

****REVISED****

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

**Proposed Medicaid Payments for the following
services:**

**Durable Medical Equipment, Prosthetics, Orthotics
and Supplies (including proposed Medicaid payments
for Durable Medical Equipment, Prosthetics, Orthotics
and Supplies provided in the Early and Periodic
Screening, Diagnosis, and Treatment (EPSDT)
Program and the Children with Special Health Care
Needs (CSHCN) Services Program)**

**Payment rate adjustments are proposed to be effective
September 1, 2011.**

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SUMMARY OF PROPOSED MEDICAID REIMBURSEMENTS

Effective September 1, 2011

Included in this document is information relating to the proposed Medicaid reimbursement reductions for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS), including Vision and Hearing Aid devices.

Hearing

HHSC will conduct a public hearing to receive comments regarding the proposed Medicaid payment rates on July 12, 2011, at 9:00 a.m. the Lone Star Conference Room in Building H of the Braker Center, at 11209 Metric Boulevard, Austin, TX 78758-4021, with entrance through Security at the front of the building facing Metric 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, Texas Administrative Code, Title 1 (1 TAC), §355.105, and §355.201, which require public notice of and hearings on proposed Medicaid reimbursements.

Background

A one percent reimbursement reduction effective September 1, 2010 and an additional one percent reimbursement reduction effective February 1, 2011, for a total of two percent, was previously implemented in compliance with a plan approved in response to two letters dated January 15, 2010 and December 6, 2010, from the Governor, Lieutenant Governor, and Speaker regarding the revision to the Spending Reduction Plan for the 2010-2011 Biennium submitted by HHSC. In response to direction provided to HHSC in the 2012-2013 General Appropriations Act, H.B. 1, 82nd Legislature, Regular Session, 2011 (Article II, HHSC, Rider 80 and Special Provisions Relating to All Health and Human Services Agencies, Section 16 regarding Durable Medical Equipment Savings Initiatives and Provider Rates, respectively), these reductions are also proposed in accordance with 1 TAC §355.201(d) (regarding adjustment of fees rates and charges), as outlined in the attached spreadsheet.

These proposed reductions effective September 1, 2011, are a result of targeted reductions for certain procedure codes as recommended by a workgroup of industry representatives and an additional across-the-board percentage rate reduction of 6.00 percent for the remaining procedure codes. The percentage rate reductions outlined on the attached spreadsheet are in addition to the rate reductions implemented on September 1, 2010, and February 1, 2011.

Included in the proposed reductions are DMEPOS services provided in the Early and Periodic Screening, Diagnosis, and Treatment (EDPST) program, in accordance with rules in 1 TAC §355.8141, §355.8441, and §355.8461, and the Children with Special Health Care Needs Services (CSHCN) program, in accordance with 25 TAC §38.10.

Methodology

The proposed reimbursements are calculated in accordance with the previously cited sections of 1 TAC and the following sections, as applicable:

§355.8021, which addresses the reimbursement methodology for durable medical equipment, prostheses, orthotics and supplies;

§355.8141, which addresses the reimbursement methodology for hearing aids and services.

§355.8441, which addresses the reimbursement methodology for the early and periodic screening, diagnosis, and treatment (EPSDT) program.

§355.8461, which addresses the reimbursement methodology for eyeglasses.

Should you have any questions regarding the information in this document, please contact:

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