

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**MATERIAL SUPERSEDED**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

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

<b>Manual Section</b>	<b>Section Title</b>	<b>Background and Explanation of Policy Changes, Clarifications and Updates</b>
<b>Appendix A.1</b>	<b>Non-Covered Services</b>	Clarified adding verbiage regarding FDA and removed list of non-covered items.
<b>Appendix A.2.c</b>	<b>Non-Covered Services</b>	Added verbiage regarding reviewing for “coverage under other programs.”
<b>Appendix B.2</b>	<b>Introduction and General Information</b>	Added paragraph reiterating appropriate need for DMEPOS.
<b>Appendix B</b>	<b>Miscellaneous Policy Statements</b>	Updated throughout all of Appendix B Manufacturer’s Invoice of Cost to “Manufacturer’s Suggested Retail Price (MSRP) invoice” for clarity.
<b>Appendix B</b>	<b>Miscellaneous Policy Statements</b>	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.