

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

**Notice of Proposed Adjustments for
Anesthesia Services**

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

SUMMARY OF PROPOSED ADJUSTMENTS

To Be Effective November 1, 2017

Included in this document is information relating to the proposed adjustments to Medicaid payment rates for Anesthesia 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 November 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 September 20, 2017, at 9:00 a.m. in John H. Winters Building, Public Hearing Room located at 701 West 51st Street, Austin, Texas. Entrance is through Security at the front of the building facing 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 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@hhsc.state.tx.us

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:

- §355.8085, which addresses the reimbursement methodology for physicians and other practitioners.
- §355.8221, which addresses the reimbursement methodology for a certified registered nurse anesthetist (CRNA).
- §355.8441, which addresses the reimbursement methodology for Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) services (known in Texas as Texas Health Steps).

Legislative Direction

The 2018-19 General Appropriations Act, S.B. 1, 85th Legislature, Regular Session, 2017 [Article II, HHSC, Rider 223] directed the Health and Human Services Commission (HHSC) to review and evaluate the reimbursement methodology and payment rates for anesthesiology supervision.

Proposed Rates Adjustments

The proposed rates are based on specific modifiers, conversion factors, and flat rates billed by an independent anesthesiologist, supervising anesthesiologist, and a supervised CRNA or AA. Beginning November 1, 2017, two adjustments will be implemented. First, the reimbursement rate to an anesthesiologist supervising a CRNA or AA will decrease from 75 to 50 percent and the reimbursement rate to a CRNA or AA when supervised by an anesthesiologist will decrease from 92 to 50 percent of the calculated rate. Medical services solely performed by an anesthesiologist (AA-U1) will receive 100 percent while a CRNA (QZ-U1) who is supervised by a physician will receive 92 percent of the calculated rate. Second, the conversion factors and flat rates will be adjusted to account for the changes in reimbursement structure. See rate hearing packets for additional detail.

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

Attachment 1 – Anesthesia Modifiers and Conversion Factors

Attachment 2 – Anesthesia Flat Rates

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 fees schedules are available in static files or online lookup at <http://public.tmhp.com/FeeSchedules>.

ATTACHMENT 1 - ANESTHESIA MODIFIERS AND CONVERSION FACTORS (proposed to be effective November 1, 2017)

Current Texas Medicaid policy allows an anesthesiologist to supervise a certified registered nurse anesthetist (CRNA) and/or anesthesiologist assistant (AA) during medical procedures. Each medical professional may bill and be paid separately by Texas Medicaid when providing services to the same Medicaid client through the use of modifiers listed in the table below for anesthesia procedure codes 00100 through 01999. In the current reimbursement structure, an anesthesiologist is reimbursed at 75 percent of the calculated rate for each supervised CRNA or AA. Whereas the CRNA or AA is reimbursed at 92 percent of calculated rate for the same service as the anesthesiologist.

Beginning November 1, 2017, the reimbursement rate to an anesthesiologist supervising a CRNA or AA will decrease from 75 to 50 percent and the reimbursement to a CRNA or AA supervised by an anesthesiologist will decrease from 92 to 50 percent of the calculated rate. Medical services solely performed by an anesthesiologist (AA-U1) will receive 100 percent while a CRNA (QZ-U1) who is supervised by a physician will receive 92 percent of the calculated rate. Also, beginning November 1, 2017, the current five anesthesia conversion factors will be replaced with three conversion factors when billing anesthesia services. Please see the tables below for more information.

TABLE 1: REIMBURSEMENT TO ANESTHESIOLOGIST

Anesthesia Modifiers	Description	MODIFIERS		CONVERSION FACTORS	
		CURRENT	PROPOSED	CURRENT	PROPOSED
		Modifier Combination Adjustment	Modifier Combination Adjustment - Effective 11/1/2017	Five Conversion Factors	Three Conversion Factors
AA plus U1	Anesthesiologist personally performing the anesthesia service	100 percent of calculated rate for each Medicaid client	100 percent of calculated rate for each Medicaid client	Children: Non-Obstetrics-\$19.83; Obstetrics-\$23.22; Dental-\$27.276 Adults: Non-Obstetrics-\$18.42; Obstetrics-\$19.58; Dental-\$27.276	Children: \$25.60; Adults: \$24.32; Dental: \$27.276
QY plus U1	Anesthesiologist is medically directing one CRNA, AA, or other qualified professional.	75 percent of calculated rate for each Medicaid client	50 percent of calculated rate for each Medicaid client		
QY plus U2					
QK plus U1	Anesthesiologist is medically directing two, three, or four concurrent anesthesia procedures provided by CRNAs, AAs, or other qualified professionals.	75 percent of calculated rate for each Medicaid client	50 percent of calculated rate for each Medicaid client		
QK plus U2					
AD plus U1	Anesthesiologist for medical supervision for more than four concurrent anesthesia procedures provided by CRNAs, AAs, or other qualified professionals. Used in emergency circumstances only and limited to 6 units (90 minutes) per case for each occurrence requiring five or more concurrent procedures.	75 percent of calculated rate for each Medicaid client	50 percent of calculated rate for each Medicaid client		
AD plus U2					
QX plus U2	CRNA, AA, or other qualified professional who provided services under the medical direction of an anesthesiologist.	75 percent of calculated rate for each Medicaid client	50 percent of calculated rate for each Medicaid client		

TABLE 2: REIMBURSEMENT TO CERTIFIED REGISTERED NURSE ANESTHETIST AND ANESTHESIOLOGIST ASSISTANT

Anesthesia Modifiers	Description	MODIFIERS		CONVERSION FACTORS	
		CURRENT	PROPOSED	CURRENT	PROPOSED
		Modifier Combination Adjustment	Modifier Combination Adjustment - Effective 11/1/2017	Five Conversion Factors	Three Conversion Factors
QY plus U1	Anesthesiologist is medically directing one CRNA, AA, or other qualified professional.	92 percent of calculated rate for each Medicaid client	50 percent of calculated rate for each Medicaid client	Children: Non-Obstetrics-\$19.83; Obstetrics-\$23.22; Dental-\$27.276 Adults: Non-Obstetrics-\$18.42; Obstetrics-\$19.58; Dental-\$27.276	Children: \$25.60; Adults: \$24.32; Dental: \$27.276
QY plus U2					
QK plus U1	Anesthesiologist is medically directing two, three, or four concurrent anesthesia procedures provided by CRNAs, AAs, or other qualified professionals.	92 percent of calculated rate for each Medicaid client	50 percent of calculated rate for each Medicaid client		
QK plus U2					
AD plus U1	Anesthesiologist for medical supervision for more than four concurrent anesthesia procedures provided by CRNAs, AAs, or other qualified professionals. Used in emergency circumstances only and limited to 6 units (90 minutes) per case for each occurrence requiring five or more concurrent procedures.	92 percent of calculated rate for each Medicaid client	50 percent of calculated rate for each Medicaid client		
AD plus U2					
QX plus U2	CRNA, AA, or other qualified professional who provided services under the medical direction of an anesthesiologist.	92 percent of calculated rate for each Medicaid client	50 percent of calculated rate for each Medicaid client		
QZ plus U1	CRNA has personally performed the anesthesia services while directed by a physician.	92 percent of calculated rate for each Medicaid client	92 percent of calculated rate for each Medicaid client		

ATTACHMENT 2 - ANESTHESIA FLAT RATE PROCEDURE CODES (proposed to be effective November 1, 2017)

Proposed Medicaid reimbursement rates for Anesthesiologists (independent and supervising), Certified Registered Nurse Anesthetists (CRNAs) or Anesthesiologist Assistants (AAs) when supervised by an anesthesiologist and CRNAs when supervised by a physician (billing with modifier QZ-U1).

TOS*	Procedure Code	Long Description	Age Range	Non-Facility (N)/ Facility (F)	CURRENT		PROPOSED	ACTUAL PAYMENT TO EACH PROVIDER			
					Current Medicaid Fee	Current Adjusted Medicaid Fee	Proposed Medicaid Fee	Independent Anesthesiologist (AA-U1) (See Note 1)	Anesthesiologist Supervising a CRNA/AA (See Note 2)	CRNA/AA when supervised by an anesthesiologist (See Note 2)	CRNA Supervised by a Physician (Billing with QZ-U1) (See Note 3)
7	01960	**	0-20	F	\$285.56	\$279.85	\$322.56	\$322.56	\$161.28	\$161.28	\$296.76
7	01960	**	21-999	F	\$240.78	\$235.96	\$271.97	\$271.97	\$135.99	\$135.99	\$250.21
7	01967	**	0-20	F	\$294.73	\$288.84	\$332.92	\$332.92	\$166.46	\$166.46	\$306.29
7	01967	**	21-999	F	\$248.51	\$243.54	\$280.70	\$280.70	\$140.35	\$140.35	\$258.24
7	01996	**	0-20	F	\$33.65	\$32.98	\$38.01	\$38.01	\$19.01	\$19.01	\$34.97
7	01996	**	21-999	F	\$28.37	\$27.80	\$32.04	\$32.04	\$16.02	\$16.02	\$29.48
7	01999	**	0-999	F	Manually Priced	Manually Priced	Manually Priced	Manually Priced	Manually Priced	Manually Priced	Manually Priced

Note 1: Medical service solely performed by an anesthesiologist will be reimbursed 100 percent of the calculated payment rate (AA-U1).

Note 2: Supervised services will be reimbursed 50 percent of the calculated payment to a supervising anesthesiologist, and supervised CRNA and/or AA.

Note 3: A CRNA supervised by a physician (QZ-U1) will be reimbursed 92 percent of the calculated payment rate.

*Type of Service (TOS)	
7	Anesthesia
**Modifiers	
AA-U1	Anesthesiologist personally performs the anesthesia service.
QZ-U1	CRNA has personally performed the anesthesia services while directed by a physician.

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