

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

**Proposed Elimination of Certain Procedure Codes as
Medicaid Benefits**

Payment rates are proposed to be effective October 1, 2011.

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective October 1, 2011

Included in this document is information about the proposed elimination of certain procedure codes as Medicaid benefits, rates are proposed to be effective October 1, 2011.

The Health and Human Services Commission (HHSC) is responsible for the reimbursement determination functions for the Texas Medicaid Program. The proposed rates were calculated in accordance with the reimbursement methodology rules in Title 1 of the Texas Administrative Code (1 TAC):

- §355.8021, which addresses the reimbursement methodology for Home Health Services and Durable Medical Equipment, Prosthetics, Orthotics and Supplies;
- §355.8081, which addresses payments for laboratory and x-ray services, radiation therapy, physical therapists' services, physician services, podiatry services, chiropractic services, optometric services, ambulance services, dentists' services, psychologists' services, licensed psychological associates' services, maternity clinic services, and tuberculosis clinic services;
- §355.8085, which addresses the reimbursement methodology for physicians and other medical professionals, including medical services, surgery, assistant surgery, and physician administered drugs/biologicals; medical services, surgery, assistant surgery, radiology, laboratory, and radiation therapy and;
- §355.8441, which addresses the reimbursement methodology for durable medical equipment and expendable supplies in Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program (known in Texas as Texas Health Steps).

Reimbursements paid to providers for the procedure codes included in these rate actions are to be reduced by a specified percentage based on topic. A one percent reimbursement reduction was implemented for services provided on and after September 1, 2010, in compliance with a plan approved in response to the January 15, 2010, letter from the Governor, Lieutenant Governor, and Speaker regarding the revision to the Spending Reduction Plan for the 2010-2011 Biennium submitted by HHSC. An additional one percent reimbursement reduction, for a total of a two percent reduction, was implemented February 1, 2011, in response to the December 6, 2010, letter from the Governor, Lieutenant Governor, and Speaker. Effective September 1, 2011 in response to direction from House Bill 1, additional reductions were implemented for specified providers. For clarity, the attachment includes the net payment rate in effect on September 1, 2011, and the net payment rate proposed to be effective October 1, 2011, both figures reflecting the applicable percentage reductions. More detailed information related to specifics of the additional reductions can be found on the Medicaid fee schedules.

HHSC will conduct a public hearing to receive comments regarding the Medicaid proposed rates on August 16, 2011, at 1:30 p.m. in 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 and 1 TAC §355.105(g), which require a public hearing on proposed payment rates.

PROPOSED RATES

Attachment – Elimination of Certain Procedure Codes

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

Rozsalind Brown, Rate Analyst
(512) 491-2031; FAX: (512) 491-1998
E-mail: Rozsalind.Brown@hhsc.state.tx.us