

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

**Notice of Adjustments to Fees, Rates or Charges for  
Quarterly Healthcare Common Procedure Coding  
System (HCPCS) Updates Related to Coronavirus  
Disease 2019 (COVID-19)**

**Adjustments are to be effective  
June 25, 2020**

## **SUMMARY OF ADJUSTMENTS**

**To Be Effective June 25, 2020**

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 adjustments to Medicaid payment rates for Quarterly HCPCS Updates Related to Coronavirus Disease 2019 (COVID-19). The rate adjustments are effective June 25, 2020.

In accordance with section 418.016 of the Texas Government Code, to the extent necessary to respond to COVID-19 related rates, the Office of the Governor has suspended the requirements of Texas Human Resource Code 32.0282 and Title 1, Texas Administrative Code, sections 355.201(e) and 355.105(g) in order to ensure timely delivery of necessary medical services in relation to the COVID-19 response. Accordingly, HHSC will not hold a rate hearing. 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](mailto:RADAcuteCare@hsc.state.tx.us)

### **Background**

HHSC is responsible for the reimbursement determination functions for the Texas Medicaid Program. 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.

### **Methodology**

The specific administrative rules that govern the establishment of the fees in this packet include these rules in Title 1 of the Texas Administrative Code:

- §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 the reimbursement for clinical laboratory services.

### **Rate Adjustments**

A summary of the methodologies used to determine the 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 relative value units. 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 payment rate adjustments are listed in the attachments outlined below:

HCPCS Update Att 1 – Effective June 25, 2020

## **Effective for Duration of Emergency**

Rates as presented in this packet are to be effective for the duration of the federal emergency declaration. Following the conclusion of the emergency declaration, these rates will be reevaluated and potentially repriced according to HHSC methodology.

## **Contact Information**

Questions regarding the payment rate adjustments in the packet 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) 730-74715; or by e-mail to [RADAcuteCare@hhsc.state.tx.us](mailto:RADAcuteCare@hhsc.state.tx.us). Due to the COVID-19 public health emergency, e-mail is strongly encouraged.

This public rate packet presents adopted payment rates and is posted on the HHSC website at <http://rad.hhs.texas.gov/rate-packets>. 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>.

Attachment 1 - COVID-19 HCPCS Updates - (effective June 25, 2020)

TOS*	Procedure Code	Long Description	Age Range	Non-Facility (N)/Facility (F)	Current					6/25/2020					Percentage Change from Current Clinical Lab Fee	Percentage Change from Current Sole Community Lab Fee	Percentage Change from Current DSHS Community Lab Fee	Percentage Change from Current Rural Hospital Fee	Percentage Change from Current Rural Sole Community Lab Fee
					Current Clinical Lab Fee	Current Sole Community Lab Fee	Current DSHS Clinical Lab Fee	Current Rural Hospital Fee	Current Rural Sole Community Fee	Clinical Lab Fee	Sole Community Lab Fee	DSHS Clinical Lab Fee	Rural Hospital Fee	Rural Sole Community Fee					
5	87426	**	0-999	N/F	Not a benefit	Not a benefit	Not a benefit	Not a benefit	Not a benefit	Manually Priced	Manually Priced	Manually Priced	Manually Priced	Manually Priced	100%	100%	100%	100%	100%

*Type of Service (TOS)	
5	Laboratory

**\*\* Required Notice:** The codes included in this notice is obtained from the Current Procedural Terminology (CPT®), copyright 2020 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.