

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

September 7, 2010

Our Reference: SPA TX 10-034

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

Dear Mr. Millwee:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 10-034, dated June 9, 2010. This amendment reduces the rates to providers of Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Medicaid services by one percent (1%).

Additionally, please note that when the State submits a State Plan Amendment (SPA) that may impact Indians or Indian health providers, CMS will look for evidence of the State's Tribal consultation process for that SPA. Pursuant to the new section 1902(a)(73) of the Act added by section 5006(e) of the American Recovery and Reinvestment Act (ARRA) of 2009, the State must submit evidence to CMS regarding the solicitation of advice prior to submission of the State Plan Amendment. Such consultation must include all federally-recognized tribes, Indian Health Service and Urban Indian Organizations within the State.

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, 2010. A copy of the CMS-179 and the approved plan pages are enclosed with this letter.

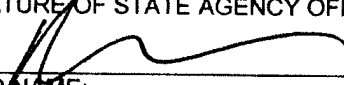
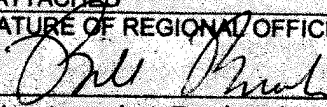
If you have any questions, please contact Ford J. Blunt at (214) 767-6381.

Sincerely,

Bill Brooks
Associate Regional Administrator

Enclosures

cc: Emily Zalkovsky, Policy Development Support

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 10-034	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: September 1, 2010	
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: 42 CFR §440.40; §1905(r) of Social Security Act, relating to Early and Periodic Screening, Diagnosis and Treatment.		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2010 \$(1,364,926) b. FFY 2011 \$(14,581,669) c. FFY 2012 \$(14,343,695)	
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 Medicaid Early and Periodic Screening, Diagnosis and Treatment (EPSDT) fee schedule and implements the one percent payment reduction for reimbursements paid to Medicaid EPSDT providers.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Billy R. Millwee State Medicaid Director Post Office Box 13247, MC: H-100 Austin, Texas 78711	
13. TYPED NAME: Billy R. Millwee			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED June 9, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 9 June, 2010		18. DATE APPROVED: 7 September, 2010	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 September, 2010		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: BILL BROOKS		22. TITLE: Associate Regional Administrator Div of Medicaid & Children's Health	
23. REMARKS:			

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services

- 1) Except as otherwise specified, payment for authorized medically necessary services required to diagnose and treat a condition under Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services will be based on existing Medicaid reimbursement methodologies.
 - a) In Texas, EPSDT services are known as Texas Health Steps (THSteps). Medicaid services provided only to clients under age 21 are part of the THSteps-Comprehensive Care Program (CCP) and the reimbursement methodologies are included in this item. The reimbursement methodologies for services provided to all Medicaid-eligible clients, including clients under age 21, are located elsewhere in the Texas Medicaid State Plan and are referenced in this item.
 - b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
 - c) The agency's fee schedule was revised with new fees for EPSDT THSteps providers effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
 - d) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN- 09-17

STATE <u>TEXAS</u>	A
DATE REC'D <u>6-9-10</u>	
DATE APPV'D <u>9-7-10</u>	
DATE EFF <u>9-1-10</u>	
HCFA 179 <u>10-34</u>	

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Approval Date 9-7-10

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Supersedes TN No. 09-17

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

- 3) Durable medical equipment, prosthetics, orthotics, and supplies reimbursable only for Medicaid-eligible clients under age 21.
 - a) Ventilator service agreements reimbursable only for Medicaid-eligible clients under age 21 are reimbursed at the lesser of the provider's billed charges or fees established by the Texas Health and Human Services Commission (HHSC) in the same manner as the fees determined by HHSC for DME under home health services in Item 8(c) of Attachment 4.19-B, relating to the reimbursement methodology for DME provided by home health agencies and DME providers/suppliers.
 - b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
 - c) The agency's fee schedule was revised with new fees for providers of EPSDT durable medical equipment prosthetics, orthotics, and supplies effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
 - d) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

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HCFA 179	<u>10-34</u>	

SUPERSEDES: TN- 06-08

TN No. 10-34

Approval Date 9-7-10

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Supersedes TN No. 06-08

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services – continued

- 5) Private duty nursing services, including, but not limited to, registered nurse (RN) services, and licensed vocational nurse/licensed practical nurse (LVN/LPN) services, require prior authorization and are reimbursed based on the lesser of the provider's billed charges or fees established by the Texas Health and Human Services Commission (HHSC).
- a) Eligible providers include: independently enrolled RNs, independently enrolled LVNs/LPNs, RNs employed by or contracted with home health agencies, and LVNs/LPNs employed by or contracted with home health agencies.
 - b) The fees are access-based fees and are reviewed every two years. The fees are based on historical charges, a review of Medicaid fees paid by other states, a survey of costs for a representative sample of providers, an analysis of cost reports provided by home health agencies of similar nursing services, modeling using an analysis of other data available to HHSC, or a combination thereof. Payments based on a fee schedule are made for these services.
 - c) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
 - d) The agency's fee schedule was revised with new fees for EPSDT private duty nursing services effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
 - e) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN- 06-08

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32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

6) Physical therapy (PT)

- a) Services reimbursable only for Medicaid-eligible clients under age 21 include those delivered by the following provider types:
 - 1) Medicare-certified outpatient facilities known as comprehensive outpatient rehabilitation facilities (CORFs) and outpatient rehabilitation facilities (ORFs) in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners. Payments based on a fee schedule are made for these services.
 - 2) School districts in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
 - 3) Home health agencies' reimbursed statewide visits are determined by the Texas Health and Human Services Commission (HHSC) based on an analysis of relevant fee surveys. Payments based on a fee schedule are made for these services.
- b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- c) The agency's fee schedule was revised with new fees for EPSDT physical therapy providers effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN- 07-09(A)

TN No. 10-34 Approval Date 9-7-10 Effective Date 9-1-10
 Supersedes TN No. 07-09(A)

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

7) Occupational therapy (OT)

- a) Services reimbursable only for Medicaid-eligible clients under age 21 include those delivered by the following provider types:
 - 1) Medicare-certified outpatient facilities known as comprehensive outpatient rehabilitation facilities (CORFs) and outpatient rehabilitation facilities (ORFs) in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners. Payments based on a fee schedule are made for these services.
 - 2) School districts in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
 - 3) Home health agencies' reimbursed statewide visits are determined by the Texas Health and Human Services Commission (HHSC) based on an analysis of relevant fee surveys. Payments based on a fee schedule are made for these services.
- b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- c) The agency's fee schedule was revised with new fees for EPSDT occupational therapy providers effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN- 07-09(A)

TN No. 10-34 Approval Date 9-7-10 Effective Date 9-1-10
Supersedes TN No. 07-09(A)

STATE	<u>Texas</u>
DATE REC'D.	<u>6-9-10</u>
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32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

8) Speech and language

- a) Services reimbursable only for Medicaid-eligible clients under age 21 include those delivered by the following provider types:
 - 1) Medicare-certified outpatient facilities known as comprehensive outpatient rehabilitation facilities (CORFs) and outpatient rehabilitation facilities (ORFs) in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners. Payments based on a fee schedule are made for these services.
 - 2) School districts in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
 - 3) Home health agencies' reimbursed statewide visits are determined by the Texas Health and Human Services Commission (HHSC) based on an analysis of relevant fee surveys. Payments based on a fee schedule are made for these services.
- b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- c) The agency's fee schedule was revised with new fees for EPSDT speech and language providers effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN- 07-09(A)

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32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

- 9) Nutritional services provided by licensed dietitians to Medicaid-eligible clients under age 21 are reimbursed the lesser of the provider's billed charges or fees determined by the Texas Health and Human Services Commission (HHSC) in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners.
- a) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
 - b) The agency's fee schedule was revised with new fees for EPSDT nutritional service providers effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
 - c) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN- 06-08

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32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

10) Physician services

- a) Services reimbursable only for Medicaid-eligible clients under age 21 include:
 - 1) Vaccines not covered by the Texas Vaccines for Children Program (TVCP) for clients under age 21 which are reimbursed as accessed-based fees in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners. Payments based on a fee schedule are made for these services.
 - 2) Services delivered by school districts, in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
- b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- c) The agency's fee schedule was revised with new fees for EPSDT physician services effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN- 06-08

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32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services – continued

11) Audiology and hearing services

- a) Services reimbursable only for Medicaid-eligible clients under age 21 include those delivered by the following provider types:
 - 1) Licensed audiologists in accordance with Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners. Payments based on a fee schedule are made for these services.
 - 2) School districts, in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
- b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- c) The agency's fee schedule was revised with new fees for EPSDT audiology and hearing services effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN 06-08

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32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

- 13) Dental services reimbursable only for Medicaid-eligible clients under age 21 include those provided by independently enrolled dentists, who are reimbursed according to the lesser of the provider's billed charges or fees determined by the Texas Health and Human Services Commission (HHSC). These are access-based fees under Item 1 of Attachment 4.19-B, relating to the reimbursement methodology for physicians and certain other practitioners.
- a) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
 - b) The agency's fee schedule was revised with new fees for EPSDT dental services effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
 - c) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

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TN No. 10-34 Approval Date 9-7-10 Effective Date 9-1-10
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32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

14) Personal care services (PCS)

- a) Services reimbursable only for Medicaid-eligible clients under age 21 include those delivered by the following provider types:
 - 1) School districts in accordance with Item 32(17) of Attachment 4.19-B, relating to the reimbursement methodology for School Health and Related Services (SHARS).
 - 2) Home health agencies and other PCS providers delivering PCS in the client's home, excluding services delivered through the Consumer Directed Services service delivery model, are reimbursed the lesser of the provider's billed charges or fees established by the Texas Health and Human Services Commission (HHSC) based on an analysis of relevant cost or fee surveys. Payments based on a fee schedule are made for these services.
- b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- c) The agency's fee schedule was revised with new fees for EPSDT Personal Care Services effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN 07-09(A)

STATE	<u>Texas</u>	A
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Supersedes TN No. 07-09(A)

32. Reimbursement Methodologies for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services - continued

18) EPSDT Case Management

- a) Providers of EPSDT Case Management Services are reimbursed the lesser of the provider's billed charges or fees determined by the Texas Health and Human Services Commission (HHSC). The fees are determined using an analysis of relevant cost or fee surveys available to HHSC.
- b) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, page 1.
- d) The agency's fee schedule was revised with new fees for EPSDT case management services effective September 1, 2010. The fee schedule was posted on the agency website on September 3, 2010.
- e) The reimbursement for services, excluding SHARS, effective September 1, 2010, will be equal to the reimbursement on August 31, 2010, less one percent.

SUPERSEDES: TN- 07-16

STATE	<u>Texas</u>	A
DATE REC'D	<u>6-9-10</u>	
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