

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT201114    MAY 24, 2011



## **Reduction in reimbursement for durable medical equipment (DME) and prosthetics**

Effective July 1, 2011, the Indiana Health Coverage Programs (IHCP) will reduce reimbursement for durable medical equipment (DME) and prosthetics by 5 percent for members enrolled in the IHCP. The reduction will continue through June 30, 2013. This rate reduction will be applied at the claim detail level and is applicable to the Healthcare Common Procedure Coding System (HCPCS) codes for DME and prosthetics. The IHCP-allowed amount for any DME or prosthetics procedure code will be reduced by 5 percent for equipment provided on or after July 1, 2011. This reduction in the allowed amount will occur prior to subtracting any third-party liability (TPL) from the claim. The current and reduced fee schedule rates for DME and prosthetics procedure codes will be published on the Public Notices page of the state's rate-setting contractor, [Myers and Stauffer LC](http://www.mslc.com), Web site at [in.mslc.com](http://in.mslc.com).

The IHCP will also revise the methodology used to establish maximum reimbursement rates for DME and prosthetics procedure codes that are currently manually priced. Reimbursement will be based on Medicare's established fee schedule, if available. If a rate cannot be established based on Medicare's fee schedule, a rate may be established using acquisition cost information. If a rate cannot be established, procedure codes that remain manually priced will be reimbursed at 75 percent of the manufacturer's suggested retail price (MSRP), for dates of service on or after July 1, 2011.

[Continue](#)

Providers will be required to submit documentation of the MSRP for DME and prosthetics procedure codes that do not have established rates when submitting the claim for adjudication. Providers will still be required to submit a manufacturer's cost invoice with their claims for DME and prosthetics procedure codes that remain manually priced.

These changes will be applied to all Traditional Medicaid, Hoosier Healthwise, and *Care Select* claims, including Medicare crossover claims.

The OMPP appreciates your cooperation and your continued participation as providers in the IHCP.

#### QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at (317) 655-3240 in the Indianapolis local area or toll-free at 1-800-577-1278.

#### COPIES OF THIS PUBLICATION

If you need additional copies of this publication, please [download them](#) from indianamedicaid.com. To receive e-mail notifications of future IHCP publications, [subscribe](#) to the IHCP E-mail Notifications.