

HEALTH AND HUMAN SERVICES COMMISSION

Public Notice - Texas State Plan for Medical Assistance Amendment

The Texas Health and Human Services Commission (HHSC) announces its intent to submit an amendment to the Texas State Plan for Medical Assistance, under Title XIX of the Social Security Act. The proposed amendment is effective September 11, 2021.

The purpose of the amendment is to increase the outpatient reimbursement rates for rural hospitals. HHSC proposes an increase to the outpatient services reimbursement by removing the cap that was established September 1, 2013 and applying a percentage increase to the cost to charge ratios for rural hospitals.

The proposed amendment will also eliminate the cost settlement of payments to maintain the level of payment for outpatient emergency department Services. HHSC proposes a decrease in the allowable charges to 55 percent for these services to accommodate the increase in cost to charge ratios and retain the payments below 65 percent of cost. The amendment explains the cost to charge ratio rate setting process by including a section specific to rural hospitals. The amendment establishes a minimum fee schedule for services delivered through the Medicaid managed care program for all rural hospitals.

The proposed amendment is estimated to result in an annual aggregate expenditure of \$32,393,035 for federal fiscal year (FFY) 2022, consisting of \$19,694,965 in federal funds and \$12,698,070 in state general revenue. For FFY 2023, the estimated annual aggregate expenditure is \$33,901,305, consisting of \$20,710,307 in federal funds and \$13,190,998 in state general revenue. For FFY 2024, the estimated annual aggregate expenditure is \$33,901,305 consisting of \$20,710,307 in federal funds and \$13,190,998 in state general revenue.

Further detail on specific reimbursement rates and percentage changes is available on the HHSC Provider Finance website under the proposed effective date at:

<https://pfd.hhs.texas.gov/rate-packets>.

Rate Hearings. A rate hearing was conducted online on July 12, 2021, at 9:00 A.M. Information about the proposed rate changes and the hearing were published in the July 2, 2021 issue of the *Texas Register* (46 TexReg 4046). The notice of hearing can be found at <http://www.sos.state.tx.us/texreg/index.shtml>.

Copy of Proposed Amendment. Interested parties may obtain additional information and/or a free copy of the proposed amendment by contacting Kevin Niemeyer, State Plan Policy Advisor, by mail at the Health and Human Services Commission, P.O. Box 13247, Mail Code H-600, Austin, TX 78711; by telephone at (512) 487-3349; by facsimile at (512) 730-7472; or by e-mail at

[Medicaid Chip SPA Inquiries@hhsc.state.tx.us](mailto:Medicaid_Chip_SPA_Inquiries@hhsc.state.tx.us). Copies of the proposed amendment will be available for review at the local county offices of HHSC, which were formerly the local offices of the Texas Department of Aging and Disability Services.

Written Comments. Written comments about the proposed amendment and/or requests to review comments may be sent by U.S. mail, overnight mail, special delivery mail, hand delivery, fax, or email:

U.S. Mail

Texas Health and Human Services Commission
Attention: Provider Finance Department
Mail Code H-400
P.O. Box 149030
Austin, Texas 78714-9030

Overnight mail, special delivery mail, or hand delivery

Texas Health and Human Services Commission
Attention: Provider Finance Department
North Austin Complex
Mail Code H-400
4601 W Guadalupe St
Austin TX, 78751
Phone number for package delivery: 512-730-7401

Fax

Attention: Provider Finance at 512-730-7475

Email

PFD_Hospitals@hhsc.state.tx.us

Preferred Communication. During the current state of disaster due to COVID-19, physical forms of communication are checked with less frequency than during normal business operations. For quickest response, and to help curb the possible transmission of infection, please use e-mail or phone if possible, for communication with HHSC related to this state plan amendment.