

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

**Proposed Payment Rates for Medicaid Calendar Fee
Review of Therapy Services Provided by
Comprehensive Outpatient Rehabilitation
Facilities/Outpatient Rehabilitation Facilities
(CORF/ORF), Independent Practitioners, and Home
Health Agencies (HHA)**

(REVISED January 13, 2012)

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

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective March 1, 2012

Included in this document is information relating to the proposed payment rates for Medicaid Calendar Fee Review of Therapy Services Provided by Comprehensive Outpatient Rehabilitation Facilities / Outpatient Rehabilitation Facilities (CORF / ORF), Independent Practitioners, and Home Health Agencies (HHA). The rates are proposed to be effective March 1, 2012.

Hearing

HHSC will conduct a public hearing to receive comments regarding the proposed Medicaid rates detailed in this document on January 18, 2012, at 9:00 a.m. in the Public Hearing Room of the Brown-Heatly Building, 4900 N. Lamar, Austin, Texas. 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:

Dan Huggins, Director Acute Care Rate Analysis
Texas Health and Human Services Commission
(512) 491-1432; FAX: (512) 491-1998
E-mail: Dan.Huggins@hhsc.state.tx.us

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):

- §355.8081, 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 Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program (known in Texas as Texas Health Steps).

Proposed Rates

The proposed rates have been compared to Medicare rates as well as rates paid by other state Medicaid programs and other payers. The proposed rates are based on Medicare rates and are supported by other states' Medicaid therapy rates. The methodology used to determine the proposed fee-for-service Medicaid rates are summarized below:

- Procedure codes and descriptions used in the Texas Medicaid Program are national standard code sets as required by federal laws; Healthcare Common Procedural Coding System (HCPCS) and Current Procedural Terminology (CPT).
- The adjusted rates incorporate the applicable percentage reductions effective September 1, 2011 (2 percent for services in the home and 7 percent for all other places of service) and no further percentage reduction will be applied.

Proposed payment rates are listed in the attachments outlined below:

Attachment 1 – CORF/ ORF Therapy Services

Attachment 2 – Independent Therapy Services

Attachment 3 – HHA Therapy Services