

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

**Proposed Medicaid Payments for the following  
services:**

**Birthing Centers, Case Management for Pregnant Women; Family Planning Services; Chemical Dependency Treatment Facilities, Early and Periodic Screening, Diagnosis and Treatment Services, including Therapies, and Therapies provided in a Comprehensive Outpatient Rehabilitation Facility / Outpatient Rehabilitation Facility; Family Planning Services; Home Health Therapy Services; Tuberculosis Clinic Services; and the fixed component of the Vendor Drug Dispensing Fee.**

**No additional reductions are proposed for: Ambulance Services, Physicians, Mental Health Rehabilitation Services; Mental Health Targeted Case Management; Personal Care Services and Private Duty Nursing.**

**Durable Medical Equipment is not included in this rate hearing, a separate rate hearing will be announced to address the proposed rate changes.**

**Payment rate adjustments are proposed to be effective  
September 1, 2011.**

## **SUMMARY OF PROPOSED MEDICAID REIMBURSEMENTS**

**Effective September 1, 2011**

Included in this document is information relating to the proposed Medicaid reimbursement reduction for Birthing Centers, Case Management for Pregnant Women; Family Planning Services; Chemical Dependency Treatment Facilities, Early and Periodic Screening, Diagnosis and Treatment Services, including Therapies, and Therapies provided in a Comprehensive Outpatient Rehabilitation Facility / Outpatient Rehabilitation Facility; Family Planning Services; Home Health Services; Tuberculosis Clinic Services; and the fixed component of the Vendor Drug Dispensing Fee.

No additional reductions are proposed for: Ambulance Services, Physicians, Mental Health Rehabilitation Services; Mental Health Targeted Case Management; Personal Care Services and Private Duty Nursing.

Durable Medical Equipment, Prosthetics, Orthotics, and Supplies is not included in this rate hearing; a separate rate hearing will be announced to address the proposed rate changes.

The Health and Human Services Commission (HHSC) is responsible for the reimbursement determination for the Texas Medicaid Program.

### **Hearing**

HHSC will conduct a public hearing to receive comments regarding the proposed Medicaid payment rates on June 27, 2011, at 9:00 a.m. in the Public Hearing Room, Winters Building, 701 W 51<sup>st</sup> Street, Austin, Texas. The hearing will be held in compliance with Human Resources Code §32.0282, Texas Administrative Code, Title 1 (1 TAC), §355.105, and §355.201, which require public notice of and hearings on proposed Medicaid reimbursements.

### **Background**

A one percent reimbursement reduction effective September 1, 2010 and an additional one percent reimbursement reduction effective February 1, 2011, for a total of two percent, was previously implemented in compliance with a plan approved in response to two letters dated January 15, 2010 and December 6, 2010, from the Governor, Lieutenant Governor, and Speaker regarding the revision to the Spending Reduction Plan for the 2010-2011 Biennium submitted by HHSC. In response to direction provided to HHSC in House Bill 1 by the 82<sup>nd</sup> Texas Legislature (Regular Session) and in accordance with 1 TAC §355.201, payment rates are proposed to be reduced, as follows:

- For the Vendor Drug Dispensing Fee Fixed Component, which was reduced by one percent effective September 1, 2010 and an additional one percent effective February 1, 2011, the proposed payment rate will be an amount equal to the fee in effect on August 31, 2010 (\$7.50), less \$1.00 (for an additional \$0.85 reduction).
- Birthing Centers and Chemical Dependency Treatment Facilities were not subject to previous payment rate reductions; the proposed payment rates for services provided on and after September 1, 2011, will be reduced by five percent.
- For all other listed services, for which a one percent reduction was implemented effective September 1, 2010 and additional one percent reduction was implemented February 1, 2011, by reducing reimbursements in effect on August 31, 2010, for a total of two percent reduction, the proposed payment rates for services provided on and after September 1, 2011, will be reduced by seven percent (an additional five percent reduction).
- The fees for which these percentage reductions apply are located on the Texas Medicaid Healthcare Partnership website at TMHP.com.

### **Methodology**

The proposed reimbursements are calculated in accordance with the previously cited sections of 1 TAC and the following sections, as applicable:

§355.8021, which addresses the reimbursement methodology for home health professional services and durable medical equipment, prostheses, orthotics and supplies;

§355.8081, which addresses the reimbursement methodology 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, and Licensed Psychological Associates' Services;

§355.8181, which addresses the reimbursement methodology for birthing center services;

§355.8241, which addresses the reimbursement methodology for chemical dependency and treatment facilities;

§355.8401 which addresses the reimbursement methodology for case management for children and pregnant women;

§355.8441, which addresses the reimbursement methodology for early and periodic screening, diagnosis, and treatment;

§355.8551, which addresses the reimbursement methodology for pharmacy services dispensing fee;

§355.8581 through §355.8584, which addresses the reimbursement methodology for case management for family planning purchased services; and

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

Megan Blood, Senior Rate Analyst  
Texas Health and Human Services Commission  
Rate Analysis for Acute Care Services  
Mail Code H-400  
(512) 491-1747; FAX: (512) 491-1998  
E-mail: [megan.blood@hhsc.state.tx.us](mailto:megan.blood@hhsc.state.tx.us)