

Medicaid Services Manual
Transmittal Letter

August 27, 2024

To: Custodians of Medicaid Services Manual

From: Casey Angres
Chief of Division Compliance

Subject: Medicaid Services Manual Changes
Chapter 600 – Physician Services

Background And Explanation

Revisions to Medicaid Services Manual (MSM) Chapter 600 – Physician Services are being proposed to add skin substitutes and clarify wound management policy. Reimbursement for the application of skin substitutes has been expanded to qualified providers and reimbursement for skin substitute products has been added to coverage to promote greater access to services related to wound management.

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: The following Provider Types (PT) affected by this change include, but are not limited to, PT 10 (Outpatient Surgery, Hospital Based), PT 12 (Hospital, Outpatient), PT 20 (Physician, M.D., Osteopath, D.O.), PT 21 (Podiatrist), PT 24 (Advanced Practice Registered Nurse), and PT 77 (Physician’s Assistant).

Financial Impact on Local Government:

SFY 25	\$19,597
SFY 26	\$33,729

These changes are effective August 28, 2024.

Material Transmitted
MTL OL Chapter 600 – Physician Services

Material Superseded
MTL N/A Chapter 600 – Physician Services

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
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MSM 600, Attachment A, Policy #6-02, Section B	Policy	Removed section.
MSM 600, Attachment A, Policy #6-02, Section B.2	Coverage and Limitations	Renamed section; added included services (First-Line Wound Care Therapy, Second-Line Wound Care Therapy, Skin Substitutes and Surgical Wound Preparation, Skin Substitute Grafts and Surgical Wound Preparation)
MSM 600, Attachment A, Policy #6-02, Section B.2(a)	Coverage and Limitations	Added subsection for First-Line Wound Care Therapy including definition, signs of improved healing, and components.
MSM 600, Attachment A, Policy #6-02, Section B.2(b)	Coverage and Limitations	Added subsection for Second-Line Wound Care Therapy including guidelines for implementation and application of metabolically active skin equivalent/skin substitutes.
MSM 600, Attachment A, Policy #6-02, Section B.3(a)	Skin Substitutes and Surgical Wound Preparation	Added subsection for use of skin substitutes in treatment of chronic Stage 3 or 4 wounds including guidelines for implementation after 30 days of appropriate wound care measures.
MSM 600, Attachment A, Policy #6-02, Section B.3(b)	Skin Substitute and Surgical Wound Preparation	Added subsection for use of appropriate specific skin substitute including compliance with the Food and Drug Administration (FDA); added authorization requirements for wound substitutes, for debridement of partial thickness burns, and for debridement for subcutaneous tissue, muscle/fascia, and bone; added guidelines for implementation and documentation requirements for debridement for subcutaneous tissue, muscle/fascia, and bone; added guidelines for inappropriate and unauthorized implementation of debridement for subcutaneous tissue, muscle/fascia, and bone.
MSM 600, Attachment A, Policy #6-02, Section B.4	Skin Substitute Grafts and Surgical Wound Preparation	Added subsection for guidelines for implementation; added definition of included skin substitute grafts; added language for coverage of products using Q-codes; added required information for initial request; added language for Negative Pressure Wound Therapy (NPWT) and Hyperbaric Oxygen Treatment (HBOT).
MSM 600, Attachment A,	Non-Included Services	Added subsection for definition of non-covered services.

**Policy #6-02,
Section B.6**

**MSM 600,
Attachment A,
Policy #6-02,
Section B.7**

Authorization

Added subsection outlining the requirements of a wound care treatment plan including a letter of medical necessity.

**MSM 600,
Attachment A,
Policy #6-02,
Section B.8**

Documentation

Added subsection for documentation of comprehensive wound history including required elements, medical record, Center for Disease Control (CDC) guidelines, photographs, and recipient education.

**MSM 600,
Attachment A,
Policy #6-02,
Section C**

Covered CPT Codes

Added subsection to identify the provider types under which these services are available and where to locate covered procedures and diagnosis codes.

POLICY #6-02	WOUND CARE MANAGEMENT	EFFECTIVE DOS 9/1/03 Supersedes Policy News N199- 01NEW
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A. DESCRIPTION

A wound is defined as impaired tissue integrity that may involve the epidermis, dermis, and subcutaneous tissue, and may extend down to the underlying fascia and supporting structures. The wound may be aseptic or infected.

~~B. POLICY~~

~~Wound care is a Nevada Medicaid covered benefit for recipients who have a viable healing process.~~

~~C. PRIOR AUTHORIZATION IS NOT REQUIRED~~~~D.B. COVERAGE AND LIMITATIONS~~

1. The patient's medical record must include a comprehensive wound history that includes date of onset, location, depth and dimension, exudate characteristics, circulatory, neuropathy, and nutritional assessments, current management, and previous treatment regime. The provider must culture all infected wounds prior to initiating systemic antibiotics, per Centers for Disease Control (CDC) guidelines. Photographs are necessary to establish a baseline and to document the progress of the wound, as are weekly measurements. Providers are expected to educate recipients about the disease process, how to manage their own wound care, and the importance of complying with the treatment plan. This education should be documented in the recipient's medical record.
2. The following are included services:
 - a. First-Line Wound Care Therapy
 1. First-line wound care is used for acute wounds. If the wound does not improve with the first line treatment, adjunctive second-line therapy may be used. Measurable signs of improved healing include the following:
 - a. a decrease in wound size, either in surface area or volume, and/or
 - b. a decrease in amount of exudate, and/or
 - c. a decrease in amount of necrotic tissue.
 2. First-line wound care therapy includes the following:
 - a. cleansing, antibiotics, and pressure off-loading, and/or
 - b. compression, and/or
 - c. debridement, and/or
 - d. dressing, and/or

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- e. irrigation, and/or
 - f. whirlpool for burns.
- b. Second-Line Wound Care Therapy
1. Second-line wound care therapy is limited to chronic Stage 3 or 4 wounds and may be covered only after first-line therapy has been tried for at least 30 days without measurable signs of improved healing. First-line wound care therapy may continue as appropriate, with the addition of second line wound care measures as indicated by the medical condition.
 2. Second-line wound therapy includes application of metabolically active skin equivalent/skin substitutes.
3. Skin Substitutes and Surgical Wound Preparation
- a. The application of skin substitutes is a benefit for the treatment of chronic Stage 3 or 4 wounds that have failed to respond to standard wound care treatment after 30 days. A failed response is defined as a wound that has increased in size or depth or has not changed in baseline size of depth and shows not measurable signs of healing improvements after 30 days of appropriate wound care measures.
 - b. Use of the appropriate specific skin substitute product(s) for the episode of each documented wound is expected. Compliance with the Food and Drug Administration (FDA) assessments and submitted guidelines for the specific skin substitute products(s) used is expected. Skin substitute products not used within the scope of the FDA's intended use and indications are considered experimental and/or investigational.
 1. Skin substitute grafts may be reimbursed for the application of skin substitute grafts.
 2. Prior authorization is required for all wound substitutes.
 3. Prior authorization is not required for debridement of partial thickness burns.
 4. Prior authorization is required for wound debridement for subcutaneous tissue, muscle and/or fascia, and bone.
 - a. For wound debridement for muscle and/or fascia, and bone, at least one of the following conditions are required to be present and documented:
 1. Stage 3 or 4 wounds, and/or
 2. Venous or arterial insufficiency ulcers, and/or
 3. Dehisced wound or wound with exposed hardware or bone, and/or

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4. Neuropathic ulcers
5. Complications of surgically created or traumatic wounds, where accelerated granulation therapy is necessary but cannot be achieved by other available topical wound treatment.
- b. Wound debridement is not appropriate for and will not be authorized for
 1. washing bacteria or fungal debris from the feet,
 2. paring or cutting of corns or calluses,
 3. incision and drainage of an abscess,
 4. trimming or debridement of nails, or avulsion of nail plates,
 5. acne surgery,
 6. destruction of warts,
 7. burn debridement.
4. Skin Substitute Grafts and Surgical Wound Preparation
 - a. Add together surface area multiple wounds in same anatomical locations as indicated in code descriptor groups.
 - b. Do not add together multiple wounds at different anatomical site groups.
 - c. Skin Substitute Grafts include:
 1. Biological material used for tissue engineering for growing skin, and
 2. Nonautologous human skin such as acellular, allograft, cellular, dermal, epidermal, or homograft, and
 3. Non-human grafts.
 - d. Coverage for Products
 1. Provider shall bill using the specific Q-code on the Fee Schedule for the skin substitute.
 2. If there is not a Q-code listed on the Fee Schedule for the skin substitute, providers shall use available code for supplies and materials (except spectacles), provided by the physician or other qualified health care professional over and above those

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usually included with the office visit or other services rendered (list drugs, trays, supplies, or material provided).

- e. Initial request should include the following:
 - 1. location of the wound, and
 - 2. characteristics of the wound, which include all of the following:
 - a. Dimensions (diameter and depth), and
 - b. Drainage (amount and type), and
 - c. Related signs and symptoms (swelling, pain, inflammation), and
 - d. Presence of necrotic tissue/slough.

~~2.1. The use of supplies during wound care treatment is considered part of the treatment. Do not bill separately.~~

~~3. Burn Care~~

- ~~a. Burn care provided in the outpatient hospital setting will follow wound care guidelines with the exception of requiring a prior authorization.~~
- ~~b. All diagnosis codes must be coded to the highest level of specificity.~~
- f. Negative Pressure Wound Therapy (NPWT) is recommended by a physician or other qualified health care provider to draw out fluid and infection from a wound to help it heal. It may be recommended for burns, pressure ulcers, diabetic ulcers, chronic (long-lasting) wounds, or injury.
- g. Hyperbaric Oxygen Treatment (HBOT)—see MSM 600, Attachment A, Policy #6-03.

~~5. The use of supplies during wound care treatment is considered part of the treatment. Do not bill separately.~~

- 6. Non-Included services:
 - a. Infrared therapy
 - b. Ultraviolet therapy
 - c. Low-energy ultrasound wound cleaner (MIST therapy)
 - d. Pulsatile Jet Irrigation
 - e. Topical Oxygen Wound Therapy (TOWT) closed system
 - f. Electrical stimulation and electromagnetic therapy

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- g. Services that are submitted as debridement but do not include the removal of devitalized tissue. Examples include removal of non-tissue integrated fibrin exudates, crusts, biofilms, or other materials from a wound, without the removal of tissue.

7. Authorization

- a. The treating provider must submit a signed and dated wound care treatment plan or submit a letter of medical necessity that includes the following documentation:
1. the planned interventions for the problem identified, and
 2. the treatment goals, and
 3. the expected outcomes.
- b. For prior authorization, the signed and dated treatment plan or a letter of medical necessity is considered current when signed and dated within 30 calendar days prior to or on the date the procedure is performed. If the signed and dated treatment plan or letter of medical necessity is older than 30 days, prior authorization may be denied.

8. Documentation

- a. The patient's medical record must include a comprehensive wound history that includes:
1. date of onset, and
 2. location, and
 3. depth & dimension, and
 4. exudate characteristics, and
 5. circulatory, neuropathy, and nutritional assessments, and
 6. current management, and
 7. previous treatment regime.
- b. All wound care services require documentation of the wound and a comprehensive treatment plan is required to be maintained in the client's medical record.
- c. The provider shall document culture all infected wounds prior to initiating systemic antibiotics, per CDC guidelines.
- d. Photographs are necessary to establish and document
1. baseline, and

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2. the progress of the wound, and
 3. include weekly measurements.
- e. The provider shall document in the recipient's medical record the education provided to recipients about the disease process, how to manage their own wound care, and the importance of complying with the treatment plan.

E.C. COVERED CPT CODES

For a list of covered procedure and diagnosis codes, please refer to the billing guidelines for Outpatient Surgery, Outpatient Hospital, Podiatrist, Physician, Advanced Practice Registered Nurse, and Physician's Assistant manual.

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