

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

**Proposed Medicaid Payment Rates for Healthcare
Common Procedure Coding System (HCPCS)
Quarterly Updates for following Physician-
Administered drugs: J9299, J2502, J2860, J1833, and
Q9950 which replace previous procedure codes:
C9453, C9454, C9455, C9456, and C9457.**

**Payment rates are proposed to be effective
January 1, 2016**

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective January 1, 2016

Included in this document is information relating to the proposed Medicaid payment rates for Healthcare Common Procedure Coding System (HCPCS) Quarterly Updates for following physician-administered drugs: J9299, J2502, J2860, J1833, and Q9950 which replace previous procedure codes: C9453, C9454, C9455, C9456, and C9457. The rates are proposed to be effective January 1, 2016.

Hearing

The Health and Human Services Commission (HHSC) will conduct a public hearing to receive comments regarding the proposed Medicaid rates detailed in this document on February 18, 2016, at 1:30 p.m. in the Public Hearing Room in the Brown-Heatly Building at 4900 North Lamar Boulevard, Austin, Texas 78751, with entrance through Security at the front of the building facing Lamar 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 the Texas Administrative Code, Title 1 (1 TAC), §355.201, 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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HHSC also will broadcast the public hearing; the broadcast can be accessed at <http://www.hhsc.state.tx.us/news/meetings.asp>. The broadcast will be archived and can be accessed on demand at the same website.

Background

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 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 1 TAC:

- §355.8085, which addresses the reimbursement methodology for physicians and other practitioners; and
- §355.8441, which addresses the reimbursement methodology for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services (known in Texas as Texas Health Steps).

Proposed Rates

The methodologies 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).
- Access-based fees (ABFs) allow the state to reimburse for procedure codes not covered by Medicare or for which the Medicare fee is inadequate, or account for particularly difficult procedures, or encourage provider participation to ensure access to care.
- ABFs may also be established based on the Medicare fee for a service that is not priced using RVUs. Physician-administered drug pricing methodologies are outlined in §355.8085.

Proposed payment rates are listed in the attachments outlined below:

HCPCS Att 1 - PA Drugs (J9299, J2502, J2860)

HCPCS Att 2 - PA Drugs (J1822, Q9950)

This public rate hearing briefing packet presents proposed payment rates and is distributed at HHSC public rate hearings and posted by the proposed effective date on the HHSC website at <http://www.hhsc.state.tx.us/rad/rate-packets.shtml>. Proposed rates may or may not be adopted, depending on HHSC management decisions after review of public comments and additional information. Provider and public notification about adoption decisions are published on the Texas Medicaid and Healthcare Partnership (TMHP) website at <http://www.tmhp.com> in banner messages, bulletins, notices, and updates to the Texas Medicaid fee schedules. The fees schedules are available in static files or online lookup at <http://public.tmhp.com/FeeSchedules>.

HCPCS ATTACHMENT 1 - PHYSICIAN-ADMINISTERED DRUGS (J9299, J2502, J2860) (proposed to be effective January 1, 2016)

TOS *	Procedure Code	Modifier	Long Description	Age Range	Non-Facility (N)/ Facility (F)	Provider Type (PT) / Provider Specialty (PS)	CURRENT		PROPOSED	
							Current Medicaid Fee	Current Adjusted Medicaid Fee	Proposed Medicaid Fee	Proposed Adjusted Medicaid Fee
1	J9299		Injection, nivolumab, 1 mg	0-999	N/F		Not a Benefit	Not a Benefit	\$25.37	\$25.37
1	J2502		Injection, pasireotide long acting, 1 mg	0-999	N/F		Not a Benefit	Not a Benefit	\$183.08	\$183.08
1	J2860		Injection, siltuximab, 10 mg	0-20	N/F		Not a Benefit	Not a Benefit	\$87.52	\$87.52

*Type of Service (TOS)	
1	Medical Services

HCPCS ATTACHMENT 2 - PHYSICIAN-ADMINISTERED DRUGS (J1833, Q9950) (proposed to be effective January 1, 2016)

TOS *	Procedure Code	Modifier	Long Description	Age Range	Non-Facility (N)/ Facility (F)	Provider Type (PT) / Provider Specialty (PS)	CURRENT		PROPOSED	
							Current Medicaid Fee	Current Adjusted Medicaid Fee	Proposed Medicaid Fee	Proposed Adjusted Medicaid Fee
1	J1833		Injection, isavuconazonium sulfate, 1 mg	0-999	N/F		Not a Benefit	Not a Benefit	\$0.69	\$0.69
1	Q9950		Injection, sulfur hexafluoride lipid microsphere, per ml	0-999	N/F		Not a Benefit	Not a Benefit	\$29.59	\$29.59

*Type of Service (TOS)	
1	Medical Services