

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

**Proposed Medicaid Payment Rates for Vagal Nerve
Stimulator and Lead**

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 relating to the proposed Medicaid payment rates for the vagal nerve stimulator and lead that 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 durable medical equipment and expendable supplies in home health services;
- §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 table below 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 proposed Medicaid payment 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 propose/d payment rates.

PROPOSED RATES

Proposed payment rates are listed below.

TOS*	Procedure Code	Long Description	Modifier	Age Range	Net Payment Rate 9/1/2011	Proposed Net Payment Rate 10/1/2011
9	L8686	Implantable neurostimulator pulse generator, single array, non-rechargeable, includes extension	TG	0-999	\$17,938.00	\$15,756.30
9	L8680	Implantable Neurostimulator Electrode		0-999	\$331.17	\$331.17
9	L8680	Implantable Neurostimulator Electrode	TG	0-999	\$399.00	\$4,646.94

*Type of Service (TOS)	
9	Other- Durable Medical Equipment

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

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