

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

**Proposed Medicaid Payment Rates for  
2011 Annual Healthcare Common Procedure Coding  
System Updates for:**

- (1) Type of Service (TOS) 1 (Physician-Administered  
Drugs),**
- (2) TOS 1 (Medical Services),**
- (3) TOS 2-8 (Surgery and Assistant Surgery),**
- (4) TOS 4-I-T (Radiology Services),**
- (5) TOS 5-I-T (Nonclinical Laboratory Services),**
- (6) TOS 9-J-L (Durable Medical Equipment),**
- (7) TOS 5 (Clinical Laboratory Services),**
- (8) TOS W (Dental Services) and,**
- (9) TOS F (Ambulatory Surgical Center Services)**

**Payment rates are proposed to be effective January 1, 2011.**

## **SUMMARY OF PROPOSED MEDICAID PAYMENT RATES**

**Effective January 1, 2011**

Included in this document is information about the proposed Medicaid payment rates for 2011 Annual Healthcare Common Procedure Coding System Updates for: Physician-Administered Drugs, Medical Services, Surgery and Assistant Surgery, Radiology Services, Nonclinical Laboratory Services, Durable Medical Equipment, Clinical Laboratory Services, Dental Services, and Ambulatory Surgical Center Services that are proposed to be effective January 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 durable medical equipment and expendable supplies in home health services;
- §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 certain other practitioners;
- §355.8441, which addresses the reimbursement methodology for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program (known in Texas as Texas Health Steps); and
- §355.8610, which addresses Reimbursement for Clinical Laboratory Services.

Reimbursements paid to providers for the procedure codes included in these rate actions are to be reduced by two percent. 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, began February 1, 2011, in response to the December 6, 2010, letter from the Governor, Lieutenant Governor, and Speaker.

HHSC will conduct a public hearing to receive comments regarding the Medicaid proposed rates on February 15, 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**

### Attachments:

- Attachment 1- HCPCS TOS 1 (Physician-Administered Drugs)
- Attachment 2- HCPCS TOS 1 (Medical Services)
- Attachment 3- HCPCS TOS 2-8 (Surgery and Assistant Surgery)
- Attachment 4- HCPCS TOS 4-I-T (Radiology Services)
- Attachment 5- HCPCS TOS 5-I-T (Laboratory Services)
- Attachment 6- HCPCS TOS 9-J-L (Durable Medical Equipment)
- Attachment 7- HCPCS TOS 5 (Clinical Laboratory Services)
- Attachment 8- HCPCS TOS W (Dental Services)
- Attachment 9- HCPCS TOS F (Ambulatory Surgical Center Services)

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

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