



<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER:  <b>09-027</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); §1905(a)(5)(A) of Social Security Act, relating to Physician Services</b>		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT  a. FFY 2009      \$0 b. FFY 2010      \$0 c. FFY 2011      \$0	
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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  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:  <b>The proposed amendment updates the reimbursement rates for Certified Nurse Midwife (CNM) services within the Physician Services fee schedule. This amendment also removes the state plan pages for birthing enters because they will no longer receive Medicaid payments. The requested effective date for the proposed amendment is September 1, 2009.</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 OF STATE AGENCY OFFICIAL: 		16. RETURN TO:  <b>Chris Traylor State Medicaid Director Post Office Box 85200 Austin, Texas 78708</b>	
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>14 December, 2009</b>	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>1 September, 2009</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>Bill Brooks</b>		22. TITLE: <b>Associate Regional Administrator Div of Medicaid &amp; Children's Health</b>	
23. REMARKS:			

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

State: TEXAS

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STATE <u>Texas</u>	<b>A</b>
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-14-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-27</u>	

**SUPERSEDES: NONE - NEW PAGE**

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TN No. 09-27 Approval Date 12-14-09 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. 08-09

STATE <u>Texas</u>	A
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-14-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-27</u>	

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TN No. 09-27

Approval Date 12-14-09

Effective Date 09-1-09

Supersedes TN No. 88-21

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>12-14-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-27</u>	

SUPERSEDES: NONE - NEW PAGE

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TN No. 09-27 Approval Date 12-14-09 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- 03-09

STATE <u>Texas</u>	A
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-14-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-27</u>	

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TN No. 09-27

Approval Date 12-14-09

Effective Date 9-1-09

Supersedes TN No. 03-06

STATE	<u>TEXAS</u>	<b>A</b>
DATE REC'D	<u>9-23-09</u>	
DATE APPV'D	<u>12-14-09</u>	
DATE EFF	<u>9-1-09</u>	
HCFA 179	<u>09-27</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, tuberculosis clinic services and certified nurse midwife 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- 09-23**

- (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. This fee schedule was posted on the agency's website on October 9, 2009.

SUPERSEDES: TN- 09-23

STATE <u>Texas</u>	<b>A</b>
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-14-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-27</u>	

TN No. 09-27

Approval Date 12-14-09

Effective Date 9-1-09

Supersedes TN No. 09-23

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

State: TEXAS

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SUPERSEDES: TN- 09-26

STATE <u>Texas</u>	A
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-14-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-27</u>	

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TN No. 09-27

Approval Date 12-14-09

Effective Date 9-1-09

Supersedes TN No. 07-26



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

State: TEXAS

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SUPERSEDES: TN- 03-19

STATE <u>Texas</u>	A
DATE REC'D <u>9-23-09</u>	
DATE APPV'D <u>12-14-09</u>	
DATE EFF <u>9-1-09</u>	
HCFA 179 <u>09-27</u>	

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TN No. 09-27

Approval Date 12-14-09

Effective Date 9-1-09

Supersedes TN No. 03-19

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

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**From:** Marks, Marsha L. (CMS/SC)  
**Sent:** Thursday, January 21, 2010 12:01 PM  
**To:** CMS CMSO\_508\_SPA  
**Subject:** FW: Approval of TX 09-27  
**Attachments:** Final Approval Pkg for TX 09-27.pdf; TX0927APPROVAL.doc

*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)

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**From:** Marks, Marsha L. (CMS/SC)  
**Sent:** Thursday, January 21, 2010 12:00 PM  
**To:** CMS 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 of TX 09-27

See Attached.

State: Texas

**Brief Description:** This amendment updates the payment rates for Certified Nurse Midwife services to make a single payment that reimburses both birthing center facility cost and cost associated with professional services. It also removes the state plan pages that contain separate birthing center facility payment because such facilities are not recognized by Medicaid. This is due the compliance action taken by CMS. The Fee schedule is posted on the state's website and is uniform to governmental and private providers.

**Approval Date:** 14 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)

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**

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December 14, 2009

Our Reference: SPA TX 09-027

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

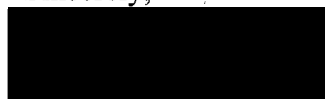
Dear Mr. Traylor:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 09-027, dated September 23, 2009. The purpose of this plan amendment is to update the payment rates for certified nurse midwife (CNM) services to make a single payment that reimburses both birthing center facility cost and cost associated with professional services. The amendment also removes state plan pages that contain a separate birthing center facility payment because such facilities are not recognized by Medicaid.

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,



Bill Brooks  
Associate Regional Administrator

Enclosures

cc: Tamela Griffin, Policy Development Support

Attachment to Blocks 8 and 9 of CMS Form 179

TX Transmittal No. 09-027, Amendment 873

**Number of the  
Plan Section or Attachment**

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

Appendix 1 to Attachment 3.1-A  
Page 52  
Page 53

Appendix 1 to Attachment 3.1-A  
\*NEW Page  
Page 53 (TN ~~03-009~~  
88-21

Appendix 1 to Attachment 3.1-B  
Page 52  
Page 53

Appendix 1 to Attachment 3.1-B  
\*NEW Page  
Page 53 (TN ~~03-009~~  
03-06

Attachment 4.19-B  
Page 1a  
Page 1a.2  
Page 8  
Page 9

Attachment 4.19-B  
Page 1a (TN 09-023)  
Page 1a.2 (TN 09-023)  
Page 8 (TN 07-026)  
Page 9 (TN 03-019)

\* See  
E-mail  
sent to State  
Agency on 1/14/2010