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State/Territory Name: Texas

State Plan Amendment (SPA) : 25-0035

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

November 7, 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 25-0035

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 25-0035, which was submitted to CMS on September 29, 2025. The proposed amendment updates the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Services fee schedules.

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 September 1, 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 via email at Monica.Neiman@cms.hhs.gov.

Sincerely,

A 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 3 5

2. STATE

T X3. 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
September 1, 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 \$ (\$28)b. FFY 2026 \$ (\$340)

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19-B
Page 3a**8. PAGE NUMBER OF THE SUPERSEDED PLAN
SECTION OR ATTACHMENT (If Applicable)**Attachment 4.19-B
Page 3a (TN 24-0024)**

9. SUBJECT OF AMENDMENT

The proposed amendment updates the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Services 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

12. TYPED NAME

Emily Zalkovsky

13. TITLE

State Medicaid Director

14. DATE SUBMITTED

September 29, 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

September 29, 2025

17. DATE APPROVED

November 7, 2025**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

September 1, 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

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 based on 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 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 in Attachment 4.19-B, page 1.
- (6) Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of DMEPOS services. The agency's fee schedule rates were set as of September 1, 2025 and are effective for services provided on or after that date. The fee schedule was posted on the agency's website on September 15, 2025. All rates are published on <http://public.tmhp.com/FeeSchedules/Default.aspx>.