DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: **10-023**

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: **June 1, 2010**

5. TYPE OF PLAN MATERIAL *(Circle One)*:

☐ ☐ 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:
42 CFR §440.50(a); §1905(a)(5)(A) of the Social Security Act, relating to Physician Services

7. FEDERAL BUDGET IMPACT: SEE ATTACHMENT

a. FFY **2010**	**$ 37,364**
b. FFY **2011**	**$102,243**
c. FFY **2012**	**$102,519**

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
SEE ATTACHMENT TO BLOCKS 8 AND 9

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
SEE ATTACHMENT TO BLOCKS 8 AND 9

10. SUBJECT OF AMENDMENT:

The proposed amendment updates the physician fee schedule for fees paid to physicians and certain other practitioners.

11. GOVERNOR'S REVIEW *(Check One)*:

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:
Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Billy R. Millwee

14. TITLE:
State Medicaid Director

15. DATE SUBMITTED
June 4 , 2010

16. RETURN TO:
Billy R. Millwee
State Medicaid Director
Post Office Box 13247 MC: H-100
Austin, Texas 78711

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 7 June, 2010

18. DATE APPROVED: 16 July, 2010

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 June, 2010

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Bill Brooks

22. TITLE: Associate Regional Administrator Div of Medicaid & Children's Health

23. REMARKS:

FORM CMS – 179 (07-92)

F. $18.420 – Effective January 1, 2010, for nonobsterical anesthesia services to clients 21 years of age and older. State of Texas

G. $23.220 - Effective September 1, 2007 for obstetrical anesthesia services to clients under 21 years of age. Implemented with respect to recipients under age 21 pursuant to the order of the court in *Frew v. Hawkins*, Civil Action #3:93/CV65 (Eastern District – Paris Division) on April 27, 2007 (Corrective Action Order: Adequate Supply of Healthcare Providers).

H. $19.580 - Effective September 1, 2007 for obstetrical anesthesia services to clients 21 years of age and older.

(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 certain 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.

(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) All fee schedules are available through the agency's website, as outlined on Attachment 4.19-B, page 1.

(h) The agency's fee schedule was revised with new fees for physicians effective June 1, 2010, and is effective for services provided on or after that date. This fee schedule was posted on the agency's website on July 9, 2010.