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State/Territory Name: Texas

State Plan Amendment (SPA) #: 20-0022

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page

**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**

November 18, 2020

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 20-0022

Dear Ms. Stephens:

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#20-0022, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2020. This state plan amendment ensures that a Federally Qualified Health Center (FQHC) is reimbursed for covered telemedicine medical services or telehealth services delivered by a health care provider to a Medicaid recipient. This amendment will also clarify how rates are set for multiple FQHCs that are authorized to file a consolidated cost report.

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

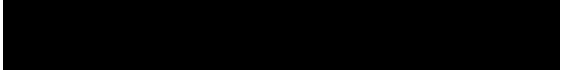
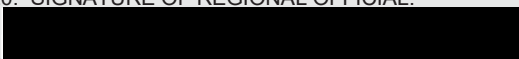
If you have any additional questions or need further assistance, please contact Tamara Sampson at 214-767-6431 or [Tamara.Sampson@cms.hhs.gov](mailto:Tamara.Sampson@cms.hhs.gov).

Sincerely,



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>20-0022</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>September 1, 2020</b>	
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: <b>42 CFR §440.20; 42 USC § 1396a(bb)</b>		7. FEDERAL BUDGET IMPACT: a. FFY 2020    \$0 b. FFY 2021    \$0 c. FFY 2022    \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19b</b> <b>Page 24d</b> <b>Page 24d.1</b> <b>Page 24h</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ): <b>Attachment 4.19b</b> <b>Page 24d (<del>TN-10-0016</del>)    TN-10-0061</b> <b>N/A - New page</b> <b>Page 24h (<del>TN-10-0016</del>)    TN-10-0061</b>	
10. SUBJECT OF AMENDMENT:  <b>The proposed amendment will ensure that a Federally Qualified Health Center (FQHC) is reimbursed for covered telemedicine medical services or telehealth services delivered by a health care provider to a Medicaid recipient. As amended, a visit for an FQHC will include covered telemedicine and telehealth medical services. The proposed amendment will also clarify how rates are set for multiple FQHCs that are authorized to file a consolidated cost report.</b>			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ):  <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. 		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>			
17. DATE RECEIVED:  <b>9/30/2020</b>			
18. DATE APPROVED:  <b>11/18/2020</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL:  <b>9/1/2020</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME:  <b>Todd McMillion</b>		22. TITLE:  <b>Director, Division of Reimbursement Review</b>	
23. REMARKS:  <b>*Pen and ink change requested in block 9.</b>			

**(31) Federally Qualified Health Centers (FQHC) (continued)**

(b) Alternative Prospective Payment System (APPS) Methodology (continued).

- (D) Projected cost report. The projected cost report is used by in-state or out-of-state FQHCs that are requesting an initial interim rate. The cost report must contain at least twelve months of projected financial information.
- (E) Low Medicare Utilization Cost Report. The low Medicare utilization cost report is used by in-state and out-of-state providers to meet the annual filing requirements for providers not required to file a full cost report with Medicare.

(8) FQHC rate determination process.

(A) New FQHC.

- (i) If the owner of a new FQHC facility owns one or more FQHC facilities in Texas and will include the new facility on the Medicare cost report of another FQHC facility, then HHSC will apply the rate assigned to the other FQHC as the interim base rate of the new FQHC. If the owner of a new FQHC facility does not include the new facility on the Medicare cost report of another FQHC facility, the new FQHC must file a projected cost report to establish an initial interim base rate. The cost report must contain the FQHC's reasonable costs anticipated to be incurred during the FQHC's initial fiscal year. The initial interim base rate for a new FQHC shall be set at the lesser of 80 percent of the anticipated reasonable costs determined from the projected cost report or 80 percent of the average rate paid to FQHCs on January 1 of the calendar year during which the FQHC first applies as a new FQHC.
- (ii) Each new FQHC must submit to HHSC or its designee an as-filed Medicare cost report after the end of the FQHC's first full fiscal year. HHSC will determine an updated interim base rate based on 100 percent of the reasonable costs contained in the as-filed Medicare cost report. Interim rates will be adjusted prospectively until the final audited Medicare cost report is processed. An as-filed Medicare cost report must reflect twelve months of continuous service.
- (iii) Each new FQHC must submit to HHSC or its designee a final audited Medicare cost report, reflecting twelve months of continuous service. The rate established shall be the final base rate. HHSC will reconcile payments back to the beginning of the interim period applying the final base rate. If the final base rate is greater than the interim base rate, HHSC will compute and pay the FQHC a settlement payment that represents the difference in rates for the services provided during the interim period. If the final base rate is less than the interim base rate, HHSC will compute and recoup from the FQHC any overpayment resulting from the difference in rates for the services provided during the interim period. The final base rate is adjusted in accordance with section (31)(b)(4) to determine the effective rate.

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(8) FQHC rate determination process (continued)

- (iv) If a new FQHC cost report described in (ii) or (iii) of this section does not meet the requirement of reflecting twelve months of continuous service, HHSC will prospectively establish the interim rate based on the lesser of the interim rate determined by the cost report or 80 percent of the average rate paid to FQHCs on January 1 of the calendar year during which the FQHC first applies as a new FQHC or for a change in scope, if applicable, adjusted by applicable increases.

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Supersedes TN: New Effective Date: 9/1/20

**(31) Federally Qualified Health Centers (FQHC) (continued)**

(b) Alternative Prospective Payment System (APPS) Methodology (continued).

(10) A visit is a face-to-face, telemedicine, or telehealth encounter between an FQHC patient and a physician, physician assistant, nurse practitioner, certified nurse-midwife, visiting nurse, psychologist, clinical social worker, other health professional for mental health services, dentist, dental hygienist, or optometrist if the visit is within the scope of practice for the provider. Encounters with more than one health professional and multiple encounters with the same health professional that take place on the same day and at a single location constitute a single visit, except where one of the following conditions exist:

(A) after the first encounter, the patient suffers illness or injury requiring additional diagnosis or treatment; or

(B) the FQHC patient has a medical visit and an "other" health visit, as defined in section (31)(b)(11).

(11) A medical visit is a face-to-face, telemedicine, or telehealth encounter between an FQHC patient and a physician, physician assistant, nurse practitioner, certified nurse-midwife, or visiting nurse. An "other" health visit includes, but is not limited to, a face-to-face, telemedicine, or telehealth encounter between an FQHC patient and a psychologist, clinical social worker, other health professional for mental health services, dentist, dental hygienist, or optometrist, as well as an Early and Periodic Screening, Diagnosis and Treatment medical checkup if the visit is within the scope of practice for the provider.

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Supersedes TN: 10-0061 Effective Date: 9/1/20