



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

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM
Medical Supply and Equipment Transmittal No. 62
June 26, 2007

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

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

SUBJECT: DME Payment Procedures; Coverage for Apnea Monitors and Supplies

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

The purpose of this transmittal is to clarify the Maryland Medical Assistance Program's payment procedure for durable medical equipment in cases where a Medicare rate has not been established and the provider has a choice of reimbursement methodologies. Payment procedures for these items are specified in COMAR 10.09.12.07F(2). Additionally, this transmittal addresses the periodicity of medical review for apnea monitors as well as coverage of supplies used with the apnea monitor.

Process for Recalculation of DME Payment

For medical equipment that does not have an established rate, the Program allows the Medicaid provider a choice of the manufacturer's suggested retail price (MSRP) minus 40 percent or provider's wholesale cost plus 30 percent¹. In cases where a provider initially chooses reimbursement based on MSRP (or requests reimbursement via wholesale cost, yet fails to submit appropriate documentation), the Program processes the request using MSRP. If the provider subsequently believes that pricing based on wholesale cost is more advantageous, the provider may request a recalculation of the initial reimbursement rate using the wholesale cost plus 30 percent. This type of request requires that the provider submit an invoice of acquisition specifying the provider's actual cost to purchase an item. Providers desiring a price recalculation must submit the request with adequate documentation no later than 90 days following payment of the claim. Requests for recalculation after this date will not be honored.

¹For customized equipment, MSRP minus 30 percent or wholesale cost plus 40 percent.



Coverage for Apnea Monitors and Supplies

Rental of apnea monitors beyond the initial three-month period will be approved only when the provider demonstrates that use of the monitor continues to be medically necessary. The Program has developed medical criteria to be used when submitting requests for apnea monitors (attached). This, along with other available supporting documentation, will assist the Program in its review for medical necessity of the apnea monitor. Additionally, coverage for supplies used with the apnea monitor including but not limited to belt kits (A9999), electrodes (A4556) and lead wires (A4557) are included in the monthly rental fee of the apnea monitor. The Program will no longer reimburse separately for apnea monitor supplies.

The provisions of this transmittal become effective August 1, 2007. Any questions regarding this transmittal should be addressed to the Staff Specialist for DMS/DME at (410) 767-1739 or e-mail to DCSS@dhmh.state.md.us.

Attachment

Apnea/Memory Monitors

All training to utilize services, including CPR training, and supplies are included in the rental fee.

The following conditions will be considered for up to 3 months approval (only one condition needs to apply):

- ✓ A sibling has died from SIDS;
- ✓ Symptomatic apnea due to neurological impairment;
- ✓ Craniofacial malformation likely to cause symptomatic apnea;
- ✓ Observation of apparent life-threatening event (ALTE);
- ✓ Continues to have real alarms documented by memory monitor;
- ✓ Upper respiratory infection when monitoring was scheduled to be discontinued.

Documentation

The following documentation must be submitted for each authorization of an apnea monitor rental period:

- ✓ Diagnosis and statement of medical necessity from the practitioner, and one of the following:
 - Copies of hospital records documenting medical necessity or;
 - Copies of sleep studies or memory monitor reports; or Documentation of ALTE from log, nursing notes or doctor's progress records.