

**TEXAS HEALTH AND HUMAN SERVICES
COMMISSION
RATE ANALYSIS DEPARTMENT**

**Proposed Medicaid Payment Rates for 3rd Quarter
2014 Healthcare Common Procedure Coding System
(HCPCS) Updates**

**Payment rates are proposed to be effective
January 1, 2015**

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective January 1, 2015

Included in this document is information relating to the proposed Medicaid payment rates for 3rd Quarter 2014 Healthcare Common Procedure Coding System (HCPCS) Updates. The rates are proposed to be effective January 1, 2015.

Hearing

The Health and Human Services Commission (HHSC) will conduct a public hearing to receive comments regarding the proposed Medicaid rates detailed in this document on November 12, 2014, at 1:30 p.m. in the Public Hearing Room in the Brown-Heatly Building at 4900 North Lamar Boulevard, Austin, Texas 78751, with entrance through Security at the front of the building facing Lamar Boulevard. HHSC will consider concerns expressed at the hearing prior to final rate approval. This public hearing is held in compliance with the provisions of Human Resources Code §32.0282 and the Texas Administrative Code, Title 1 (1 TAC), §355.201, which require a public hearing on proposed payment rates. Should you have any questions regarding the information in this document, please contact:

Tim Villasana, Acute Care Rate Analysis
Texas Health and Human Services Commission
(512) 707-6092; FAX: (512) 730-7475
E-mail: tim.villasana@hhsc.state.tx.us

HHSC also will broadcast the public hearing; the broadcast can be accessed at <http://www.hhsc.state.tx.us/news/meetings.asp>. The broadcast will be archived and can be accessed on demand at the same website.

Background

HHSC is responsible for the reimbursement determination functions for the Texas Medicaid Program. Proposed rates are calculated utilizing established methodologies that conform to the Social Security Act and related federal regulations, the federally approved Texas Medicaid State Plan, all applicable state statutes and rules, and other requirements. HHSC reviews the Medicaid reimbursement rates for all acute care services every two years. These biennial reviews result in rates that are increased, decreased, or remain the same. The reviews are conducted to ensure that rates continue to be based on established rate methodologies.

Methodology

The specific administrative rules that govern the establishment of the fees in this proposal include these rules in 1 TAC:

- §355.8085, which addresses the reimbursement methodology for physicians and other practitioners;
- §355.8441, which addresses the reimbursement methodology for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services.

Proposed Rates

The methodology used to determine the proposed fee-for-service Medicaid rates are summarized below:

- 89.5 percent of average wholesale price (AWP) if the drug and biological is considered a new drug and biological (that is, approved for marketing by the Food and Drug Administration within 12 months of implementation as a benefit of Texas Medicaid).

Proposed payment rates are listed in the attachment outlined below:

Attachment – 3rd Quarter 2014 HCPCS Updates