

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

**Proposed Medicaid Payment Rate for
2013 Annual Healthcare Common Procedure Coding
System Correction for Durable Medical Equipment,
Prosthetics, Orthotics and Supplies**

**Payment rates are proposed to be effective
July 1, 2013.**

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective July 1, 2013

Included in this document is information relating to the proposed Medicaid payment rates for 2013 Annual Healthcare Common Procedure Coding System Correction for Durable Medical Equipment, Prosthetics, Orthotics and Supplies. The rates are proposed to be effective July 1, 2013.

Hearing

HHSC will conduct a public hearing to receive comments regarding the proposed Medicaid rates detailed in this document on May 15, 2013, at 1:30 p.m. in the Brown Heatly Public Hearing Room, at 4900 North Lamar, Austin, TX 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 1 TAC §355.105(g), 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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Background

The Health and Human Services Commission (HHSC) is responsible for the reimbursement determination 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 and clinical laboratory services are reviewed annually. These biennial reviews result in rates that are increased, decreased, or remain the same. The reviews are unrelated to rate reduction imposed by the legislature, but rather 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 this rule in Title 1 of the Texas Administrative Code (1 TAC):

- 355.8021, which addresses the reimbursement methodology for home health

services and durable medical equipment, prosthetics, orthotics and supplies;
and

- §355.8441, which addresses the reimbursement methodology for in Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Program (known in Texas as Texas Health Steps).

The reimbursement rates proposed reflect applicable reductions directed by the 2012-2013 General Appropriations Act, H.B. 1, 82nd Legislature, Regular Session. Detailed information related to specifics of the reductions can be found on the Medicaid fee schedules at <http://public.tmhpc.com/FeeSchedules/Default.aspx>.

Proposed Rates

The proposed rates are based on the following:

- For DMEPOS, participating providers are reimbursed the lesser of the billed amount or the Medicaid reimbursement rate. The Medicaid reimbursement rate is usually a percentage of the Medicare reimbursement rate for the procedure code on the Medicare fee schedule specific to Texas that is available at the time of the review unless that rate is insufficient for the items covered under the procedure code that are required by the Texas Medicaid population.
- 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:
 - Current Medicaid fee for a similar service (comparable code)
 - 82 percent of the manufacturer's suggested retail price (MSRP) supplied by provider associations or manufacturers.
 - 10 to 1 purchase to rental ratio.

Proposed payment rates are listed in the attachment outlined below:

Attachment – DMEPOS 2013 Annual HCPCS Correction