

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

**Proposed Medicaid Payment Rates for Diagnostic
Radiology Services, which includes Hospital
Outpatient Diagnostic Radiology Services**

**Payment rates are proposed to be effective
February 1, 2017**

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective February 1, 2017

Included in this document is information relating to the proposed Medicaid payment rates for Diagnostic Radiology Services, which includes Hospital Outpatient Diagnostic Radiology Services. 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 February 1, 2017.

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 December 15, 2016, at 9:00 a.m. in the Public Hearing Room of the John H. Winters Building at 701 West 51st Street, Austin, Texas. Entry is through security at the main entrance of the building facing West 51st Street. 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.

For questions related to the following:

1. Attachment 1: Diagnostic Radiology, please contact:

Ross Keenon, Acute Care Rate Analysis
Texas Health and Human Services Commission
(512) 707-6073; FAX: (512) 730-7475
E-mail: ross.keenon@hhsc.state.tx.us

2. Attachment 2: Rural Hospital Outpatient Diagnostic Radiology or Attachment 3: Hospital Outpatient Diagnostic Radiology, please contact:

Laura Skaggs, Hospital Rate Analysis
Texas Health and Human Services Commission
(512) 462-6239; FAX: (512) 730-7475
E-mail: laura.skaggs@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.

In addition, a proposed change to 1 TAC §355.8061 related to Rural Hospital Outpatient Diagnostic Imaging is currently under review. The proposed rule, which was published in the November 4, 2016 issue of the *Texas Register*, establishes a new reimbursement rate determination for rural hospital Outpatient Diagnostic Imaging services.

Methodology

The specific administrative rules that govern the establishment of the fees in this proposal include these rules in 1 TAC:

- §355.8061, which addresses reimbursement methodology for outpatient hospital services. Please note this rule is currently under review.
- §355.8085, which addresses the reimbursement methodology for physicians and other practitioners.

Proposed Rate Adjustments

A summary of the methodologies used to determine the proposed fee-for-service Medicaid rates is listed 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).
- 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.
- ABFs may also be established based on the Medicare fee for a service that is not priced using RVUs.
- For services and items that are not covered by Medicare or for which the Medicare rate is insufficient, different approaches are used to develop fees based on available information. These alternate methods include, as applicable:

- The median or mean of the Medicaid fees from 14 states (the 10 most populous and the 4 bordering Texas) or the median or mean of the states that cover the service
- Regional Medicare pricing from Novitas or a percentage of the Medicare fee
- The current Medicaid fee for a similar service (comparable code)

Reimbursement for Rural Hospital Diagnostic Radiology services will be revised as follows:

- Rural Hospitals – Rural Hospital Diagnostic Radiology services will be reimbursed based on a percentage of the Medicare Outpatient Prospective Payment System (OPPS) which will de-link the rural hospital fees from the acute care and non-rural hospital fees. This change will allow HHSC to exclude rural hospital outpatient imaging fees from reductions to acute care and non-rural hospital imaging fees.

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

Attachment 1 – Diagnostic Radiology

Attachment 2 – Hospital Outpatient Diagnostic Radiology

Attachment 3 – Rural Hospital Outpatient Diagnostic Radiology

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.