

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

Proposed Medicaid Payments for the following:

**Non-State Clinical Laboratory Services
Freestanding Psychiatric Facilities
Renal Dialysis Facilities
Ambulatory Surgical Center/Hospital Based
Ambulatory Surgical Centers (ASC/HASC)
Hospital Outpatient Medicaid Services**

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

SUMMARY OF PROPOSED MEDICAID REIMBURSEMENTS

Effective September 1, 2011

Included in this document is information relating to the proposed Medicaid reimbursement reduction for the following: Clinical Laboratory Services (non-state entities), Freestanding Psychiatric Facilities (non-state entities), Renal Dialysis Facilities, Ambulatory Surgical Centers/Hospital Based Ambulatory Surgical Centers (ASC/HASC) and Hospital Outpatient Medicaid Services. The Health and Human Services Commission (HHSC) is responsible for the reimbursement determination for the Texas Medicaid Program.

Hearing

HHSC will conduct a public hearing to receive comments regarding the proposed Medicaid payments on Monday June 27, 2011, at 1:30 p.m., to receive comment on proposed Medicaid payment reductions for Clinical Laboratory Services (non-state entities), Freestanding Psychiatric Facilities (non-state entities), Renal Dialysis Facilities, Ambulatory Surgical Centers/Hospital Based Ambulatory Surgical Centers (ASC/HASC), and Hospital Outpatient Medicaid Services. The public hearing will be held in the Public Hearing Room of HHSC, Winters Building, located at 701 W. 51st St, Austin, Texas. The hearing will be held in compliance with Human Resources Code §32.0282 and the Texas Administrative Code, Title 1 (1 TAC), §355.201(e)-(f), which require public notice of and hearings on proposed Medicaid reimbursements.

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

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Background

The Medicaid payments for the following services are proposed to be reduced in response to direction received in the 2012-13 General Appropriations Act (Article II, H.B. 1, 82nd Legislature, Regular Session, 2011), effective September 1, 2011: Ambulatory Surgical Centers services; Clinical Laboratory services; Freestanding Psychiatric services; Hospital Outpatient services; and Renal Dialysis services. In addition HHSC will convert the payment methodology for outpatient hospital imaging services to a fee schedule. Outpatient hospital services are reimbursed on a reasonable cost based on a percentage of the hospital's most recent tentative Medicaid cost report settlement. The reimbursement for outpatient hospital services for high-volume providers is proposed to be reduced to 76.03 percent of allowable cost, and for the remaining providers, reimbursement for outpatient hospital services is proposed to be reduced to 72.27 percent of allowable cost.

Methodology

The payment rates were calculated in accordance with 1 TAC §355.8610, which addresses

the reimbursement methodology for Clinical Laboratory Services; 1 TAC §355.8060, which addresses the reimbursement methodology for Freestanding Psychiatric Facilities; 1 TAC §355.8121, which addresses the reimbursement methodology for ASC/HASC; 1 TAC §355.8061, which addresses the reimbursement methodology for Hospital Outpatient Services; 1 TAC §355.8660, which addresses the reimbursement methodology for Renal Dialysis Facilities, and subsequently adjusted in accordance with 1 TAC §355.201(d) regarding Establishment and Adjustment of Reimbursement Rates by HHSC.

Attached are the new fees for:

Clinical Laboratory Services (non-state entities);
Renal Dialysis Facilities;
Ambulatory Surgical Centers/Hospital Based Ambulatory Surgical Centers;
Hospital Outpatient Medicaid Services

*NOTE: Current rates can be found on the TMHP website, <http://www.tmhp.com>, under the providers section.