

## Table of Contents

State/Territory Name: Texas

State Plan Amendment (SPA) #: 19-007

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page

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



## **Regional Operations Group**

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May 7, 2019

### **Our Reference: TX SPA 19-0007**

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

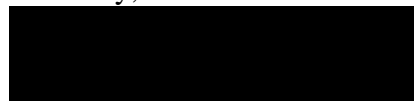
Dear Ms. Muth:

We have reviewed the State's proposed amendment to the Texas State Plan submitted under Transmittal Number 19-0007, dated March 22, 2019. This state plan amendment updates the physicians' and other practitioners' state plan pages by identifying the new conversion factor (CF) for anesthesia services provided by certain children's hospitals.



Based on the information submitted, we have approved the amendment for incorporation into the official Texas State Plan with an effective date change of March 1, 2019. A copy of the CMS-179 and approved plan pages are enclosed 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,



Bill Brooks  
Director  
Centers for Medicaid & CHIP Services  
Regional Operations Group

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER: <b>19-0007</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>March 1, 2019</b>	
5. TYPE OF PLAN MATERIAL ( <i>Circle One</i> ): <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 ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION: <b>Social Security Act §1902(a)(30); 42 CFR 447.201(b)</b>		7. FEDERAL BUDGET IMPACT: <b>SEE ATTACHMENT</b> a. FFY 2019      \$1,047,243 b. FFY 2020      \$1,892,287 c. FFY 2021      \$1,911,967	
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 ( <i>If Applicable</i> ): <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>	
10. SUBJECT OF AMENDMENT: <b>The proposed amendment updates the physicians' and other practitioners' state plan pages by identifying the new conversion factor (CF) for anesthesia services provided by certain children's hospitals.</b>			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <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>March 22, 2019</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:      March 22, 2019		18. DATE APPROVED:      May 7, 2019	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: March 1, 2019		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Bill Brooks		22. TITLE: Director Regional Operations Group	
23. REMARKS:			

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

**Transmittal Number 19-0007**

**Number of the  
Plan Section or Attachment**

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

Attachment 4.19-B  
Page 1a.2  
Page 1a.3

Attachment 4.19-B  
Page 1a.2 (TN 19-0001)  
Page 1a.3 (TN 19-0004)

State: Texas  
Date Received: 03-22-19  
Date Approved: 05-07-19  
Date Effective: 03-01-19  
Transmittal Number: 19-0007

**1. Physicians and Other Practitioners (continued)**

- F. Conversion factor equal to the current Medicare conversion factor – Effective April 1, 2010, for increases to certain RBFs for services provided by physicians and other practitioners. Implemented with respect to maintaining access to care for Medicaid clients for certain necessary medical services.
- G. \$25.60 – Effective November 1, 2017, for anesthesia services to clients under age 21.
- H. \$24.32 – Effective November 1, 2017, for anesthesia services to clients 21 years of age and older.
- I. \$34.00 – Effective March 1, 2019, for anesthesia services to clients under 21 years of age and paid to children’s hospitals when the care team model is utilized, and the following criteria are met:
- Level I/Level II trauma facility at separately-licensed children’s hospital, and
  - Level IV NICU, and
  - Not-for-profit, and
  - A minimum Medicaid utilization rate of 40 percent.
- (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 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.

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TN: 19-0007 Approval Date: 05-07-19  
Supersedes TN: 19-0001 Effective Date: 03-01-19

State: Texas  
Date Received: 03-22-19  
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**1. Physicians and Other Practitioners (continued)**

- (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) To ensure access to care and prompt provider reimbursement, when a new national procedure code is assigned to a physician-administered drug or biological product, a preliminary reimbursement rate will be established by the Texas Health and Human Services Commission (HHSC) based on the published Medicare reimbursement rate; or the average wholesale price (AWP) in the absence of a Medicare reimbursement rate for the procedure code or the comparable code. In accordance with 42 CFR §447.205(b)(1), a public notice and state plan amendment will not be submitted for this preliminary reimbursement rate. This will allow the new procedure code to be payable as the reimbursement process is completed with a public notice published and a state plan amendment submitted.
- (h) All fee schedules are available through the agency's website, as outlined on Attachment 4.19-B, page 1.
- (i) The agency's fee schedule was revised with new fees for services provided by physicians and other practitioners affiliated with tuberculosis clinics or employed by tuberculosis clinics, effective July 1, 2018, and this fee schedule was posted on the agency's website on July 6, 2018.
- (j) 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.
- (k) The agency's fee schedule was revised with new fees to include peer specialists effective January 1, 2019, and this fee schedule was posted on the agency's website on January 7, 2019.
- (l) The agency's fee schedule was revised with new fees for physicians and other practitioners effective March 1, 2019, and this fee schedule was posted on the agency's website on March 8, 2019.

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TN: 19-0007 Approval Date: 05-07-19  
Supersedes TN: 19-0004 Effective Date: 03-01-19

State: Texas  
Date Received: 03-22-19  
Date Approved: 05-07-19  
Date Effective: 03-01-19  
Transmittal Number: 19-0007