

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 10-079	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: February 1, 2011	
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 2011 \$(12,290,863) b. FFY 2012 \$(17,098,516) c. FFY 2013 \$(17,673,025)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: SEE ATTACHMENT TO BLOCKS 8 & 9		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): SEE ATTACHMENT TO BLOCKS 8 & 9	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 a one percent payment reduction for reimbursements paid to certain Medicaid EPSDT providers.			
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 Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: Billy R. Millwee		Billy R. Millwee State Medicaid Director Post Office Box 85200 Austin, Texas 78708	
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED December 29, 2010			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 29 December, 2010		18. DATE APPROVED: 14 March, 2011	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 February, 2011		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Bill Brooks		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	
23. REMARKS:			



Division of Medicaid & Children's Health, Region VI

March 14, 2011

Our Reference: SPA TX 10-079

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:

This letter is being sent as a companion to our approval of Texas State Plan Amendment (SPA) 10-079 which updates the Medicaid Early and Periodic Screening, Diagnostic and Treatment (EPSDT) fee schedule and implements a one percent reimbursement reduction for certain Medicaid EPSDT providers.

CMS reviewed the submitted reimbursement pages and the corresponding coverage pages for this service. In reviewing the state plan pages, CMS found a companion page issue in Appendix 1 to Attachment 3.1B pages 14 and 21. Please revise the state plan pages to include the following information:

Appendix 1 to Attachment 3.1-B

1. Page 14 (B): CMS would like the State to add language regarding the physician review of written plans of care for home health services to indicate that the plans of care will be reviewed every 60 days as per CFR 440.70(2).
2. Page 14 (C): CMS would like the State to add language regarding the requirement that physicians must review the need for medical supplies, equipment and appliances annually as per CFR 440.70(3) (ii).
3. Page 21: In the first paragraph, does the State allow physical therapy services to be provided by a physical therapist assistant under the direction of a licensed physical therapist? If so, the State needs to add the qualifications (minimal education/work experience) for physical therapist assistants.

Additionally, Section 6407 of the Affordable Care Act requires that physicians document the existence of a face to face encounter with the Medicaid eligible individual prior to ordering the provision of home health services. CMS would like the State to provide an assurance that the

State is aware of the requirement that physicians must have a face-to-face encounter with eligible individuals prior to ordering home health services.

Please respond to this letter within 90 days of its receipt to address the issues described above. Within that period, the State may submit SPAs to resolve these issues or submit a corrective action plan describing in detail how the State will resolve the issues identified above in a timely manner. Failure to respond will result in the initiation of a formal compliance process. During the 90 days, CMS will provide any required technical assistance. If you have any questions, please contact Cheryl Rupley at (214) 767-6278 or cheryl.rupley@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Bill Brooks" followed by "for" and a flourish.

Bill Brooks
Associate Regional Administrator

Enclosures

Cc: Emily Zalkovsky, Policy Development Support

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 February 1, 2011. The fee schedule will be posted on the agency website on April 8, 2011.

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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 EPSDT durable medical equipment prosthetics, orthotics, and supplies effective September 1, 2010. The fee schedule will be posted on the agency website on September 3, 2010.
 - d) The reimbursement for services, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
 - e) The reimbursement for services, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.

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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 will be posted on the agency website on September 3, 2010.
 - e) The reimbursement for services, excluding SHARS, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
 - f) The reimbursement for services, excluding SHARS, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.

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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 services effective September 1, 2010. The fee schedule will be posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
- e) The reimbursement for services, excluding SHARS, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.

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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 services effective September 1, 2010. The fee schedule will be posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
- e) The reimbursement for services, excluding SHARS, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.

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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 services effective September 1, 2010. The fee schedule will be posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
- e) The reimbursement for services, excluding SHARS, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.

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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 services effective September 1, 2010. The fee schedule will be posted on the agency website on September 3, 2010.
 - c) The reimbursement for services, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
 - d) The reimbursement for services, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.

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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 will be posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
- e) The reimbursement for services, excluding SHARS, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.

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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 will be posted on the agency website on September 3, 2010.
- d) The reimbursement for services, excluding SHARS, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
- e) The reimbursement for services, excluding SHARS, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.

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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 will be posted on the agency website on September 3, 2010.
 - c) The reimbursement for services, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
 - d) The reimbursement for services, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.

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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.
- c) The agency's fee schedule was revised with new fees for EPSDT case management services effective September 1, 2010. The fee schedule will be posted on the agency website on September 3, 2010.
- d) The reimbursement for services, effective September 1, 2010 through January 31, 2011, will be equal to the reimbursement on August 31, 2010, less one percent.
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