement methodology and fee schedules.

Based upon the information provided by the State, we have approved the amendment with an effective date of June 1, 2023. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Monica Neiman at: Monica.Neiman@cms.hhs.gov.

Sincerely,

[redacted]

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 23-0022

2. STATE: TX

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
June 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION
Social Security Act §§1902(a)(30); 42 CFR §447.201(b).

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY **2023** $ **$469,359**
b. FFY **2024** $ **$1,189,469**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B
Pages 7 (f),
and 7 (g)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 4.19-B
Pages 7 (f) (TN 07-028),
and 7 (g) (TN 22-0038)

9. SUBJECT OF AMENDMENT

The proposed amendment updates Ambulatory Surgical Center reimbursement methodology and fee schedules.

10. 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.

11. SIGNATURE OF STATE AGENCY OFFICIAL
[redacted]

12. TYPED NAME
Stephanie Stephens

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
June 19, 2023

15. RETURN TO
Stephanie Stephens
State Medicaid Director
Post Office Box 13247, MC: H-100
Austin, Texas 78711

FOR CMS USE ONLY

16. DATE RECEIVED
June 19, 2023

17. DATE APPROVED
September 15, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
June 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

16. Ambulatory Surgical **Centers (ASCs)**

(a) Subject to specifications conditions and limitations established by the Texas Health and Human Services Commission (HHSC) or its **designee,** payment for ambulatory surgical center (ASC) facility services provided by freestanding ASCs wiII be made at a percentage of the Medicare Outpatient Prospective Payment System (OPPS) fee schedule. For ASC facility services not found on the Medicare OPPS fee schedule, HHSC will apply the reimbursement methodologies as outlined on Attachment 4.19-B, page 1. Procedure codes for durable medical equipment, supplies, drugs/biologicals, and other such services covered in an ASC are **reimbursed** in accordance with the specific reimbursement methodology applicable to each such procedure.

(b) HHSC or its designee reimburses high-volume public and private Medicaid ASCs an additional 5.2 percent in recognition of their vital contribution to the Texas Medicaid program. To be eligible for the high-volume provider payment add-on. an ASC must have been among those ASCs statewide who received Medicaid payments during the qualification period of state fiscal year (SFY) 2004 In the top 95 percent of all Medicaid payments made to ASCs during that qualification period.

(c) High-volume ASCs receive a 5.2 percent add-on payment for all Medicaid ASC facility services. Payments made to ASCs for durable medical equipment, supplies. drugs/biologicals and other such services are covered in an and therefore are not subject to the high-volume provider payment add-on.

(d) Payment to a high-volume ASC for a facility service is made based on the lesser of the provider's billed charges or the published Medicaid fee, with that amount becoming the allowed amount. Since Medicaid cannot pay a provider more than its billed charges, if the billed charges are greater than the published Medicaid fee plus the 5.2 percent high-volume provider payment add-on, the Medicaid fee plus the 5.2 percent high-volume provider payment add-on is the actual payment to the provider.

(e) Example 1:
  (1) Billed charges = $100.00
  (2) Medicaid published fee = $80.00
  (3) Lesser of billed charges or Medicaid published fee =$80.00 which becomes the allowed amount.
  (4) Since the billed charges are greater than the Medicaid fee plus the 5.2% high-volume provider payment add-on (i.e., $80.00 + $4.16 = $84.16), the actual payment to the provider is $84.16.

16. Ambulatory Surgical Centers (ASCs) (Continued)

(f) Example 2:

1. Billed charges = $75.00
2. Medicaid published fee = $80.00
3. Lesser of billed charges or Medicaid published fee = $75.00, which becomes the allowed amount.
4. Since the billed charges are not greater than the Medicaid fee plus the 5.2 percent high-volume provider payment add-on (i.e., $80.00 + $4.16= $84.16), no high-volume provider payment add-on is applied, resulting in the actual payment to the provider of $75.00.

(g) Example 3:

1. Billed charges = $82.00
2. Medicaid published fee = $80.00
3. Lesser of billed charges or Medicaid published fee = $80.00, which becomes the allowed amount.
4. Since the billed charges are not greater than the Medicaid fee plus the 5.2 percent high-volume provider payment add-on (i.e., $80.00 + $4.16 = $84.16), only part of the high-volume provider payment add-on is applied (i.e., up to the billed charges) resulting in the actual payment to the provider of $82.00.

(h) Medicaid payments for ASC services do not exceed Medicare payments for these same ASC services.

(i) The agency's fee schedule was revised with new fees effective June 1, 2023, and is effective for services provided on or after that date. The fee schedule will be posted on the agency's website on June 15, 2023.

(j) All fee schedules are available through the agency's website as outlined on attachment 4.19-B, page 1.