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State/Territory Name: Texas

State Plan Amendment (SPA) : 25-0025

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

230 South Dearborn

Chicago, Illinois 60604



Financial Management Group

September 18, 2025

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

RE: TN 25-0025

Dear Director: Emily Zalkovsky,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Texas state plan amendment (SPA) to Attachment 4.19-B 25-0025, which was submitted to CMS on June 24, 2025. The proposed amendment updates the Ambulatory Surgical Center reimbursement fee schedule.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of June 7, 2025. 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 Monica Neiman at 214-767-4456 or via email at Monica.Neiman@cms.hhs.gov.

Sincerely,

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

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 5 0 0 2 5
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2. STATE

T X
--3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACTTO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES4. PROPOSED EFFECTIVE DATE
June 7, 2025

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 2025 \$ 1,081
b FFY 2026 \$ 3,266

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19-B
Pages 7(f)
and 7(g)**8. PAGENUMBEROFTHE SUPERSEDED PLAN
SECTION OR ATTACHMENT (If Applicable)**Attachment 4.19-B
Page 7(f) (TN 23-0022)
And 7(g) (TN 24-0035)**

9. SUBJECT OF AMENDMENT

The proposed amendment updates the Ambulatory Surgical Center reimbursement fee schedule.

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

[X:] OTHER, AS SPECIFIED: Sent to Governor's Office this
date. Comments, if any, will be forwarded upon receipt.

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Emily Zalkovsky

13. TITLE

State Medicaid Director

14. DATE SUBMITTED

June 24, 2025

15. RETURN TO

**Emily Zalkovsky
State Medicaid Director
Post Office Box 13247, MC: H-100
Austin, Texas 78711****FOR CMS USE ONLY**

16. DATE RECEIVED

June 24, 2025

17. DATE APPROVED

September 18, 2025**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

June 7, 2025

19. SIGNATURE OF APPROVING OFFICIAL

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) (Continued)

(g) 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.

(h) 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.

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

(j) Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of ambulatory surgical center services. The agency's fee schedule rates were set as of June 7, 2025 and are effective for services provided on or after that date. The fee schedule will be posted on the agency's website by September 15, 2025. All rates are published on <https://pfd.hhs.texas.gov/rate-packets>.

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