
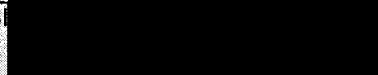


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 09-012	2. STATE: TEXAS
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: April 1, 2009	
5. TYPE OF PLAN MATERIAL (Circle One): <input type="checkbox"/> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment) <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
6. FEDERAL STATUTE/REGULATION CITATION: Home Health Durable Medical Equipment (DME) and Supplies: §1905(a)(7) of the Social Security Act; 42 CFR §440.70(b)(3) Prosthetic Devices: §1905(a)(12) of the Social Security Act; 42 CFR § 440.120		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2009 (\$2,314,847) b. FFY 2010 (\$6,053,279) c. FFY 2011 (\$5,732,819)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT TO BLOCKS 8 AND 9		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT TO BLOCKS 8 AND 9	
10. SUBJECT OF AMENDMENT: The proposed amendment is an update to the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE: 		16. RETURN TO: Chris Traylor State Medicaid Director Post Office Box 85200 Austin, Texas 78708	
13. TYPED NAME: Chris Traylor			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: June 18, 2009			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 18 June, 2009		18. DATE APPROVED: 19 November, 2009	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 April, 2009		20. SIGNATURE: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Div of Medicaid & Children's Health	
23. 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 the Medicare fee from the most recent 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 determined from 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 one 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 set out on Attachment 4.19-B, page 1.
- (6) The agency's fee schedule was revised with new fees for DMEPOS effective for services on or after April 1, 2009. The fee schedule is to be posted on July 8, 2009.

SUPERSEDES: TN- 09-01

STATE <u>Texas</u>	A
DATE REC'D <u>6-18-09</u>	
DATE APPV'D <u>11-19-09</u>	
DATE EFF <u>4-1-09</u>	
HCFA 179 <u>09-12</u>	

TN No. 09-12 Approval Date 11-19-09 Effective Date 4-1-09
Supersedes TN No. 09-01

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
1301 Young Street, Room 833
Dallas, Texas 75202



Division of Medicaid & Children's Health, Region VI

November 19, 2009

Our Reference: SPA TX 09-012

Mr. Chris Traylor
Associate Commissioner for Medicaid & CHIP
Health and Human Services Commission
Post Office Box 13247
Mail Code: H100
Austin, Texas 78711

Dear Mr. Traylor:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 09-012. This amendment updates the fee schedules for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) in the state plan.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of April 1, 2009. A copy of the CMS-179 and approved plan pages are enclosed with this letter.

If you have any questions, please contact Ford J. Blunt at (214) 767-6381.

Sincerely,



Bill Brooks
Associate Regional Administrator

Enclosure

cc: Tamela Griffin, Policy Development Support

Marks, Marsha L. (CMS/SC)

From: Marks, Marsha L. (CMS/SC)
Sent: Tuesday, December 08, 2009 12:52 PM
To: CMS CMSO_508_SPA; 'Weems, Leslie'; Tamela
Cc: 'TexasStateMedicaid_Director@hhsc.state.tx.us'; Blunt, Ford J. (CMS/SC); Prisby, Karen L. (CMS/CMCHO); CASTRO, JOHN B. (CMS/SC); Branch, Jeffrey A. (CMS/SC); WARD, LYNN V. (CMS/SC); Spencer, Rene (CMS/CMCHO); Guy, Jimmy L. (CMS/SC)
Subject: Approval Pkg for TX 09-12
Attachments: Approval Pkg (Final) TX 09-12.pdf; TX0912APPROVAL.doc

See Attached.

State: Texas

Brief Description: The amendment updates the fee schedules for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS). The reduction of FFP is due to a decrease in Medicare rates which are also used to set the Medicaid service rates. The Fee schedule is posted on the State's website, and the payment is uniform for governmental and private providers.

Approval Date: 11/19/09

Effective Date: 4/1/09

Marsha Marks // Dept of Health & Human Services // Centers for Medicare & Medicaid Services // Dallas Regional Office // Division of Medicaid & Children's Health // Dallas Texas 75202 // 214-767-6280 // Fax 214-767-0322 // marsha.marks@cms.hhs.gov

Attachment to Blocks 8 and 9 of CMS Form 179

Transmittal No. 09-012, Amendment 858

Home Health Services

**Number of the
Plan Section or Attachment**

Attachment 4.19-B
Page 3a

**Number of the Superseded
Plan Section or Attachment**

Attachment 4.19-B
Page 3a (TN 09-001)