

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

**Notice of Proposed Adjustments to Fees, Rates or Charges
for Medical Policy Review of Respiratory Equipment and
Supplies**

**Adjustments are proposed to be effective
March 1, 2017**

SUMMARY OF PROPOSED ADJUSTMENTS

To Be Effective March 1, 2017

Included in this document is information relating to the proposed adjustments to Medicaid payment rates for Medical Policy Review of Respiratory Equipment and Supplies. 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 March 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 February 16, 2017, 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:

Santos Calderon, Jr, Rate Analysis for Acute Care Services
Texas Health and Human Services Commission
(512) 707-6076 FAX: (512) 730-7475
E-mail: santos.calderonjr@hhsc.state.tx.us

HHSC will broadcast the public hearing; the broadcast can be accessed at <http://legacy-hhsc.hhsc.state.tx.us/news/webcasting.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:

- §355.8021, which addresses the reimbursement methodology for home health services and durable medical equipment, prosthetics, orthotics, and supplies.
- §355.8441, which addresses the reimbursement methodology for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services.

Proposed Rate Adjustments

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

- 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.
- 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.
 - The current Medicaid fee for a similar service (comparable).
 - 82 percent of the manufacturer suggested retail price supplied by provider associations or manufacturers.
 - Cost shown on a manufacturer's invoice submitted by the provider to HHSC

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

Att – Respiratory Equipment and Supplies

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@hhsc.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 - RESPIRATORY EQUIPMENT AND SUPPLIES (Proposed to be effective March 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	
9	A4606		oxygen probe for use with oximeter device, replacement	0-999	N	\$36.90	\$36.90	\$36.90	\$36.90	0.00%
9	A4606	U5	oxygen probe for use with oximeter device, replacement	0-999	N	Not a Benefit	Not a Benefit	\$187.13	\$187.13	100.00%
9	A4623		tracheostomy, inner cannula	0-999	N	\$5.28	\$5.28	\$5.28	\$5.28	0.00%
9	A4623	U3	tracheostomy, inner cannula	0-999	N	Not a Benefit	Not a Benefit	\$2.57	\$2.57	100.00%
9	A7025		High frequency chest wall oscillation system vest, replacement for use with patient-owned equipment	0-999	N	Not a Benefit	Not a Benefit	\$468.88	\$468.88	100.00%
9	A7036		Chinstrap used with positive airway pressure device	0-999	N	Not a Benefit	Not a Benefit	\$9.62	\$9.62	100.00%
9	A7520	TF	tracheostomy/laryngectomy tube, non-cuffed, polyvinylchloride (pvc), silicone or equal, each	0-999	N	\$104.86	\$104.86	Not a Benefit	Not a Benefit	-100.00%
9	A7520	U1	tracheostomy/laryngectomy tube, non-cuffed, polyvinylchloride (pvc), silicone or equal, each	0-999	N	Not a Benefit	Not a Benefit	\$104.86	\$104.86	100.00%
9	A7520	TG	tracheostomy/laryngectomy tube, non-cuffed, polyvinylchloride (pvc), silicone or equal, each	0-999	N	Manually Priced	Manually Priced	Not a Benefit	Not a Benefit	-100.00%
9	A7520	U2	tracheostomy/laryngectomy tube, non-cuffed, polyvinylchloride (pvc), silicone or equal, each	0-999	N	Not a Benefit	Not a Benefit	Manually Priced	Manually Priced	100.00%
9	A7521	TF	tracheostomy/laryngectomy tube, cuffed, polyvinylchloride (pvc), silicone or equal, each	0-999	N	\$104.86	\$104.86	Not a Benefit	Not a Benefit	-100.00%
9	A7521	U1	tracheostomy/laryngectomy tube, cuffed, polyvinylchloride (pvc), silicone or equal, each	0-999	N	Not a Benefit	Not a Benefit	\$104.86	\$104.86	100.00%
9	A7521	TG	tracheostomy/laryngectomy tube, cuffed, polyvinylchloride (pvc), silicone or equal, each	0-999	N	Manually Priced	Manually Priced	Not a Benefit	Not a Benefit	-100.00%
9	A7521	U2	tracheostomy/laryngectomy tube, cuffed, polyvinylchloride (pvc), silicone or equal, each	0-999	N	Not a Benefit	Not a Benefit	Manually Priced	Manually Priced	100.00%
9	E0441		oxygen contents, gaseous (for use with owned gaseous stationary systems or when both a stationary and portable gaseous system are owned)	0-999	N	Not a Benefit	Not a Benefit	\$50.45	\$50.45	100.00%
L	E0441		stationary oxygen contents, liquid, 1 month's supply = 1 unit	0-999	N	\$7.13	\$7.13	Not a Benefit	Not a Benefit	-100.00%

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9	E0442		stationary oxygen contents, liquid, 1 month's supply = 1 unit	0-999	N	Not a Benefit	Not a Benefit	\$50.45	\$50.45	100.00%
L	E0442		stationary oxygen contents, liquid, 1 month's supply = 1 unit	0-999	N	\$7.13	\$7.13	Not a Benefit	Not a Benefit	-100.00%
9	E0443		portable oxygen contents, gaseous, 1 month's supply = 1 unit	0-999	N	Not a Benefit	Not a Benefit	\$49.79	\$49.79	100.00%
L	E0443		portable oxygen contents, gaseous, 1 month's supply = 1 unit	0-999	N	\$7.13	\$7.13	Not a Benefit	Not a Benefit	-100.00%
9	E0444		portable oxygen contents, liquid, 1 month's supply = 1 unit	0-999	N	Not a Benefit	Not a Benefit	\$49.79	\$49.79	100.00%
L	E0444		portable oxygen contents, gaseous, 1 month's supply = 1 unit	0-999	N	\$7.13	\$7.13	Not a Benefit	Not a Benefit	-100.00%
J	E0445	TG*	Oximeter device for measuring blood oxygen levels noninvasively	0-20	N	\$2,214.00	\$2,036.88	Not a Benefit	Not a Benefit	-100.00%
J	E0445	U4	Oximeter device for measuring blood oxygen levels noninvasively	0-20	N	Not a Benefit	Not a Benefit	\$2,036.88	\$2,036.88	100.00%
L	E0445	TG*	Oximeter device for measuring blood oxygen levels noninvasively	0-20	N	\$221.40	\$203.69	Not a Benefit	Not a Benefit	-100.00%
L	E0445	U4	Oximeter device for measuring blood oxygen levels noninvasively	0-20	N	Not a Benefit	Not a Benefit	\$203.69	\$203.69	100.00%
L	E0445		Oximeter device for measuring blood oxygen levels noninvasively	21-999	N	Not a Benefit	Not a Benefit	\$50.92	\$50.92	100.00%
J	E0500		IPPB machine, all types, with built-in nebulization; manual or automatic valves; internal or external power source	0-999	N	Not a Benefit	Not a Benefit	\$953.90	\$953.90	100.00%
L	E0618		Apnea monitor, without recording feature	0-999	N	Not a Benefit	Not a Benefit	\$233.53	\$233.53	100.00%
J	E0619		Apnea monitor, with recording feature	21-999	N	Not a Benefit	Not a Benefit	\$1,956.52	\$1,956.52	100.00%
L	E0619		Apnea monitor, with recording feature	21-999	N	Not a Benefit	Not a Benefit	\$195.65	\$195.65	100.00%
J	E0605		Vaporizer, room type	0-999	N	\$24.20	\$24.20	Not a Benefit	Not a Benefit	-100.00%

*Type of Service (TOS)	
9	Other Medical Items or Services
J	Durable Medical Equipment Purchase - New

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						Current Medicaid Fee	Current Adjusted Medicaid Fee	Proposed Medicaid Fee	Proposed Adjusted Medicaid Fee	
L	Durable Medical Equipment Rental - Monthly									
*Modifiers										
TF	Tracheostomy with specialized functions									
TG	Custom-made tracheostomy									
TG*	Oximeter Device - complex/high level of care									
U1	Tracheostomy with specialized functions									
U2	Custom-made tracheostomy									
U3	Disposable tracheostomy - up to 31 per calendar month									
U4	Oximeter Device - complex/high level of care									
U5	Reusable oxygen probe - 1 unit per 6 calendar months									