

## Table of Contents

State/Territory Name: Texas

State Plan Amendment (SPA) #: 18-015

This ~~file~~ ~~approval~~ ~~set~~ contains the following documents in the order listed:

- 2) CMS 179 Form
- 3) Approved Page

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



**DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI**

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September 7, 2018

Our Reference: TX SPA 18-0015

Ms. Stephanie Muth  
State Medicaid Director  
Texas Health and Human Services Commission  
Mail Code: H100  
P.O. Box 13247  
Austin, Texas 78711

Dear Ms. Muth:

We have reviewed the State's proposed amendment to your Medicaid State Plan submitted under Transmittal Number (TN) 18-0015, dated August 17, 2018. This amendment updates the home health professional services; durable medical equipment, prosthetics, orthotics and supplies; hearing aids and audiometric evaluations; and vision care services fee schedules.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas state plan with an effective date of July 1, 2018, as requested. A copy of the CMS-179 form as well as the approved plan pages are included with this letter.



If you have any questions, please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by e-mail at [Ford.Blunt@cms.hhs.gov](mailto:Ford.Blunt@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of Bill Brooks.

Bill Brooks  
Associate Regional Administrator

Cc: Dana Williamson, Manager, Policy Development Support

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER: <b>18-0015</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>July 1, 2018</b>	
5. TYPE OF PLAN MATERIAL (Circle One): <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 (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION:  <b>Social Security Act §1902(a)(30); 42 CFR §447.201(b).</b>		7. FEDERAL BUDGET IMPACT: a. FFY 2018      \$ 584,731 b. FFY 2019      \$2,431,080 c. FFY 2020      \$2,537,891	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>	
10. SUBJECT OF AMENDMENT:  <b>The proposed amendment updates the home health professional services; durable medical equipment, prosthetics, orthotics and supplies; hearing aids and audiometric evaluations; and vision care services fee schedules.</b>			
11. GOVERNOR'S REVIEW (Check One): <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. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: <b>Stephanie Muth</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 Muth</b>			
14. TITLE: <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>August 17, 2018</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>August 17, 2018</b>		18. DATE APPROVED: <b>September 7, 2018</b>	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>July 1, 2018</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>Bill Brooks</b>		22. TITLE: <b>Associate Regional Administrator</b> <b>Division of Medicaid and Children's Health</b>	
23. REMARKS:			

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

**Transmittal Number 18-0015**

**Number of the  
Plan Section or Attachment**

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

Attachment 4.19-B

Page 3

Page 3a

Page 3b

Page 3c

Attachment 4.19-B

Page 3 (TN 18-0009)

Page 3a (TN 18-0009)

Page 3b (TN 18-0009)

Page 3c (TN 18-0009)

State: Texas  
Date Received: 08-17-18  
Date Approved: 09-07-18  
Date Effective: 07-01-18  
Transmittal Number: 18-0015

## 8. Home Health Services

### (a) Professional Services

- (1) Home health agencies are reimbursed for authorized professional home health services, including skilled nursing visits and therapy visits, delivered to eligible Medicaid recipients, the lesser of the provider's billed charges or the fee schedule established by HHSC.
- (2) All fee schedules are available through the agency's website as outlined on Attachment 4.19-B, Page 1.
- (3) The agency's fee schedule was revised with new fees for home health professional services and durable medical equipment, prosthetics, orthotics, and supplies effective July 1, 2018, and this fee schedule was posted on the agency's website July 6, 2018.
- (4) The agency's fee schedule was revised with new fees for therapy assistants. Effective December 1, 2017, the reimbursement for therapy assistants will equal 85 percent of the payment to a therapist. Effective September 1, 2018, the reimbursement for therapy assistants will equal 70 percent of the payment to a therapist.

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TN: 18-0015 Approval Date: 09-07-18  
Supersedes TN: 18-0009 Effective Date: 07-01-18

State: Texas  
Date Received: 08-17-18  
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## 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 or a percentage of the 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 outlined on Attachment 4.19-B, page 1.
- (6) The agency's fee schedule was revised with new fees for durable medical equipment, prosthetics, orthotics, and supplies effective July 1, 2018, and was posted on the agency's website on July 6, 2018.

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## 9. Hearing Aids and Audiometric Evaluations

- (a) Providers of professional hearing and audiometric evaluation services are reimbursed based on the lesser of the provider's billed charges or fees determined by HHSC in accordance with Item 1 of this attachment, relating to the reimbursement methodology for physicians and certain other practitioners.
- (b) Providers of hearing aids are reimbursed the lesser of the provider's billed charges or fees determined by HHSC, which are based on a review of data available to HHSC, such as cost information from providers or manufacturers, surveys of the Medicaid fees for other states, survey information from national fee analyzers, or other relevant fee-related information.
- (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 hearing aids and audiometric evaluation services effective July 1, 2018, and this fee schedule was posted on the agency's website on July 6, 2018.

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**10. Vision Care Services**

- (a) Providers of professional vision services are reimbursed based on the lesser of the provider's billed charges or fees determined by HHSC in accordance with Item 1 of this attachment, relating to the reimbursement methodology for physicians and certain other practitioners.
- (b) Providers of eyeglasses and contact lenses are reimbursed the lesser of the provider's billed charges or fees determined by HHSC, which are based on a review of Medicare fees and/or other data available to HHSC, such a relevant cost or fee surveys.
- (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 vision care services effective July 1, 2018, and this fee schedule was posted on the agency's website on July 6, 2018.

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