

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT201118    MAY 24, 2011



## Reduction in reimbursement for medical supplies

Effective July 1, 2011, the Indiana Health Coverage Programs (IHCP) will reduce reimbursement for medical supplies 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 medical supplies. The IHCP-allowed amount for any medical supply procedure code will be reduced by 5 percent for supplies 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 medical supplies procedure codes will be published on the Public Notice page of the state's rate setting contractor, [Myers and Stauffer LC](http://www.myersandstauffer.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 medical supplies 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 maximum reimbursement 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. Providers will be required to submit documentation of the MSRP for medical supplies 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 medical supplies 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.

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