

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

**Proposed Medicaid Payment Rates for
Hearing Devices and Services**

Payment rates are proposed to be effective October 1, 2012.

SUMMARY OF PROPOSED MEDICAID PAYMENT RATES

Effective October 1, 2012

Included in this document is information about the Medicaid payment rates for Hearing Devices and Services. The rates are proposed to be effective October 1, 2012.

Hearing

HHSC will conduct a public hearing to receive comments regarding the proposed Medicaid rates detailed in this document on August 15, 2012, at 1:30 p.m. in the Lone Star Conference Room in Building H of the Braker Center, at 11209 Metric Boulevard, Austin, TX 78758-4021, with entrance through Security at the front of the building facing Metric 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 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 unrelated to any 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 these rules in Title 1 of the Texas Administrative Code (1 TAC):

- §355.8081, which addresses payments for laboratory and x-ray services, radiation therapy, physical therapists' services, physician services, podiatry services, chiropractic services, optometric services, ambulance services, dentists' services, psychologists' services, licensed psychological associates'

services, maternity clinic services, and tuberculosis clinic services;

- §355.8085, which addresses the reimbursement methodology for physicians and other medical professionals, including medical services, surgery, assistant surgery, and physician administered drugs/biologicals; medical services, surgery, assistant surgery, radiology, laboratory, and radiation therapy;
- §355.8141, which addresses the reimbursement for hearing aid services.

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.

Proposed Rates

The proposed rates are based on the following:

(1) If Medicare reimburses a hearing aid device or service, the maximum allowable fee will be equal to or a percentage of the Medicare reimbursement rate for the procedure code, using the Medicare fee schedule that is specific to Texas and that is available at the time of review, unless HHSC determines, based on documented evidence, that the Medicare reimbursement rate is insufficient for the Medicaid population.

(2) If Medicare does not reimburse for a hearing aid device or service, the maximum allowable fee is set using other sources, such as:

(A) Custom or published reports and reimbursement rates for the same or similar item within a specific geographic area of Texas;

(B) Medicaid payment rates for the same or similar items in other states;

(C) 82 percent of the manufacturer's suggested retail price (MSRP); and

(D) Cost confirmed on the manufacturer's invoice the provider submits to HHSC.

(3) Notwithstanding paragraphs (1) and (2) of this subsection, if a procedure code covers a broad range of items with a broad range of costs such that HHSC determines a single payment rate is unreasonable or could unduly limit access to care, HHSC may establish the maximum allowable fee using manual pricing, using the following methodology.

Proposed payment rates are listed in the attachments outlined below:

Attachment – Hearing Devices and Services

