

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**

December 15, 2009

Our Reference: SPA TX 09-023

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 09-023, dated September 23, 2009. The purpose of this plan amendment is to update the reimbursement rates for tuberculosis (TB) clinics within the physician fee schedule and removes the reimbursement pages for TB clinics because they will be paid under the physician fee schedule. It also updates the TB clinic services coverage page to remove descriptions of physician services.

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

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



Sincerely,

A black rectangular redaction box covering the signature of Bill Brooks.

Bill Brooks  
Associate Regional Administrator

Enclosures

cc: Tamela Griffin, Policy Development Support

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER:  <b>09-023</b>	2. STATE:  <b>TEXAS</b>
		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:  <b>September 1, 2009</b>	
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: <b>42 CFR §440.50(a)</b> <b>Section 1905(a)(5)(A) of Social Security Act, relating to Physician Services</b>		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2009      \$ 36,430 b. FFY 2010      \$149,234 c. FFY 2011      \$141,451	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>SEE ATTACHMENT TO BLOCKS 8 AND 9</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>SEE ATTACHMENT TO BLOCKS 8 AND 9</b>	
10. SUBJECT OF AMENDMENT:  The proposed amendment updates the reimbursement rates for tuberculosis clinics within the physician services fee schedule and removes the reimbursement pages for tuberculosis clinics because they will be paid under the physician services fee schedule. This amendment also updates the tuberculosis clinic services coverage page to remove descriptions of physician services, which are described and covered under Item 5 of Appendix 1 to Attachments 3.1-A and 3.1-B.			
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 <b>Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.</b> <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:  <b>Chris Traylor</b>			
14. TITLE:  <b>State Medicaid Director</b>			
15. DATE SUBMITTED:  <b>September 23, 2009</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>23 September, 2009</b>		18. DATE APPROVED: <b>15 December, 2009</b>	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>1 September, 2009</b>		20. SIGNATURE: 	
21. TYPED NAME: <b>Bill Brooks</b>		22. TITLE: <b>Associate Regional Administrator Div of Medicaid &amp; Children's Health</b>	
23. REMARKS:			

9. Clinic Services (Continued).

Tuberculosis (TB) Clinic Services

Subject to the specifications, conditions, limitations, and requirements established by the single state agency or its designee, payment will be made for TB clinic services to eligible recipients by approved providers.

A. TB Clinic Services include:

1. Directly Observed Therapy (DOT) – Includes the delivery of prescribed anti-tuberculosis medication, direct observation of the patient swallowing the medication, monitoring for side effects, and documentation of the provision of DOT.
2. Nursing Assessment – Includes conducting a brief mental and physical assessment, referral for social or other medical services, and other assessments per protocol.

B. Provider Qualifications:

1. Must be a facility that is not an administrative, organizational, or financial part of a hospital;
2. Must be organized and operated to provide TB-related services;
3. Must be a local health department or certified by the Texas Department of State Health Services as a provider of TB clinic services; and
4. Must employ or have a formal arrangement with a licensed physician(s) (M.D. or D.O.) who assumes professional responsibility for the services provided to the clinic's patients.

SUPERSEDES: TN- 94-10

STATE	<u>Texas</u>	A
DATE REC'D	<u>9-23-09</u>	
DATE APPV'D	<u>12-15-09</u>	
DATE EFF	<u>9-1-09</u>	
HCF#A 179	<u>09-23</u>	

TN No. 09-23

Approval Date 12-15-09

Effective Date 9-1-09

Supersedes TN No. 94-10

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State: TEXAS

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SUPERSEDES: TN- 94-10

STATE <u>TEXAS</u>	A
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-15-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-23</u>	

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TN No. 09-23

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9. Clinic Services (Continued).

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4. Must employ or have a formal arrangement with a licensed physician(s) (M.D. or D.O.) who assumes professional responsibility for the services provided to the clinic's patients.

SUPERSEDES: TN- 94-10

STATE <u>Texas</u>	A
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-15-09</u>	
DATE EFF <u>9-1-09</u>	
HOFA 179 <u>09-23</u>	

TN No. 09-23

Approval Date 12-15-09

Effective Date 9-1-09

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State: TEXAS

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SUPERSEDES: TN- 94-10

STATE	<u>Texas</u>	A
DATE REC'D	<u>9-23-09</u>	
DATE APPV'D	<u>12-15-09</u>	
DATE EFF	<u>9-1-09</u>	
HCFA 179	<u>09-23</u>	

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TN No. 09-23

Approval Date 12-15-09

Effective Date 9-1-09

Supersedes TN No. 94-10

STATE	<u>Texas</u>	A
DATE REC'D	<u>9-23-09</u>	
DATE APPV'D	<u>12-15-09</u>	
DATE EFF	<u>9-1-09</u>	
HC:FA 179	<u>09-23</u>	

**1. Physicians and Certain Other Practitioners**

- (a) Subject to the qualifications, limitations, and exclusions in the amount, duration and scope of benefits as provided elsewhere in the State Plan, payment to eligible providers of laboratory services, including x-ray services, radiation therapy services, physical and occupational therapists' services, physician services (including anesthesia and physician-administered drugs), podiatry services, chiropractic services, optometric services, dentists' services, psychologists' services, certified respiratory care practitioners' services, maternity clinics' services and tuberculosis (TB) clinic services are reimbursed based on an uniform, statewide, prospective payment system.
- (b) The fees for covered services provided by physicians and certain other practitioners are based upon the determination of adequacy of access to health care services by the Texas Health and Human Services Commission (HHSC), as described in this section.
  - (1) There shall be no geographical or specialty reimbursement differential for individual services.
  - (2) The fees for individual services will be reviewed at least every two years and include:
    - (A) resource-based fees (RBFs) and
    - (B) access-based fees (ABFs).

The fee schedule is published quarterly.
  - (3) Measures of adequacy of access to health care services include, but are not limited to, the following determinations:
    - (A) adequate participation in the Medicaid program by physicians and certain other practitioners; and/or
    - (B) the ability of Medicaid recipients to receive adequate health care services in an appropriate setting.
- (c) Resource-based fees (RBFs) are based on actual resources required by an economically efficient provider to deliver each individual service and are calculated by multiplying the applicable relative value unit (RVU) times a conversion factor.

**SUPERSEDES: TN- 09-04**

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TN No. 09-23                      Approval Date 12-15-09                      Effective Date 9-1-09  
 Supersedes TN No. 09-07

STATE	<u>TEXAS</u>	A
DATE REC'D.	<u>9-23-09</u>	
DATE APPV'D	<u>12-15-09</u>	
DATE EFF	<u>9-1-09</u>	
HCFR 179	<u>09-23</u>	

- (1) \$23.220 - Effective September 1, 2007 for obstetrical anesthesia services to clients under 21 years of age. Implemented with respect to recipients under age 21 pursuant to the order of the court in *Frew v. Hawkins*, Civil Action #3:93/CV65 (Eastern District – Paris Division) on April 27, 2007 (Corrective Action Order: Adequate Supply of Healthcare Providers).
- (2) \$19.580 - Effective September 1, 2007 for obstetrical anesthesia services to clients 21 years of age and older.
- (d) Access-based fees (ABFs) are developed to account for deficiencies in RBFs relating to adequacy of access to health care services for Medicaid clients and are based upon: (1) historical charges; (2) current total Medicare fee (i.e., RVU times Conversion Factor) for the individual service; (3) review of Medicaid fees paid by other states; (4) survey of providers' costs to provide the individual service; (5) Medicaid fees for similar services; and/or (6) some combination or percentage thereof.
- (e) General guidelines used when updating Medicaid fees for services provided by physicians and certain other practitioners, include, but not limited to the following: updating the Medicaid relative value units (RVUs) to those currently in effect for Medicare and multiplying the updated RVUs by the current Medicaid conversion factor to result in an updated resource-based fee (RBF); increasing the Medicaid conversion factor to increase RBFs for which no RVU update is required in order to increase access to services; changing an existing RBF to an access-based fee (ABF) when the RBF methodology does not provide sufficient access to care; and changing an existing ABF to a RBF as appropriate.
- (f) When a procedure code is nationally discontinued, a replacement procedure code is nationally assigned for the discontinued procedure code, and Medicaid implements the replacement procedure code, a state plan amendment will not be submitted since the fee for the service has not changed.
- (g) All fee schedules are available through the agency's website, as outlined on Attachment 4.19-B, page 1.
- (h) The agency's fee schedule was revised with new fees for physicians effective September 1, 2009, and is effective for services provided on or after that date. The updated fee schedule was posted on the agency's website on October 8, 2009.

SUPERSEDES: TN- 09-08

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TN No. 09-23                      Approval Date 12-15-09                      Effective Date 9-1-09  
Supersedes TN No. 09-22



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State: TEXAS

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STATE <u>Texas</u>	A
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-15-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-23</u>	

SUPERSEDES: NONE - NEW PAGE

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TN No. 09-23

Approval Date 12-15-09

Effective Date 9-1-09

Supersedes TN No. SUPERSEDES: NONE - NEW PAGE

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State: TEXAS

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SUPERSEDES: TN- 94-10

STATE <u>Texas</u>	<b>A</b>
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-15-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-23</u>	

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TN No. 09-23 Approval Date 12-15-09 Effective Date 9-1-09  
Supersedes TN No. 94-10

**Attachment to Blocks 8 and 9 of CMS Form 179**

**Transmittal No. 09-023, Amendment No. 869**

**Number of the  
Plan Section or Attachment**

Appendix 1 to Attachment 3.1-A  
Page 19a  
Page 19b

Appendix 1 to Attachment 3.1-B  
Page 19a  
Page 19b

Attachment 4.19-B  
Page 1a  
Page 1a.2  
Page 13  
Page 38  
\*DELETE Page  
\*DELETE Page  
\*DELETE Page  
\*DELETE Page

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

Appendix 1 to Attachment 3.1-A  
Page 19a (TN 94-010)  
Page 19b (TN 94-010)

Appendix 1 to Attachment 3.1-B  
Page 19a (TN 94-010)  
Page 19b (TN 94-010)

Attachment 4.19-B  
Page 1a (TN ~~09-004~~) 09-07  
Page 1a.2 (TN ~~09-008~~) 09-22  
\*NEW Page  
Page 38 (TN 94-010)  
Page 38a (TN 94-010)  
Page 38b (TN 94-010)  
Page 38c (TN 94-010)  
Page 38d (TN 03-019)

\* See e-mail sent  
to State agency  
on 1/14/2010

**Marks, Marsha L. (CMS/SC)**

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**From:** Marks, Marsha L. (CMS/SC)  
**Sent:** Thursday, January 21, 2010 12:11 PM  
**To:** CMS CMSO\_508\_SPA  
**Cc:** Blunt, Ford J. (CMS/SC); Prisby, Karen L. (CMS/CMCHO); Spencer, Rene (CMS/CMCHO); WARD, LYNN V. (CMS/SC); Cieslicki, Mary E. (CMS/CMSO)  
**Subject:** Approval Pkg for TX 09-23  
**Attachments:** Final Approval Pkg for TX 09-23.pdf; TX0923APPROVAL.doc

See Attached.

State: Texas

**Brief Description:** This amendment updates the reimbursement rates for tuberculosis (TB) clinics within the physician service fee schedule and removes pages for TB Clinics because they will be paid under the physician service fee schedule. It updates the coverage page to remove descriptions of physician services, which are described and covered under item 5 of Appendix 1 to Attachment 3.1-A and 3.1-B. The fee schedule is posted on the state's website and is uniform for governmental and private providers.

**Approval Date:** 15 December 2009

**Effective Date:** 1 September, 2009

**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](mailto:marsha.marks@cms.hhs.gov)