

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER: <b>11-038</b>	2. STATE: <b>TEXAS</b>
		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: <b>September 1, 2011</b>	
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: <b>42 CFR 440.40; §1905(r) of Social Security Act, relating to Early and Periodic Screening, Diagnosis and Treatment.</b>		7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT a. FFY 2011      \$ (2,133,828) b. FFY 2012      \$(23,831,072) c. FFY 2013      \$(24,317,419)	
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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): 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 is an update to the early and periodic screening, diagnosis and treatment (EPSDT) fee schedules and implements a five percent payment reduction for reimbursements paid to EPSDT therapy providers and a 10.5 percent average payment reduction for reimbursements paid to EPSDT durable medical equipment, prosthetics, orthotics, and supplies providers.</b>			
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 <b>Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.</b> <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: <b>Billy R. Millwee State Medicaid Director PO Box 13247, MC: H-100 Austin, Texas 78711</b>	
13. TYPED NAME: <b>Billy</b>			
14. TITLE: <b>State Medicaid Director</b>			
15. DATE SUBMITTED: <b>August 19, 2011</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>19 August, 2011</b>		18. DATE APPROVED: <b>2 November 2011</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>1 September, 2011</b>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <b>Bill Brooks</b>		22. TITLE: <b>Associate Regional Administrator Division of Medicaid &amp; Children's Health</b>	
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) 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.
  - c) The reimbursement for services, excluding SHARS, effective February 1, 2011, will be equal to the reimbursement on August 31, 2010, less two percent.
  - d) The reimbursement for therapy services, excluding SHARS and services provided in a client's home, effective September 1, 2011, will be equal to the reimbursement on August 31, 2010, less seven percent.
  - e) The reimbursement for durable medical equipment, prosthetics, orthotics and supply services, effective September 1, 2011, will be equal to the reimbursement on August 31, 2010, less 12.5 percent.

SUPERSEDES: TN- 10-79

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DATE EFF	<u>9-1-11</u>
HCFA 179	<u>11-38</u>

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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 individual procedure codes effective September 1, 2011, will be equal to the reimbursement on August 31, 2010, less a percentage amount for each procedure code ranging between 0 and 29 percent, with the amount reduced for all procedure codes averaging an estimated 10.5 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, 2011. The fee schedule will be posted on the agency website on September 9, 2011.
- d) The reimbursement for therapy services, excluding SHARS and services provided in a client's home, effective September 1, 2011, will be equal to the reimbursement on August 31, 2010, less seven 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, 2011. The fee schedule will be posted on the agency website on September 9, 2011.
- d) The reimbursement for therapy services, excluding SHARS and services provided in a client's home, effective September 1, 2011, will be equal to the reimbursement on August 31, 2010, less seven 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, 2011. The fee schedule will be posted on the agency website on September 9, 2011.

d) The reimbursement for therapy services, excluding SHARS and services provided in a client's home, effective September 1, 2011 will be equal to the reimbursement on August 31, 2010, less seven 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, 2011. The fee schedule will be posted on the agency website on September 9, 2011.
  - c) The reimbursement for services, effective September 1, 2011, will be equal to the reimbursement on August 31, 2010, less 12.5 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, 2011. The fee schedule will be posted on the agency website on September 9, 2011.

d) The reimbursement for services, effective September 1, 2011, will be equal to the reimbursement on August 31, 2010, less 12.5 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, 2011. The fee schedule will be posted on the agency website on September 9, 2011.
- d) The reimbursement for services, effective September 1, 2011, will be equal to the reimbursement on August 31, 2010, less seven percent.

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