

**Maryland Department of Health and Mental Hygiene**  
201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich, Jr., Governor – Michael S. Steele, Lt. Governor – S. Anthony McCann, Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM**  
**MEDICAL SUPPLY AND EQUIPMENT TRANSMITTAL NO. 60**  
December 7, 2005

**TO:** Disposable Medical Supplies and Durable Medical Equipment Providers  
*Susan J. Tucker*

**FROM:** Susan J. Tucker, Executive Director  
Office of Health Services

**SUBJECT:** Reimbursement for Customized Equipment

**NOTE:** Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

Effective July 1, 2005, the Maryland Medical Assistance Program implemented a distinct reimbursement methodology for customized medical equipment for which no Medicare rate had been established. Under this methodology, providers of customized equipment may elect to be reimbursed at either the manufacturer's suggested retail price minus 30 percent or the provider's wholesale cost<sup>1</sup> plus 40 percent.

Under COMAR 10.09.12.01B(2), the term "customized equipment" is defined as equipment that "...is uniquely constructed or substantially modified by the provider from the standard product for a specific recipient according to the description and orders of a physician, and in such a way that the equipment can only be used by the specific recipient." Examples of a provider customizing equipment include:

1. Molding a seating system to fit the user's unique body shape;
2. Modifying the frame to fit the user, other than allowing for growth; and
3. Making other permanent changes to the configuration of the equipment.

<sup>1</sup> "Wholesale cost" is defined as "...the price paid by the provider to the manufacturer or any other supplier for disposable medical supplies or durable medical equipment after consideration of both primary discounts and secondary volume and prompt payment discounts applicable at the time the manufacturer's invoice is paid." (COMAR 10.09.12.01B(2))



Customized equipment does not include modifications made by the manufacturer of the equipment, nor does it include adjustments by a provider for the purpose of fitting the equipment to the user's body size within the equipment's specifications (for example, adjusting leg rests or seat depths).

The enhanced rate for customized equipment is limited to the specific item being customized. For example, if a customized seating system is being paired with a noncustomized wheelchair frame, the enhanced rate applies to the seating system only.

Any questions regarding this transmittal may be directed to the staff specialist for DMS/DME/Oxygen at 410-767-1739.