

Table of Contents

State Plan Amendment

SPA 18-0013 Clinical Diagnostic Laboratories Fees - Effective 07/01/2018

This file contains the following documents in order listed:

1. CMS Approval Letter
2. CMS Form 179
3. Superseding Page Listing (Attachment to Blocks 8 & 9 of CMS Form 179)
4. Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Dallas Regional Office
1301 Young Street, Suite 833
Dallas, Texas 75202



DIVISION OF MEDICAID & CHILDREN'S HEALTH - REGION VI

September 7, 2018

Our Reference: TX SPA 18-0013

Ms. Stephanie Muth
State Medicaid Director
Texas Health and Human Services Commission
Mail Code: H100
P.O. Box 13247
Austin, Texas 78711

RECEIVED

SEP 07 2018

**OFFICE OF THE STATE
MEDICAID DIRECTOR**

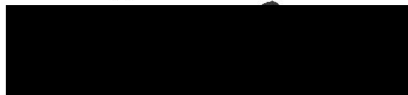
Dear Ms. Muth:

We have reviewed the State's proposed amendment to your Medicaid State Plan submitted under Transmittal Number (TN) 18-0013, dated August 9, 2018. This amendment updates the clinical diagnostic laboratories (CDL) fee schedule.

Based on the information submitted, we have approved the amendment for incorporation into the official Texas state plan with an effective date of July 1, 2018, as requested. A copy of the CMS-179 form as well as the approved plan pages are included with this letter.

If you have any questions, please contact Ford Blunt of my staff. Mr. Blunt may be reached at (214) 767-6381 or by e-mail at Ford.Blunt@cms.hhs.gov.

Sincerely,



Bill Brooks
Associate Regional Administrator

Cc: Dana Williamson, Manager, Policy Development Support

Attachment to Blocks 8 & 9 of CMS Form 179

Transmittal Number 18-0013

**Number of the
Plan Section or Attachment**

Attachment 4.19-B
Page 1c

**Number of the Superseded
Plan Section or Attachment**

Attachment 4.19-B
Page 1c (TN 18-0002)

State: Texas
Date Received: 08-09-18
Date Approved: 09-07-18
Date Effective: 07-01-18
Transmittal Number: 18-0013

3. Clinical Diagnostic Laboratory Services

Medicaid providers of clinical diagnostic laboratory (CDL) services are reimbursed based on fee schedules as follows:

- (a) The Texas Department of State Health Services (DSHS) Laboratory provides Early and Periodic Screening, Diagnosis and Treatment (EPSDT) medical and newborn screening services through a federal freedom-of-choice exemption as well as any other laboratory services provided that are not covered by this exemption.

The DSHS laboratory is reimbursed for all laboratory services provided at 100 percent of the Medicare fees.

- (b) Sole community hospitals are reimbursed the lesser of their billed charges or the fee determined by HHSC, which is 100 percent of the Medicare fee. Under Medicare the fee schedule amount paid to sole community hospitals is three and one third percent higher than the fee schedule amount paid to other types of providers of CDL service.

The Medicaid fee for any new procedure codes added during the year will be based on 86.8 percent of the Medicare fees in effect as of January 1 of that same year.

- (c) The remaining providers of these services are reimbursed the lesser of their billed charges or the fee determined by HHSC, which is 100 percent of the Medicare fee.

The Medicaid fee for any new procedure codes added during the year will be based on 84 percent of the Medicare fees in effect as of January 1 of that same year.

- (d) The reimbursement methodologies in 3(a) – (c) ensure that Medicaid payments to these providers for these services meet the upper payment limit requirements in Section 1903(i)(7) of the Social Security Act, which requires that Medicaid payments for clinical laboratory services must not exceed the Medicare fee for the service on a per test basis.

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

- (f) The agency's fee schedule was revised with new fees for clinical diagnostic laboratory services effective July 1, 2018 and will be posted on the agency's website on July 6, 2018.

TN: 18-0013 Approval Date: 09-07-18
Supersedes TN: 18-0002 Effective Date: 07-01-18

State: Texas
Date Received: 08-09-18
Date Approved: 09-07-18
Date Effective: 07-01-18
Transmittal Number: 18-0013