

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

**Notice of Proposed Adjustments to Fees, Rates or Charges  
for Medical Policy Review of Microsurgery**

**Adjustments are proposed to be effective  
January 1 2017**

## **SUMMARY OF PROPOSED ADJUSTMENTS**

**To Be Effective January 1, 2017**

Included in this document is information relating to the proposed adjustments to Medicaid payment rates for Medical Policy Review of Microsurgery. The Texas Health and Human Services Commission (HHSC) intends to submit an amendment to the Texas State Plan for Medical Assistance under Title XIX of the Social Security Act to update the fee schedules to reflect these proposed adjustments. The rates are proposed to be effective January 1, 2017.

### **Hearing**

The Health and Human Services Commission (HHSC) will conduct a public hearing to receive comments regarding the proposed adjustments to Medicaid rates detailed in this document on November 16, 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 all concerns expressed at the hearing prior to final rate approval. This public hearing will be held in compliance with the provisions of Human Resources Code §32.0282 which requires a public hearing on proposed payment rate adjustments. Should you have any questions regarding the information in this document, please contact:

Tim Villasana, Rate Analysis for Acute Care Services  
Texas Health and Human Services Commission  
(512) 707-6092 FAX: (512) 730-7475  
E-mail: [tim.villasana@hhsc.state.tx.us](mailto:tim.villasana@hhsc.state.tx.us)

The hearing will be recorded and available to the public for purchase.

### **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.

## **Proposed Rate Adjustments**

The methodologies used to determine the proposed fee-for-service Medicaid rates are summarized below:

- Rate determination methodologies related to the reimbursement methodology for physicians and other practitioners are addressed in 1 TAC §355.8085.
- Resource-based fee (RBF) methodology uses relative value units (RVUs) established by Medicare times a conversion factor. Current conversion factors include \$28.0672 for most services provided to children 20 years of age and younger and \$26.7305 for services provided to adults 21 years of age and older. Fees for services provided to children and identified as having access-to-care issues may be assigned a higher conversion factor, currently \$30.00.
- 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.

Specific proposed payment rate adjustments are listed in the attachments outlined below:

Att – Microsurgery

## **Written Comments**

Written comments regarding the proposed payment rate adjustments will be accepted in lieu of, or in addition to, oral testimony until 5 p.m. the day of the hearing. Written comments may be sent by U.S. mail to the Texas Health and Human Services Commission, Attention: Rate Analysis, Mail Code H-400, P.O. Box 149030, Austin, Texas 78714-9030; by fax to Rate Analysis at (512) 730-7475; or by e-mail to RADAcuteCare@hsc.state.tx.us. In addition, written comments will be accepted by overnight mail or hand delivery to Texas Health and Human Services Commission, Attention: Rate Analysis, Mail Code H-400, Brown-Heatly Building, 4900 North Lamar, Austin, Texas 78751

Persons with disabilities who wished to attend the hearing and required auxiliary aids or

services were advised to contact Rate Analysis at (512) 730-7401 at least 72 hours in advance, so appropriate arrangements could be made.

**MEDICAL POLICY ATTACHMENT - MICROSURGERY (proposed to be effective January 1, 2017)**

TOS*	Procedure Code	Modifier	Long Description**	Age Range	Non-Facility (N)/ Facility (F)	CURRENT		PROPOSED		Percent Change from Current Medicaid Fee
						Current Medicaid Fee	Current Adjusted Medicaid Fee	Proposed Medicaid Fee	Proposed Adjusted Medicaid Fee	
2	69990		**	0-20	N/F	Not A Benefit	Not A Benefit	\$181.03	\$181.03	100.00%
2	69990		**	21-999	N/F	Not A Benefit	Not A Benefit	\$172.41	\$172.41	100.00%
8	69990		**	0-20	N/F	Not A Benefit	Not A Benefit	\$28.96	\$28.96	100.00%
8	69990		**	21-999	N/F	Not A Benefit	Not A Benefit	\$27.59	\$27.59	100.00%

*Type of Service (TOS)	
2	Surgery
8	Assistant Surgery

**\*\* Required Notice:** The five-character code included in this notice is obtained from the Current Procedural Terminology (CPT®), copyright 2016 by the American Medical Association (AMA). CPT is developed by the AMA as a listing of descriptive terms and five character identifying codes and modifiers for reporting medical services and procedures performed by physicians. The responsibility for the content of this notice is with HHSC and no endorsement by the AMA is intended or should be implied. The AMA disclaims responsibility for any consequences or liability attributable or related to any use, nonuse or interpretation of information contained in this notice. Fee schedules, relative value units, conversion factors and/or related components are not assigned by the AMA, are not part of CPT, and the AMA is not recommending their use. The AMA does not directly or indirectly practice medicine or dispense medical services. The AMA assumes no liability for data contained or not contained.