

MEDICAID SERVICES MANUAL
TRANSMITTAL LETTER

May 24, 2018

TO: CUSTODIANS OF MEDICAID SERVICES MANUAL
FROM: LYNNE FOSTER, CHIEF OF DIVISION COMPLIANCE
SUBJECT: MEDICAID SERVICES MANUAL CHANGES
CHAPTER 1300 – DME DISPOSABLE SUPPLIES AND
SUPPLEMENTS

BACKGROUND AND EXPLANATION

Revisions to Medicaid Services Manual (MSM) Chapter 1300 – DME Disposable Supplies and Supplements are being proposed.

The definition Durable Medical Equipment Prosthetic Orthotic and Supplies (DMEPOS) is being updated to reflect the CMS' removal of the requirement that covered equipment be used in the home and now covers settings where normal life activities take place. Revised the language regarding non-covered items. Revised the language throughout the chapter regarding the coverage of equipment for use in the home to reflect the new CMS definition of DMEPOS.

Throughout the chapter, grammar, punctuation and capitalization changes were made, duplications removed, acronyms used and standardized and language reworded for clarity. Renumbering and re-arranging of sections was necessary.

Entities Financially Affected: DMEPOS Provider Type (PT) 33, Pharmacy PT 28.

Financial Impact on Local Government: Unknown.

These changes are effective May 25, 2018

MATERIAL TRANSMITTED

CL 31639
DME Disposable Supplies and Supplements

MATERIAL SUPERSEDED

MTL 27/15, 08/16, 07/17
DME Disposable Supplies and Supplements

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
1302	Definitions, Disposable Medical Supplies	Updated the definition adding “health care” and “individual disability.”
	Definitions, Durable Medical Equipment	Updated definition adding “disability.”
1303.1.A.2	General Information	Changed verbiage to reflect where “normal life activities take place.”
1303.1.B.4 and 6	Provider Responsibility	Added paragraph regarding compliance of provider to CFR and verbiage regarding “location of normal life activities.”
1303.1.B.7	Provider Responsibility	Updated from cost invoice to “manufacturer’s suggested retail pricing.”
1303.1.C.6	Recipient Responsibility	Verbiage “or shortens lifetime of the item” added for clarity.
1303.2.A.1.a	Documentation Requirements	Added “through 60” for days allowing script timeframes.
1303.2.A.1.c.6	Documentation Requirements	Removed “diagnosis code” as was duplicate wording.
1303.3 and 1303.3.A.4.d	Rental and Purchase Options	Updated invoice of cost to “MSRP.”
1303.3.A.3	Rental and Purchase Options	Underlined verbiage for focus.
1303.4.A.2.b	Prior Authorization	Updated to reflect “locations in which normal life activities take place.”
1303.4.A.5.a	Prior Authorization	Deleted paragraph.
1303.4.A.5.b and c	Prior Authorization	Added form numbers to paragraphs.
1303.4.A.6.a.1.a	Prior Authorization	Corrected fiscal agent to “QIO like vendor.”
1303.6.B.1.a	Replacement	Updated to clarify day-to-day use and irreparable wear.

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
Appendix A.1	Non-Covered Services	Clarified adding verbiage regarding FDA and removed list of non-covered items.
Appendix A.2.c	Non-Covered Services	Added verbiage regarding reviewing for “coverage under other programs.”
Appendix B.2	Introduction and General Information	Added paragraph reiterating appropriate need for DMEPOS.
Appendix B	Miscellaneous Policy Statements	Updated throughout all of Appendix B Manufacturer’s Invoice of Cost to “Manufacturer’s Suggested Retail Price (MSRP) invoice” for clarity.
Appendix B	Miscellaneous Policy Statements	Throughout removed blanket verbiage “non-covered”, “not medically necessary” and “in the home”, rewording with some explanation for possible denials other than medical necessity and normal life activities location.