

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

**Proposed Medicaid Payment Rates for
Healthcare Common Procedure Coding System 3rd
Quarter 2011 Updates**

Payment rates are proposed to be effective July 1, 2012.

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective July 1, 2012

Included in this document is information about the Medicaid payment rates for Healthcare Common Procedure Coding System (HCPCS) 3rd Quarter 2011 Updates. The rates are proposed to be effective July 1, 2012.

Hearing

HHSC will conduct a public hearing to receive comments regarding the proposed Medicaid rates detailed in this document on May 15, 2012, 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. Should you have any questions regarding the information in this document, please contact:

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Background

The Health and Human Services Commission (HHSC) is responsible for the reimbursement determination functions for the Texas Medicaid Program. Proposed rates are calculated utilizing established methodologies that conform to the Social Security Act and related federal regulations, the federally approved Texas Medicaid State Plan, all applicable state statutes and rules, and other requirements. HHSC reviews the Medicaid reimbursement rates for all acute care services every two years. These biennial reviews result in rates that are increased, decreased, or remain the same. The reviews are unrelated to any rate reduction imposed by the legislature but rather conducted to ensure that rates continue to be based on established rate methodologies.

Methodology

The specific administrative rules that govern the establishment of the fees in this proposal include these 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;

The reimbursement rates proposed reflect applicable reductions directed by the 2012-2013 General Appropriations Act, H.B. 1, 82nd Legislature, Regular Session. Detailed information related to specifics of the reductions can be found on the Medicaid fee schedules.

Proposed Rates

The proposed rates are based on 89.5 percent of the average wholesale price (AWP) for new drugs that have been available for less than 12 months or the manufacturers suggested retail price (MSRP) less 18 percent for drugs that have been available for more than one year.

Proposed payment rates are listed below.

TOS*	Procedure Code	Long Description	Age Range	Current		Proposed	
				Current Medicaid Fee	Current Adjusted Fee	Proposed Medicaid Fee 7/1/2012	Proposed Adjusted Fee 7/1/2012
1	C9286	injection, belatacept, 1 mg	0-999	Not a Benefit	Not a Benefit	\$3.96	\$3.88
9	C1840	lens, intraocular (telescopic)	0-999	Not a Benefit	Not a Benefit	\$12,505.00	\$11,191.98

* TOS = Type of Service. TOS 1 = Medical Services. TOS 9 = Other / DME Purchase