

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

**Notice of Proposed Adjustments to Fees, Rates or
Charges for Quarterly Healthcare Common
Procedure Coding System (HCPCS) Updates**

**Adjustments are proposed to be effective
November 1, 2019**

SUMMARY OF PROPOSED ADJUSTMENTS

To Be Effective November 1, 2019

Included in this document is information relating to the proposed adjustments to Medicaid payment rates for Quarterly Healthcare Common Procedure Coding System (HCPCS) Updates. 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 November 1, 2019.

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 September 20, 2019, at 9:00 a.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:

Rate Analysis for Acute Care Services
Texas Health and Human Services Commission
E-mail: RADAcuteCare@hsc.state.tx.us

HHSC will broadcast the public hearing; the broadcast can be accessed at <https://hhs.texas.gov/about-hhs/communications-events/live-archived-meetings>. 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:

- §355.8061, which addresses outpatient hospital reimbursement
- §355.8085, which addresses the reimbursement methodology for physicians and other practitioners;
- §355.8441, which addresses the reimbursement methodologies for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) Services (known in Texas as Texas Health Steps); and
- §355.8610, which addresses reimbursement for clinical laboratory services.

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).
- 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. Physician-administered drug pricing methodologies are outlined in §355.8085.
- 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)
- 82 percent of the manufacturer suggested retail price (MSRP) supplied by provider associations or manufacturers
- 89.5 percent of the average wholesale price for enteral and parenteral products
- 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:

HCPCS Att 1 – Drugs

HCPCS Att 2 – Non-Drugs

HCPCS Att 3 – Clinical Diagnostic Laboratory Services

HCPCS Att 4 – Hospital Outpatient 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@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.

This public rate hearing briefing packet presents proposed payment rates and is distributed at HHSC public rate hearings and posted by the proposed effective date on the HHSC website at <http://rad.hhs.texas.gov/rate-packets>. Proposed rates may or may not be adopted, depending on HHSC management decisions after review of public comments and additional information. Provider and public notification about adoption decisions are

published on the Texas Medicaid and Healthcare Partnership (TMHP) website at <http://www.tmhp.com> in banner messages, bulletins, notices, and updates to the Texas Medicaid fee schedules. The fee schedules are available in static files or online lookup at <http://public.tmhp.com/FeeSchedules>.

Quarterly Healthcare Common Procedure Coding System (HCPCS) Attachment 1 - Drugs - (Proposed to be effective November 1, 2019)

TOS*	Procedure Code	Modifier	Long Description	Age Range	CURRENT		11/01/2019		Percent Change from Current Medicaid
					Current Medicaid Fee	Current Adjusted Medicaid Fee	Proposed Medicaid Fee	Proposed Adjusted Medicaid Fee	
1	C9037		Injection resperidone (Perseris)	0-999	\$9.69	\$9.69	\$9.69	\$9.69	0.00%
1	C9043		INJECTION, EPOETIN BETA, 1 MICROGRAM, (NON-ESRD)	0-999	\$4.80	\$4.80	\$4.80	\$4.80	0.00%
1	C9044		Injection, cemiplimab-rvlc, 1 mg	0-999	\$31.20	\$31.20	\$31.20	\$31.20	0.00%
1	C9045		Injection, moxetumomab pasudotox-tdfk, 0.01 mg	0-999	\$25.00	\$25.00	\$25.00	\$25.00	0.00%
1	C9049		tagraxofush-erzs	2-999	\$293.16	\$293.16	\$293.16	\$293.16	0.00%
1	C9050		(emapalumab-lzsg)	0-999	\$778.01	\$778.01	\$778.01	\$778.01	0.00%
1	C9051		Injection, omadacycline, 1 mg	0-999	\$3.71	\$3.71	\$3.71	\$3.71	0.00%
1	C9052		ravulizumab-cwvz	0-999	\$229.26	\$229.26	\$229.26	\$229.26	0.00%
1	J7208		Injection, factor viii, (antihemophilic factor recombinant), pegylated-aucl (jivi) 1 i.u.	0-999	\$2.24	\$2.24	\$2.24	\$2.24	0.00%
1	J3245		tildrakizumab-asmn	0-999	\$135.21	\$135.21	\$135.21	\$135.21	0.00%
1	J7342		Instillation, ciprofloxacin otic suspension, 6 mg	0-999	\$28.89	\$28.89	\$28.89	\$28.89	0.00%
1	Q5105		Injection, epoetin alfa, biosimilar, (Retacrit) (for esrd on dialysis), 100 units	0-999	\$1.14	\$1.14	\$1.14	\$1.14	0.00%
1	Q5106		Injection, epoetin alfa, biosimilar, (Retacrit) (for esrd on dialysis), 1000 units	0-999	\$11.36	\$11.36	\$11.36	\$11.36	0.00%
1	Q5111		Injection, Pegfilgrastim-cbqv, biosimilar, (udenycya), 0.5 mg.	0-999	\$373.66	\$373.66	\$373.66	\$373.66	0.00%
9	A9513		(lutetium Lu 177 dotatate),	0-999	\$293.40	\$293.40	\$293.40	\$293.40	0.00%

***Type of Service (TOS)**

1	Medical Services
9	Other Medical Items or Services

** Required Notice: The five-character code included in this notice is obtained from the Current Procedural Terminology (CPT®), copyright 2019 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.

Quarterly Healthcare Common Procedure Coding System (HCPCS) Attachment 2 - Non-Drugs - (Proposed to be effective November 1, 2019)

TOS*	Procedure Code	Modifier	Long Description	Age Range	CURRENT		11/01/2019		Percent Change from Current Medicaid
					Current Medicaid Fee	Current Adjusted Medicaid Fee	Proposed Medicaid Fee	Proposed Adjusted Medicaid Fee	
4	C9756		intraoperative near infrared fluorescence lymphatic mapping of lymph node(s) (sentinel or tumor draining) with administration of indocyanine green (ICG) (List separately in addition to code for primary procedure)	0-20	Not a Benefit	Not a Benefit	\$112.27	\$112.27	100.00%
4	C9756		intraoperative near infrared fluorescence lymphatic mapping of lymph node(s) (sentinel or tumor draining) with administration of indocyanine green (ICG) (List separately in addition to code for primary procedure)	21-999	Not a Benefit	Not a Benefit	\$106.92	\$106.92	100.00%

***Type of Service (TOS)**

4	Radiology (Total Component)
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**Quarterly Healthcare Common Procedure Coding System Updates (HCPCS) Attachment 3 - Clinical Diagnostic Laboratory Services
(proposed to be effective November 1, 2019)**

TOS *	Procedure Code	Long Description **	Age Range	Clinical Laboratory		Sole Community Hospital		Rural Hospital		Department of State Health Services	
				Current Fee	Proposed Medicaid Fee	Current Fee	Proposed Medicaid Fee	Current Fee	Proposed Medicaid Fee	Current Fee	Proposed Medicaid Fee
5	81177	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81178	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81179	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81180	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81181	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81184	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81185	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81186	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81237	**	0-999	\$147.34	\$161.28	\$168.39	\$168.38	\$168.39	\$168.38	\$175.40	\$189.43
5	81329	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81336	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96
5	81337	**	0-999	Not a Benefit	\$115.08	Not a Benefit	\$131.52	Not a Benefit	\$131.52	Not a Benefit	\$147.96

*Type of Service (TOS)	
5	Clinical Laboratory Services

Quarterly Healthcare Common Procedure Coding System Updates (HCPCS) Attachment 4 - Hospital Outpatient Diagnostic Radiology (proposed to be effective November 1, 2019)

TOS*	Procedure code	Long Description **	Age Range	Current Urban Hospital Outpatient	***Proposed Medicaid Fee	Current Rural Hospital Outpatient Fee	***Proposed Medicaid Fee
4	C9756	Intraoperative near-infrared fluorescence lymphatic mapping of lymph node(s) (sentinel or tumor draining) with administration of indocyanine green (ICG) (List separately in addition to code for primary procedure)	0-999	Not a Benefit	\$106.65	Not a Benefit	\$106.65
*Type of Service (TOS)							
4	Radiology						

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