



PROVIDER BULLETIN

BT 200308

JANUARY 31, 2003

To: All Providers

Subject: Medical and Surgical Supplies

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Overview

In accordance with *IC 12-15-13-6*, this bulletin is to notify providers of recently completed amendments to *405 IAC 5-19-1* related to medical and surgical supplies reimbursed by the Indiana Health Coverage Programs (IHCP). Public notice for the amendments was published in the *Indiana Register* on August 1, 2002, and December 1, 2002. The amendments clarify the definition of medical and surgical supplies and include an enumeration of items that are not covered by IHCP. The amendments also permit IHCP to implement a new maximum allowable fee schedule, effective for items provided on or after March 17, 2003, and require all providers to submit claims on the HCFA-1500 billing form using Health Care Procedure Coding System (HCPCS) codes.

Medical and Surgical Supplies

Medical and surgical supplies (“medical supplies”) are items that are disposable, non-reusable and must be replaced on a frequent basis. Some medical supplies are covered by the IHCP, and some are not. Medical supplies are used primarily and customarily to serve a medical purpose and are generally not useful to a person in the absence of an illness or an injury. To the extent that the IHCP covers a medical supply item, it is a *reimbursable* service only when medically necessary. A physician or a dentist must prescribe all medical supplies and must document the need for such items.

Covered medical supplies include, but are not limited to, antiseptics and solutions, bandages and dressing supplies, gauze pads, catheters, incontinence supplies, irrigation supplies, diabetic supplies,

ostomy supplies, and respiratory and tracheotomy supplies. The following incontinence supplies are covered and must be for a documented medical necessity:

Table 1 – Currently Covered Incontinence Supply Codes as of January 1, 2003*

Code	Description
A4335	Incontinence supply; miscellaneous
A4360	Adult incontinence garment (for example, a . brief, diaper), each
A4554	Disposable underpads, all sizes, (for example, chux)
S8401	Child-size incontinence garment, diaper, each
S8403	Adult-sized incontinence garment, disposable, pull-up brief, each
S8404	Child-size incontinence garment, disposable, pull-up brief, each
S8405	Disposable liner/shield for incontinence, each

*Note: *This information was provided by Health Care Excel. Refer questions or to request additional information, to the Health Care Excel Medical Policy Department at (317) 347-4500.*

Incontinence supplies are covered by the IHCP, but are a **reimbursable** service only under certain conditions (e.g., must be medically necessary, only for those age 3 or older, must be ordered by the practitioner).

The following medical supplies are NOT covered: sanitary napkins, cosmetics, dentifrice items, tissue, non-ostomy deodorizing products, soap, disposable wipes, shampoo, or items generally used for personal hygiene.

Limitations on Coverage

Medical supplies that are included in Long Term Care (LTC) facility reimbursement (nursing facilities, group homes, intermediate care facilities for the mentally retarded) or that are otherwise included as part of reimbursement for a medical or surgical procedure **are always** included in the per diem, and under no circumstances should a pharmacy, LTC facility, or any other provider separately bill such supplies to the Medicaid program. This requirement includes all covered medical supplies that are included in the LTC provider's per diem rate, even if the LTC facility does not include the cost of medical supplies in their cost report.

Reimbursement is not available for medical supplies provided in quantities greater than a one-month supply for each calendar month, except when packaged by the manufacturer only in larger quantities. Medical supplies shall be for a specific medical purpose, not incidental or general-purpose usage.

Reimbursement of Medical Supplies

Reimbursement for medical supplies is equal to the lower of the provider's submitted charges (usual and customary) or the Medicaid calculated allowable for the item. The Medicaid calculated allowable for an item is the statewide fee schedule amount. Providers must include their usual and customary charge for each medical supply item when submitting claims for reimbursement. Providers should not use the Medicaid calculated allowable for their billed charge unless the Medicaid calculated allowable is equal to the amount charged by the provider to the general public.

Effective for items provided on or after March 17, 2003, the IHCP will introduce a new statewide, maximum allowable fee schedule for medical supplies. The fee schedule was determined using the Indiana Medicare fee schedule, providers' usual and customary charges, the current fee schedule amounts, or the average payment amount per item (see Table A.1 below for the fee schedule).

The IHCP will periodically review and adjust the statewide fee schedule using providers' acquisition cost information, the Medicare fee schedule, and providers' usual and customary charges. Providers may be asked to submit acquisition cost and product availability information in the future to ensure that items on the fee schedule are reasonably available to providers at or below the fee schedule amounts.

Provider Billing

Effective for items provided on or after March 17, 2003, providers will be required to submit claims for medical supplies on the HCFA-1500 billing form using HCPCS codes. All claims for medical supplies should be sent to EDS (the IHCP fiscal agent) using HCPCS codes. As of the effective date above, all claims submitted on the pharmacy form, using National Drug Codes (NDCs), Health Related Item (HRI) codes, Universal Package Codes (UPC), or Product Identification Numbers (PIN) will be denied. Additionally, any claims for medical supplies submitted to ACS (the IHCP pharmacy benefits manager) will be denied.

Fee Schedule

The statewide maximum allowable fee schedule for medical and surgical supplies for items provided on or after March 17, 2003, is listed in the table below. Please note that a downloadable fee schedule in spreadsheet format is available on the Internet at www.mslcindy.com/pharmacy.

Table 2 – Statewide MAC Fee Schedule for Medical Supplies

Code	Description	Fee	Code	Description	Fee
A0382	Routine disposable supplies	\$4.45	A4750	Bblood tubing, arterial or	\$9.60
A4206	Syringe with needle, sterile	\$0.31	A4755	Blood tubing a and v	\$10.80
A4207	Syringe with needle sterile	\$0.17	A4760	Dialysate standard testing	\$0.00
A4208	Syringe with needle, sterile	\$0.17	A4765	Dialysate concentrate additives	\$0.00
A4209	Syringe with needle, sterile	\$0.34	A4770	Blood testing supplies (e	\$4.38
A4210	Needle-free injection dev	\$0.29	A4771	Serum clotting time tube	\$0.00
A4211	Supplies for self administration	\$0.28	A4772	Dextrostick or glucose testing	\$37.84
A4212	Huber-type needle, each	\$2.27	A4773	Hemaostix per bottle	\$0.00
A4213	Syringe, sterile, 20cc or	\$1.08	A4774	Ammonia test paper	\$0.00
A4214	Sterile saline or water,	\$1.38	A4860	Ddisposable catheter caps	\$4.16
A4215	Needles only, sterile, an	\$0.18	A4870	Plumbing and/or electrical	\$400.00
A4220	Refill kit for implantable	\$128.00	A4911	Drain bag / bottle	\$0.00
A4221	Supplies for maintenance	\$18.02	A4913	Miscellaneous dialysis su	\$0.42
A4222	Supplies for external	\$37.20	A4918	Venous pressure clamps, e	\$0.80
A4230	Infus insulin pump non needle	\$8.66	A4927	Gloves, non sterile, for dialysis	\$0.24

(Continued)

Table 2 – Statewide MAC Fee Schedule for Medical Supplies

Code	Description	Fee	Code	Description	Fee
A4231	Infusion insulin pump needle	\$5.50	A5051	Pouch, closed; with barri	\$1.83
A4232	Syringe with needle insulin	\$2.11	A5052	Pouch closed; without ba	\$1.13
A4244	Alcohol or peroxide, per	\$1.28	A5053	Pouch, closed; for use on	\$1.38
A4245	Alcohol wipes, per box	\$1.60	A5054	Pouch, closed; for use on	\$1.34
A4246	Betadine or phisohex solu	\$7.12	A5055	Stoma cap	\$1.14
A4247	Betadine or iodine swabs/	\$9.60	A5061	Pouch, drainable; with ba	\$2.12
A4250	Urine test or reagent str	\$0.45	A5062	Pouch, drainable; without	\$1.76
A4255	Platforms for home blood	\$3.27	A5063	Pouch, drainable; for use	\$1.77
A4257	Replacement lens shield	\$10.15	A5071	Pouch, urinary; with barr	\$3.44
A4260	Levonogestrel implant sys	\$46.80	A5072	Pouch, urinary; without b	\$2.37
A4261	Cervical cap contraceptiv	\$0.00	A5073	Pouch, urinary; for use o	\$2.46
A4262	Temporary absorbable lacr	\$24.00	A5081	Continent device; plug fo	\$2.22
A4263	Permanent, long term, non	\$36.00	A5082	Continent device; catheter	\$8.00
A4280	Brst prsths adhsv atchmn	\$3.93	A5093	Oostomy accessory; convex	\$1.38
A4290	Sacral nerve stimulator	\$103.72	A5102	Bbedside drainage bottle,	\$17.86
A4300	Implantable vascular acce	\$24.86	A5105	Urinary suspensory; with	\$32.26
A4301	Implantable access catheter	\$0.00	A5112	Urinary leg bag; latex	\$27.27
A4305	Disposable drug delivery	\$24.80	A5113	Leg strap; latex, per set	\$3.16
A4306	Disposable drug delivery	\$24.00	A5114	Leg strap; foam or fabric	\$7.07
A4310	Insertion tray without dr	\$6.11	A5119	Skin barrier; wipes, box	\$7.50
A4311	Two-way latex with coating	\$11.74	A5121	Skin barrier; solid, 6 x	\$5.55
A4312	Insertion tray without dr	\$14.27	A5122	Skin barrier; solid, 8 x	\$9.67
A4313	Insertion tray withoutdrainage	\$14.66	A5123	Skin barrier; with flange	\$4.26
A4314	Insertion tray with drainage	\$20.01	A5126	Adhesive; disc or foam pa	\$0.96
A4315	Insertion tray with drainage	\$20.88	A5131	Appliance cleaner, incont	\$11.09
A4316	Insertion tray with drainage	\$22.47	A5200	Percutaneous catheter anchor	\$8.94
A4319	Sterile h2o irrigation so	\$5.01	A5500	For diabetics only, fitti	\$62.40
A4320	Irrigation tray for bladder	\$4.13	A5501	For diabetics only, fitti	\$178.50
A4321	Therapeutic agent for	\$0.00	A5503	Diabetics only-modification	\$0.00
A4322	Irrigation syringe, bulb	\$2.37	A5504	For diabetics only modifications shoe	\$0.00
A4324	Male ext cath w/adh coati	\$1.72	A5505	For diabetics only mod shelf	\$0.00
A4325	Male ext cath w/adh strip	\$1.42	A5506	For diabetics only-mod shelf s	\$32.40
A4326	Male external catheter sp	\$8.54	A5507	For diab only nos mod sho	\$0.00
A4327	Female external urinary	\$35.30	A5508	Depth-inlay shoe	\$38.13
A4328	Female external urinary	\$8.27	A5509	Direct formed insert	\$13.20
A4331	Extension drainage tubing	\$2.52	A5510	Direct formed insert	\$0.00

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Code	Description	Fee	Code	Description	Fee
A4332	Lubricant for catheter insertion	\$0.10	A5511	Custom molded insert	\$0.00
A4333	Urinary catheter anchor device	\$1.74	A6000	Non contact wound cover	\$0.00
A4334	Urinary cath leg strap	\$3.90	A6010	Collagen based wound filler	\$24.50
A4335	Incontinence supply; misc	\$1.40	A6020	Collagen dressing cover e	\$12.27
A4338	Indwelling catheter; fole	\$9.70	A6021	Collagen dressing	\$16.63
A4340	Indwelling catheter; spec	\$20.12	A6022	Collagen dressing	\$16.63
A4344	Indwelling catheter, fole	\$12.68	A6023	Collagen dressing	\$150.58
A4346	Indwelling catheter; fole	\$15.50	A6024	Collagen dressing	\$4.90
A4347	Male external catheter	\$16.10	A6025	Silicone gel sheet, each	\$25.20
A4348	Urinary collection and re	\$22.02	A6154	Wound pouch, each	\$11.38
A4352	Intermittent urinary cath	\$4.32	A6196	Alginate dressing, wound	\$5.82
A4353	Intermittent urinary	\$5.54	A6197	Alginate dressing, wound	\$13.01
A4354	Insertion tray with drain	\$9.21	A6198	Alginate dressing wound cover	\$8.55
A4355	Irrigation tubing set for	\$7.05	A6199	Alginate dressing, wound	\$4.18
A4356	External urethral clamp	\$36.10	A6200	Compos drsg <=16 no borde	\$7.52
A4357	Bedside drainage bag, day	\$7.67	A6201	Compos drsg >16<=48 no bd	\$16.46
A4358	Urinary leg bag; vinyl, w	\$4.46	A6202	Compos drsg >48 no border	\$27.60
A4359	Urinary suspensory without	\$24.24	A6203	Composite dressing, pad	\$2.65
A4360	Colostomy set	\$0.82	A6204	Composite dressing, pad	\$4.93
A4361	Ostomy faceplate	\$14.54	A6205	Composite dressing, pad	\$3.84
A4362	Skin barrier; solid, 4 x	\$2.55	A6206	Contact layer, 16 sq. in.	\$4.64
A4364	Adhesive for ostomy or ca	\$1.98	A6207	Contact layer, more than	\$5.81
A4365	Ostomy adhesive remov	\$8.96	A6208	Contact layer more than 48 sq. in.	\$3.93
A4367	Ostomy belt	\$5.82	A6209	Foam dressing, wound	\$5.92
A4368	Ostomy filter, any type,	\$0.21	A6210	Foam dressing, wound	\$15.76
A4369	Ostomy skin barrier, liq	\$1.91	A6211	Foam dressing, wound	\$23.24
A4370	Ostomy skin bond or cemen	\$2.71	A6212	Foam dressing, wound	\$7.67
A4371	Skin barrier powder per o	\$2.89	A6213	Foam dressing, wound	\$44.80
A4372	Skin barrier solid 4x4 eq	\$3.30	A6214	Foam dressing, wound	\$8.14
A4373	Skin barrier with flange	\$4.97	A6215	Foam dressing, wound	\$0.16
A4374	Skin barrier extended wea	\$6.68	A6216	Gauze, non-impregnated	\$0.04
A4375	Drainable plastic pch w f	\$13.59	A6217	Gauze, non-impregnated,	\$0.28
A4376	Ostomy pouch	\$37.65	A6218	Gauze, non-impregnated,	\$0.40
A4377	Drainable plstic pch w/o	\$3.39	A6219	Gauze, non-impregnated,	\$0.75
A4378	Drainable rubber pch w/o	\$24.34	A6220	Gauze, non-impregnated,	\$2.04
A4379	Urinary plastic pouch w f	\$11.89	A6221	Gauze, non-impregnated,	\$0.60

(Continued)

Table 2 – Statewide MAC Fee Schedule for Medical Supplies

Code	Description	Fee	Code	Description	Fee
A4380	Iliostomy set	\$29.54	A6222	Gauze, impregnated, other	\$1.69
A4381	Urinary plastic pouch w/o	\$3.65	A6223	Gauze, impregnated, other	\$1.91
A4382	Ostomy pouch	\$19.48	A6224	Gauze, impregnated, other	\$2.86
A4383	Urinary rubber pouch w/o	\$22.30	A6228	Gauze impregnated water	\$0.00
A4384	Ostomy faceplate	\$7.62	A6229	Gauze, impregnated, water	\$2.86
A4385	Ost skn barrier sld ext w	\$4.03	A6230	Gauze impregnated water	\$11.11
A4386	ost skn barrier w flng ex	\$5.32	A6231	Gauze impregnated	\$3.70
A4387	Ost clsd pouch w att st b	\$3.18	A6232	Hydrogel dsg>16<=48 sq in	\$5.45
A4388	Drainable pch w ex wear b	\$3.45	A6233	Gauze impregnated	\$15.18
A4389	Drainable pch w st wear b	\$4.92	A6234	Hydrocolloid dressing	\$5.18
A4390	Ileal bladder set	\$7.61	A6235	Hydrocolloid dressing	\$13.31
A4391	Urinary pouch w ex wear b	\$5.59	A6236	Hydrocolloid dressing,	\$21.56
A4392	Ostomy pouch	\$5.26	A6237	Hydrocolloid dressing,	\$6.26
A4393	Urine pch w ex wear bar c	\$7.26	A6238	Hydrocolloid dressing,	\$18.03
A4394	Ostomy pouch liq deodoran	\$2.04	A6239	Hydrocolloid dressing wound	\$0.00
A4395	Ostomy pouch solid deodor	\$0.04	A6240	Hydrocolloid dressing	\$9.69
A4396	Peristomal hernia supprt	\$32.03	A6241	Hydrocolloid dressing,	\$2.03
A4397	Irrigation supply; sleeve	\$3.33	A6242	Hydrogel dressing, wound	\$4.80
A4398	Irrigation supply; bags	\$10.93	A6243	Hydrogel dressing, wound	\$9.74
A4399	Irrigation supply; cone/c	\$9.70	A6244	Hydrogel dressing, wound	\$31.08
A4400	Ostomy irrigation set	\$34.15	A6245	Hydrogel dressing, wound	\$5.75
A4402	Lubricant	\$1.07	A6246	Hydrogel dressing, wound	\$7.85
A4404	Oostomy rings	\$1.32	A6247	Hydrogel dressing, wound	\$18.82
A4421	Ostomy supply; miscellane	\$0.15	A6248	Hydrogel dressing, wound	\$12.85
A4454	Tape, all types, all size	\$2.06	A6250	Skin sealants,	\$10.80
A4455	Adhesive remover or solve	\$0.96	A6251	Specialty absorptive	\$1.58
A4460	Elastic bandage	\$0.94	A6252	Specialty absorptive	\$2.57
A4462	Abdmnl drssng holder/bind	\$2.60	A6253	Specialty absorptive	\$5.02
A4464	Joint supportive device/garment	\$0.00	A6254	Specialty absorptive	\$0.96
A4465	Non-elastic binder	\$24.80	A6255	Specialty absorptive	\$2.40
A4481	Tracheostoma filter, any	\$0.30	A6256	Specialty absorptive dressing	\$1.18
A4483	Moisture exchanger	\$3.76	A6257	Transparent film,	\$1.21
A4490	Surgical stockings above	\$43.20	A6258	Transparent film,	\$3.40
A4495	Surgical stockings thigh	\$15.20	A6259	Transparent film,	\$8.66
A4500	Surgical stockings below	\$12.00	A6260	Wound cleansers,	\$0.20
A4510	Surgical stockings full l	\$12.44	A6261	Wound filler,	\$0.98

(Continued)

Table 2 – Statewide MAC Fee Schedule for Medical Supplies

Code	Description	Fee	Code	Description	Fee
A4550	Surgical trays	\$13.60	A6262	Wound filler,	\$1.20
A4557	Lead wires,(e.g., apnea m	\$9.60	A6263	Gauze, elastic,	\$0.23
A4558	Conductive paste or gel	\$3.70	A6264	Gauze, non-elastic	\$0.38
A4561	Pessary rubber, any type	\$15.14	A6265	Tape, all types,	\$0.10
A4562	Pessary, non rubber,any t	\$37.62	A6266	Gauze, impregnated,	\$1.52
A4565	Slings	\$5.00	A6402	Gauze, non-impregnated,	\$0.10
A4570	Splint	\$14.40	A6403	Gauze non-impregnated,	\$0.34
A4572	Rib belt	\$12.00	A6404	Gauze, non-impregnated,	\$1.14
A4580	Cast supplies	\$7.96	A6405	Gauze, elastic, sterile,	\$0.26
A4590	Additional allowance, syn	\$14.32	A6406	Gauze, non-elastic,	\$0.63
A4595	Tens suppl 2 lead per mon	\$22.94	A7000	Disposable canister for p	\$7.11
A4608	Transtracheal oxygen cath	\$46.80	A7001	Nondisposable pump canist	\$26.34
A4611	Battery, heavy duty; repl	\$153.14	A7002	Tubing used w suction pum	\$3.05
A4612	Battery cables; replaceme	\$54.08	A7003	Nebulizer administration	\$1.89
A4613	Battery charger; replacem	\$114.80	A7004	Disposable nebulizer sml	\$1.43
A4614	Hand-held pefr meter	\$18.93	A7005	Nondisposable nebulizer s	\$24.54
A4615	Cannula, nasal	\$1.56	A7006	Filtered nebulizer admin	\$7.60
A4616	Tubing, unspecified lengt	\$3.08	A7007	Lg vol nebulizer disposab	\$3.67
A4617	Mouth piece	\$3.58	A7008	Disposable nebulizer pref	\$8.76
A4618	Breathing circuits	\$6.01	A7009	Nebulizer reservoir bottl	\$33.46
A4619	Face tent	\$0.98	A7010	Disposable corrugated tub	\$18.78
A4620	Variable concentration ma	\$2.32	A7011	Corrugated tubing	\$4.66
A4622	Tracheostomy orlaryngecto	\$38.52	A7012	Nebulizer water collec de	\$2.57
A4623	Tracheostomy, inner cannu	\$5.18	A7013	Disposable compressor fil	\$0.66
A4624	Tracheal suction catheter	\$1.78	A7014	Compressor nondispos filt	\$3.58
A4625	Tracheostomy care or clea	\$4.66	A7015	Aerosol mask used w nebul	\$1.36
A4626	Tracheostomy cleaning bru	\$2.53	A7016	Nebulizer dome & mouthpie	\$5.77
A4627	Spacer, bag or reservoir,	\$2.71	A7017NU	Nebulizer not used w oxyg	\$106.70
A4628	Oropharyngeal suction cat	\$2.98	A7017RR	Nebulizer not used w oxyg	\$10.66
A4629	Tracheostomy care kit	\$3.66	A7018	Water distilled w/nebuliz	\$0.30
A4630	Replacement batteries. me	\$4.23	A7019	Saline solution dispenser	\$0.27
A4631	Replacement, batteries fo	\$74.64	A7020	Sterile h2o or nss w lgv	\$2.19
A4635	Underarm pad, crutch, rep	\$4.07	A7501	Tracheostoma valve	\$83.11
A4636	Replacement, handgrip, ca	\$3.34	A7502	Replacement diaphragm	\$39.50
A4637	Replacement, tip, cane, c	\$1.63	A7503	Filter holder or cap	\$8.97
A4640	Replacement pad for use w	\$50.41	A7504	Tracheostoma hmes filter	\$0.53

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Table 2 – Statewide MAC Fee Schedule for Medical Supplies

Code	Description	Fee	Code	Description	Fee
A4641	Supply of radiopharmaceut	\$48.00	A7505	Housing, reusable	\$3.70
A4642	Supp satumomab pendetide	\$0.00	A7506	Hmes/trachvalve adhesived	\$0.26
A4643	Supp addit high dose cont	\$0.00	A7507	Filter holder and filter	\$1.97
A4644	Supply of low osmolar con	\$54.00	A7508	Housing and integrated adh	\$2.27
A4645	Supply of low osmolar con	\$28.80	A7509	Filter holder and housing	\$1.11
A4646	Supply of low osmolar con	\$0.40	Y1526	Control solution 1 (10 ml	\$4.70
A4647	Supply of paramagnetic co	\$101.08	Y7110	Hearing aid batteries (nu	\$4.00
A4649	Surgical supply; miscella	\$0.22	Y7601	Hearing aid supplies (hoo	\$10.00
A4660	Sphygmomanometer/blood pr	\$27.78	Y7602	Hearing aid earmold	\$35.00
A4663	Blood pressure cuff only	\$27.80	Y1000	Clear ocularial-facial sh	\$162.62
A4670	Automatic blood pressure	\$40.00	Y1528	Autolet (1 each)	\$26.40
A4680	Activated carbon filters	\$8.80	Y5207	Av fistula kit #1 (cdak 4	\$1,207.20
A4690	Dialyzers (artificial kid	\$24.00	Y5208	Av fistula kit #2 (cdak 5	\$1,582.40
A4712	Water, sterile	\$4.28	Y5209	Av fistula kit #3 (cdak 1	\$1,321.60
A4714	Treated water (deionized,	\$400.00	Y5210	Av fistula kit #4 (extra	\$1,039.20
A4730	Fistula cannulation set f	\$0.00	Y5211	Av fistula kit #5 (redi-m	\$1,183.20
A4740	Shunt accessories for dia	\$0.00	Y4009	Supplies nos	\$4.15

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