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State/Territory Name: Texas

State Plan Amendment (SPA) #: 21-0042

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services Center for Medicaid & CHIP Services 233 North Michigan Ave., Suite 600 Chicago, Illinois 60601



Financial Management Group

October 26, 2021

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

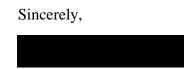
RE: Texas TN 21-0042

Dear Ms. Stephens:

We have reviewed the proposed Texas State Plan Amendment (SPA) to Attachment 4.19-B, TX#21-0042, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 27, 2021. The proposed amendment updates the clinical diagnostic laboratory reimbursement methodology and fee schedules.

Based upon the information provided by the State, we have approved the amendment with an effective date of September 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Monica Neiman at: Monica.Neiman@cms.hhs.gov.



Todd McMillion Director Division of Reimbursement Review

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES CENTERS FOR MEDICARE AND MEDICAID SERVICES		FORM APPROVED OMB NO. 0938-0193
	1. TRANSMITTAL NUMBER:	2. STATE:
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES	21-0042	TEXAS
	3. PROGRAM IDENTIFICATION: TITLE X SECURITY ACT (MEDICAID)	IX OF THE SOCIAL
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE:	
CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	September 1, 2021	
5. TYPE OF PLAN MATERIAL (Circle One):		
NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT: * Figures in the thousands	SEE ATTACHMENT
Social Security Act §1902(a)(30); 42 CFR §447.201(b).		
	a. FFY 2021 \$33* b. FFY 2022 \$335* c. FFY 2023 \$323*	
8. PAGE NUMBER OF THE PLAN SECTION OR	9. PAGE NUMBER OF THE SUPERSED	ED PLAN SECTION
ATTACHMENT: Attachment 4.19-B	OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B	
Page 1c	Page 1c (TN 21-0010)	
10. SUBJECT OF AMENDMENT:		
The proposed amendment updates the Clinical Diagnostic Labs reimbursement methodology and fee schedules.		
11. GOVERNOR'S REVIEW (Check One):		
GOVERNOR'S OFFICE REPORTED NO COMMENT	Comments, if any, will be forwarded upon it	
□ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED		
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:	
	Stephanie Stephens	
13. TYPED NAME:	State Medicaid Director	
Stephanie Stephens	Post Office Box 13247, MC: H-100 Austin, Texas 78711	
14. TITLE:		
State Medicaid Director		
15. DATE SUBMITTED: September 28, 2021		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED:	18. DATE APPROVED:	
September 27, 2021	October 26, 2021	
PLAN APPROVED – ONE COPY ATTACHED 19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFFICIA	AI •
September 1, 2021		
21. TYPED NAME:	22. TITLE:	
Todd McMillion		iow
23. REMARKS:	Director, Division of Reimbursement Rev	lew

3. Clinical Diagnostic Laboratory Services

Medicaid providers of clinical diagnostic laboratory (CDL) services are reimbursed based on fee schedules as follows:

(a) The Texas Department of State Health Services (DSHS) Laboratory provides Early and Periodic Screening, Diagnostic and Treatment medical and newborn screening services through a federal freedom-of-choice exemption as well as any other laboratory services provided that are not covered by this exemption.

The DSHS laboratory is reimbursed for all laboratory services provided at a percentage of the Medicare fees.

(b) Sole Community Hospitals and Rural Hospitals are reimbursed the lesser of their billed charges or the fee determined by HHSC, which is a percent of the Medicare fee.

The Medicaid fee for any new procedure codes added during the year will be based on a percent of the Medicare fees in effect as of January 1 of that same year.

(c) The remaining providers of these services are reimbursed the lesser of their billed charges or the fee determined by HHSC, which is a percent of the Medicare fee.

The Medicaid fee for any new procedure codes added during the year will be based on a percent of the Medicare fees in effect as of January 1 of that same year.

- (d) The reimbursement methodologies in 3(a) (c) ensure that Medicaid payments to these providers for these services meet the upper payment limit requirements in Section 1903(i)(7) of the Social Security Act by requiring that Medicaid payments for clinical laboratory services must not exceed the Medicare fee for the service on a per-test basis. This provision does not apply to the DSHS laboratory reimbursement, Rural Hospitals, or Sole Community Hospitals, which will be established at a percentage of the Medicare fee.
- (e) All fee schedules are available through the agency's website as outlined in Attachment 4.19-B, Page 1.
- (f) For services related to testing of Covid-19 (coronavirus), CDL services provided outside of the DSHS Laboratory are reimbursed at least 100% of the Medicare rate.
- (g) The agency's fee schedule was revised with new fees for clinical diagnostic laboratory services effective September 1, 2021, and was posted on the agency's website on September 15, 2021.