

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

**Notice of Proposed Adjustments for Anesthesia
Services**

**Adjustments are proposed to be effective
January 1, 2017 and January 1, 2018**

SUMMARY OF PROPOSED ADJUSTMENTS

To Be Effective January 1, 2017 and January 1, 2018

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 January 1, 2017 and January 1, 2018.

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 October 31, 2016, at 9:00 a.m. in the Public Hearing Room of the John H. Winters Building at 701 West 51st Street, Austin, Texas. Entry is through security at the main entrance of the building facing West 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:

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Texas Health and Human Services Commission
(512) 707-6071; FAX: (512) 730-7475
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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.

Proposed Rates Adjustments

The proposed rates are based on specific modifiers billed by anesthesiologists when supervising CRNAs/AAs. Beginning January 1, 2017, the reimbursement for anesthesiologists supervising CRNAs/AAs will decrease to 75 percent of the current reimbursement for anesthesiologists. On January 1, 2018, the reimbursement for anesthesiologists supervising CRNAs/AAs will decrease to 25 percent of the current reimbursement for anesthesiologists. No changes are proposed for reimbursement to CRNAs/AAs who are reimbursed at 92 percent of the anesthesiologist's reimbursement for a particular service.

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

Attachment 1 – Anesthesia Services

Written Comments

Written comments regarding the proposed payment rates 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@hpsc.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 1 - ANESTHESIA SERVICES (proposed to be effective January 1, 2017 and January 1, 2018)

Current Texas Medicaid policy allows anesthesiologists to supervise Certified Registered Nurse Anesthetists (CRNA) and/or Anesthesiologist Assistants (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 use of the modifiers listed in the table below for anesthesia procedure codes 00100 through 01999. In the current reimbursement structure, an anesthesiologist is reimbursed at 100 percent of the established reimbursement rate for each CRNA/AA that is supervised. The CRNA/AA is also reimbursed at 92 percent of the anesthesiologist's reimbursement rate for the same service.

The Texas Health and Human Services Commission is proposing to revise specific modifiers billed by anesthesiologists when supervising CRNAs/AAs. As displayed in the table below, beginning January 1, 2017, the reimbursement for anesthesiologists supervising CRNAs/AAs will decrease to 75 percent of the current reimbursement for anesthesiologists. On January 1, 2018, the reimbursement for anesthesiologists supervising CRNAs/AAs will decrease to 25 percent of the current reimbursement for anesthesiologists. No changes are proposed for reimbursement to CRNAs/AAs who are reimbursed at 92 percent of the anesthesiologist's reimbursement for a particular service. The table below outlines the affected modifiers and descriptions with proposed effective dates.

| Anesthesia Modifiers | Description | Current | Proposed | |
|----------------------|---|---|---|---|
| | | Modifier Combination Adjustment - Percent of Physician Rate | Modifier Combination Adjustment - Effective 1/1/2017 | Modifier Combination Adjustment - Effective 1/1/2018 |
| QY plus U1 | Use when directing one procedure provided by a non-CRNA qualified professional. | 100 percent of physician rate for each Medicaid client | 75 percent of physician rate for each Medicaid client | 25 percent of physician rate for each Medicaid client |
| QY plus U2 | Use when directing one procedure by a CRNA or AA. | | | |
| QK plus U1 | Use when directing two, three, or four concurrent procedures provided by non-CRNA qualified professionals. | | | |
| QK plus U2 | Use when directing two, three, or four concurrent procedures involving CRNAs. | | | |
| AD plus U1 | Use when directing five or more concurrent procedures provided by non-CRNA 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. | | | |
| AD plus U2 | Use when directing five or more concurrent procedures involving CRNA(s) or AA(s). Used in emergency circumstances only and limited to 6 units (90 minutes) per case for each occurrence requiring five or more concurrent procedures. | | | |

*Note: No changes are proposed for services personally provided by an anesthesiologist (modifiers AA-U1)