



INDIANA MEDICAID UPDATE

February 9, 1998

TO: All Medicaid-Enrolled Health Care Professionals

SUBJECT: Implementation of Diabetes Self Management Training Services

As you are aware, diabetes is one of the most common and serious chronic diseases in the United States. It is estimated that some sixteen million Americans have diabetes. Half of this number are undiagnosed, because diabetes is generally asymptomatic until complications develop. The statistics regarding the morbidity and mortality from diabetes are staggering:

- Diabetes is one of the six leading causes of death by disease in the United States.
- Diabetes is the leading cause of adult blindness, end-stage renal disease, and non-traumatic lower extremity amputations.
- People with diabetes are two to five time more likely to have coronary heart disease and experience stroke than people without diabetes.
- Diabetes cost this country over \$100 billion a year, accounting for 13 percent of total U.S. health care expenditures.

In recognition of and response to the above, the 1997 Indiana General Assembly passed a law, Senate Enrolled Act No. 184 (copy attached), requiring insurers--including Medicaid--to provide coverage for diabetes self management training services. This bulletin announces the commencement of Medicaid coverage, effective January 1, 1998, of diabetes self management training services and fully describes the Program's coverage and reimbursement policies for the service.

The text of the law that is most applicable to the Indiana Medicaid Program is indicated on the attached copy by double lines in the left-hand margin. Indiana Medicaid's coverage of diabetes self management training services has been developed in accordance with the guiding principles of this part of the legislation, and providers are urged to review the salient parts of the legislation and this entire bulletin carefully.

Indiana Medicaid's policies regarding diabetes self management training can best be understood when broken down into components: **definition of terms, limitations of coverage, and billing, reimbursement, and service documentation.** Each is addressed separately below.

DEFINITION OF TERMS

In general, the legislation is self-explanatory. However, some terminology used in the legislation requires embellishment or explanation, as follows.

- "Diabetes self management training"--For purposes of the Indiana Medicaid Program, "diabetes self management training" services are those services provided in accordance with the terms and provisions of IC 27-8-14.5(6), such services intended to enable the patient to, or enhance the patient's ability to, properly manage their diabetic condition, thereby optimizing their own therapeutic treatment regimen. Examples of diabetes self management training would include, but not be limited to, instruction regarding the diabetic disease state, nutrition, exercise and activity; medications counseling; blood glucose self-monitoring training; insulin injection training; foot, skin, and dental care; behavior change strategies and risk factor reduction; preconception care, pregnancy, and gestational diabetes; and accessing community health care systems and resources.
- "Unit of service"--For purposes of the Indiana Medicaid program, units of diabetes self management training service will be defined as increments of fifteen minutes (one unit equals fifteen minutes of diabetes self management training services).
- "Health care professional"--One of the stipulations of SEA No. 184 is that diabetes self management training may be provided by "health care professionals" who are licensed, registered, or certified under applicable Indiana law. Medicaid legal staff have reviewed Indiana statute and determined that, for purposes of SEA No. 184 and its applicability to Indiana Medicaid, "health care professionals" are considered as being chiropractors, dentists, health facility administrators, physicians, nurses, optometrists, pharmacists, podiatrists, environmental health specialists, audiologists and speech-language pathologists, psychologists, hearing aid dealers, physical therapists, respiratory therapists, occupational therapists, social workers, marriage and family therapists, physician assistants, athletic trainers, and dietitians.

NOTE WELL: The other applicable restriction of SEA No. 184 is that the health care professional must have "specialized training in the management of diabetes"; this, in part, may inherently limit the number of health care professionals listed above that choose to offer the service. Also, as further addressed below, in order for diabetes self management training to be billed to Medicaid it will be necessary that the health care professional rendering the service be either an enrolled Medicaid provider, or directly employed by same. At present, there are no plans to enroll additional provider types into the Indiana Medicaid program.

LIMITATIONS OF COVERAGE

The legislation places three primary restrictions on the ordering and provision of diabetes self management training services. First, the service must be **medically necessary**. The ordering practitioner will determine the medical necessity for diabetes self management training services for his patient, and to what extent the services are required. It will be the ordering practitioner's responsibility to substantiate, for audit purposes, the medical necessity for any and all diabetes self management treatment services ordered for his or her patient. Second, the service must be **ordered in writing** by a physician or podiatrist licensed under applicable Indiana law. Please note that it is NOT necessary for the **ordering** practitioner to be enrolled as a Medicaid provider, to secure the service for his or her patient. Third, the service must be provided by a **health care professional** licensed under applicable Indiana law, and that professional must have **specialized training in the management of diabetes**.

The Office of Medicaid Policy and Planning recognizes that there are a wide variety of programs and curricula that can afford a health care professional the specialized training referenced by SEA No. 184, and believes it best to measure the effectiveness of the management training services provided to the patients by retrospectively monitoring patient outcomes. Results of the monitoring, however, may influence policy that is eventually developed in this regard. In summary, the Program will not at this time attempt to dictate what constitutes "specialized training" in the management of diabetes, but rather leave that determination to be set by community standards of care applicable in the provider community.

Prior authorization will NOT be required for diabetes self management training services that do not exceed the established limits for the service.

Section 6(b) of the legislation allows for limitations on the coverage of diabetes self management training services. The Office of Medicaid Policy and Planning has determined that coverage of diabetes self management training services will initially be limited to a total of sixteen units (each unit being fifteen minutes of diabetes self management training services) per recipient, per rolling calendar year, applicable under any of the following circumstances:

- Receipt of a diagnosis of diabetes;
- Receipt of a diagnosis that represents a significant change in the insured's symptoms or condition, or
- Re-education or refresher training.

Additional units **may** be authorized through the standard prior authorization request process. The documentation for additional requested units of service will be carefully reviewed for evidence of medical necessity.

It is the responsibility of the ordering physician or podiatrist to ensure that initial and all subsequent orders for diabetes self management training are fully substantiated by medical necessity of the service. The Office of Medicaid Policy and Planning intends to initially perform quarterly reviews of the ordering and provision of diabetes self management services, and will closely monitor overall utilization of the service for appropriateness of use.

BILLING, REIMBURSEMENT, AND SERVICE DOCUMENTATION

In order to absolutely minimize administrative burden, it is the intent of the Office of Medicaid Policy and Planning to have a billing and reimbursement system for diabetes self management training services that is consistent across all eligible rendering provider types. Therefore, no matter which of the eligible practitioners ultimately renders the service, billing and reimbursement procedures and policies remain constant. PLEASE CARE-FULLY REVIEW THE FOLLOWING BILLING AND REIMBURSEMENT INFORMATION:

- Diabetes self care management services will be a covered service under the Indiana Medicaid Program for dates of service of January 1, 1998, and later.
- Providers must bill for the service only on the HCFA 1500 claim form (see applicable provider manual section for full details), utilizing procedure code **Z5021** ("diabetes self management training"). As previously noted herein, one unit of Z-5021 will be considered as fifteen minutes of service. Fractional units of service cannot be billed on the HCFA 1500, so providers should accumulate billable time equivalent to whole units, before billing.
- The Indiana Medicaid allowable rate for code Z5021, diabetes self management training services, will initially be set at \$22.50 per unit, irrespective of the type of practitioner rendering the service. NOTE WELL: This does NOT mean that providers should bill this amount for a unit of service rendered; providers are to bill their "usual and customary charge" for the units of service rendered, and Medicaid will calculate the final reimbursement amount.
- Practitioners eligible to provide diabetes self management training services, but not currently enrolled as an Indiana Medicaid provider, should contact the Provider Assistance unit for instruction on how to proceed. Eligible practitioners such as pharmacists, who work for or own Medicaid-enrolled pharmacies, will have to bill for services they render through the enrolled entity in which they provide service.

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- Providers are reminded that they are NOT entitled to Medicaid reimbursement for a service for which they provide the general public at no charge, including diabetes self management training services. Adherence to this Program parameter will be closely monitored by EDS provider audit staff.
 - Practitioners--both ordering and rendering--should maintain sufficient documentation of their respective functions to substantiate the medical necessity of the service rendered, and the provision of the service itself; this requirement is in accordance with existing Medicaid policies and regulations. Physicians and podiatrists ordering the service should maintain documentation in their usual manner. Examples of documentation that logically should be maintained by the provider of the service include, but are not limited to, written order(s) for the service, date of rendering of the service, amount of time used for the training session, general content of the training session, units of service billed, charge amount, pertinent patient history and clinical data, and practitioner notes from the training sessions.

Regulations to reflect the policies referenced herein will be promulgated in the near future.

Office of Medicaid Policy and Planning staff hope that practitioners' efforts in assisting diabetic patients with proper management of their disease state will ultimately lead to a more healthy patient population. To this extent, we welcome any comments that you may have about this new program, and our efforts to implement it in a practical and practicable way. Our intent is to issue additional bulletins or banner page messages regarding diabetes self management training services in the near future, and as need arises.

Please direct any questions you may have regarding this bulletin and the policies and billing procedures referenced herein should be directed to the EDS Provider Assistance Unit at 1-800-577-1278.