

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING

A Statement of Need and Fiscal Impact accompanies this form.

Oregon Health Authority (OHA), Division of Medical Assistance Programs (Division)	410	
Agency and Division	Administrative Rules Chapter Number	
Sandy Cafourek	500 Summer St NE, Salem, OR 97301	(503) 945-6430
Rules Coordinator	Address	Telephone

RULE CAPTION

Rebasing Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Reimbursement Levels

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

May 15, 2014	10:30 a.m.	500 Summer St. NE, Salem, OR 97301 Room 166	Sandy Cafourek
Hearing Date	Time	Location	Hearings Officer

Auxiliary aids for persons with disabilities are available upon advance request.

RULEMAKING ACTION

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

ADOPT:

AMEND: 410-122-0186

REPEAL: 410-122-0186(T)

RENUMBER:

AMEND & RENUMBER:

Stat. Auth. : ORS 413.042 and 414.065

Other Auth.:

Stats. Implemented: ORS 414.065

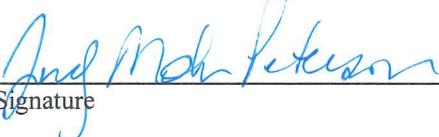
RULE SUMMARY

The Division has temporarily amended OAR 410-122-0186 to allow a change in payment methodology based on a percentage of a more current version of Medicare fee schedule (20120). Payments were calculated as a percentage of 2010 Medicare fee schedule and vary depending on category of service. The new percentages keep rates essentially the same to maintain budget neutrality.

The agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing the negative economic impact of the rule on business.

May 20, 2014 by 5 p.m. Send written comments to: dmap.rules@state.or.us

Last Day for Public Comment (Last day to submit written comments to the Rules Coordinator)

	Judy Mohr PETERSON	04/14/2014
Signature	Printed name	Date

Note: Hearing Notices must be submitted by the 15th day of the month to be published in the next month's *Oregon Bulletin*.

STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Oregon Health Authority, Division of Medical Assistance Programs (Division)
Agency and Division

410

Administrative Rules Chapter Number

Rebasing Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Reimbursement Levels
Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of: The amending of OAR 410-122-0186 and repealing of 410-122-0186(T)

Statutory Authority: ORS 413.042 and 414.065

Other Authority:

Stats. Implemented: ORS 414.065

Need for the Rule(s): The Division has temporarily amended OAR 410-122-0186 to allow a change in payment methodology based on a percentage of a more current version of Medicare fee schedule (20120). Payments were calculated as a percentage of 2010 Medicare fee schedule and vary depending on category of service. The new percentages keep rates essentially the same to maintain budget neutrality.

Documents Relied Upon, and where they are available: 2012 Medicare fee schedule for Oregon; DMEPOS Stakeholder's meeting minutes from June 6, 2013.

Fiscal and Economic Impact: No substantial fiscal impact is expected as the percentage of 2012 Medicare fee schedule was adjusted to keep rates essentially the same to maintain budget neutrality.

Statement of Cost of Compliance:

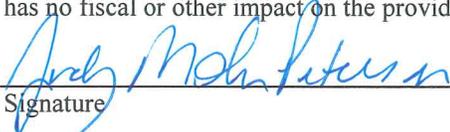
- 1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):
 - As rates will remain the same, there should be no impact by implementation of these particular amendments.
- 2. Cost of compliance effect on small business (ORS 183.336):
 - a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:
 - The Division estimates that 500-600 small businesses will be subject to these reimbursement rules; however, as the rates will remain the same, there should be no actual impact.
 - b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:
 - The Division anticipates no increased or decreased cost to small businesses impacted in order to comply with the amended rules.
 - c. Equipment, supplies, labor and increased administration required for compliance:
 - The Division anticipates no increased or decreased cost to small businesses for compliance.

How were small businesses involved in the development of this rule?

Stakeholders, including both small and larger businesses, were informed in several quarterly Stakeholder meetings that the Division would be rebasing the rates as agreed to back in budget discussions for the 2011-13 Biennium. The new payment methodology including percentages of 2012 Medicare fee schedule was provided with no comments or concerns noted by the stakeholders.

Administrative Rule Advisory Committee consulted?:

If not, why?: A RAC exception was granted as there was adequate discussion about the matter with the stakeholders, and it has no fiscal or other impact on the providers.


Signature


Printed name


Date

410-122-0186

Payment Methodology

(1) The Division of Medical Assistance Programs (Division) utilizes a payment methodology for covered durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) ~~which that~~ is generally based on the ~~2010-2012~~ Medicare fee schedule.

(a) The Division fee schedule amount is ~~84.582.6 percent%~~ of ~~2010-2012~~the 2012 Medicare Fee Schedule for items covered by Medicare and the Division, except for:

(A) Ostomy supplies fee schedule amounts are 95.493.3 percent% of ~~2010-2012~~the 2012 Medicare Fee Schedule (See Table 122-0186-1 for list of codes subject to this pricing); and

(B) Prosthetic and Orthotic fee schedule amounts (L-codes) are 84.582.6 percent% of ~~2010-2012~~the 2012 Medicare Fee Schedule; and

(C) Complex Rehabilitation Wheelchair items and services, other than power wheelchairs, -fee schedule amounts are 90.88 percent% of ~~2010-2012~~the 2012 Medicare Fee Schedule (See Table 122-0186-2 for a list of codes subject to this pricing); and

(D) Group 1 power wheelchairs (K0813-K0816) and Group 2 power wheelchairs with no added power option (K0820-K0829) fee schedule amounts are 55 percent% of ~~2012~~the 2012 Medicare Fee Schedule; and

(E) Group 3 power wheelchairs (K0835-K0864) fee schedule amounts are 58.7 percent% of ~~2012~~the 2012 Medicare Fee Schedule;

(b) For items that are not covered by Medicare, but covered by the Division, the fee schedule amount shall be 99 percent% of DMAP's published rate effective 7/31/11.

(c) For new codes added by the Center for Medicare and Medicaid Services (CMS), payment will be based on the most current Medicare fee schedule and will follow the same payment methodology as stated in (1)(a) and (b).

(2) Payment is calculated using the lesser of the following:

(a) The Division fee schedule amount, using the above methodology in (1) (a) and (b); or

(b) The manufacturer's suggested retail price (MSRP); or

(c) The actual charge submitted.

(3) The Division reimburses for the lowest level of service that meets medical appropriateness. See OAR 410-120-1280 Billing and 410-120-1340 Payment.

(4) The Division shall reimburse miscellaneous codes E1399 (durable medical equipment, miscellaneous) and K0108 (wheelchair component or accessory, not otherwise specified), and any code that requires manual pricing, using the lesser of the following:

(a) Seventy-five percent (75)% of Manufacturer's Suggested Retail Price (MSRP) verifiable with quote, invoice or bill from the manufacturer which clearly states the amount indicated is MSRP; or

(b) If MSRP is not available then reimbursement shall be acquisition cost plus 20 percent%, verifiable with quote, invoice, or bill from the manufacturer ~~which~~ that clearly states the amount indicated is acquisition cost; or

(c) Actual charge submitted by the provider.

(5) -Reimbursement on miscellaneous codes E1399 and K0108 shall be capped at \$3,200-00.

(6) Prior authorization (PA) is required for miscellaneous codes E1399, K0108 and A4649 (surgical supply; miscellaneous) when the cost is greater than \$150, and the DMEPOS provider ~~must~~ shall submit the following documentation:

(a) A copy of the items from (4)_(a) or (b) that will be used to bill; and,

(b) Name of the manufacturer, description of the item, including product name/model name and number, serial number when applicable, and technical specifications;

(c) A picture of the item upon request by the Division.

(7) The DMEPOS provider ~~must~~ shall submit verification for items billed with miscellaneous codes A4649, E1399, and K0108 when no specific Healthcare Common Procedure Coding System (HCPCS) code is available. Providers are allowed to submit verification from an organization such as the Medicare Pricing, Data Analysis and Coding (PDAC) contractor.

(8) The Division may review items that exceed the maximum allowable or cap on a case-by-case basis and may request the provider submit the following documentation for reimbursement:

(a) Documentation ~~that~~ which supports that the client meets all of the coverage criteria for the less costly alternative; and,

(b) A comprehensive evaluation by a licensed clinician (who is not an employee of or otherwise paid by a provider) that clearly explains why the less costly alternative is not sufficient to meet the client's medical needs, and;

(c) The expected hours of usage per day, and;

(d) The expected outcome or change in the client's condition.

(9) For codes A4649, E1399 and K0108 when the cost is \$150.00 or less per each unit:

(a) Only items that have received an official product review coding decision from an organization such as PDAC with codes A4649, E1399 or K0108 ~~shall~~ may be billed to the Division. -These products may be listed in the PDAC Durable Medical Equipment Coding System Guide (DMECS) DMEPOS Product Classification Lists;

(b) Subject to service limitations of the Division's rules;

(c) PA is not required;

(d) The amount billed to the Division ~~must~~ shall not exceed 75 percent% of Manufacturer's Suggested Retail Price (MSRP). The provider is required to retain documentation of the quote, invoice or bill to allow the Division to verify through audit procedures.

(10) -For rented equipment, the equipment is considered paid for and owned by the client when the Division fee schedule allowable is met or the actual charge from the provider is met, whichever is lowest. -The provider ~~must~~ shall transfer title of the equipment to the client.

(11) -Table 122-1086-1: Ostomy Codes, Table 122-0186-2: Complex Rehabilitation Wheelchair Codes

Statutory Authority: ORS 413.042 and 414.065

Statutes Implemented: 414.065

~~7/1/12(T)~~ 2/1/14

Table 122-0186-1: Ostomy Codes

Medicare covered codes	
A4361	A4397
A4372	A5051
A4378	A5062
A4383	A5081
A4390	A4369
A4395	A4376
A4402	A4381
A5054	A4388
A5072	A4393
A4362	A4398
A4373	A5052
A4379	A5063
A4384	A5093
A4391	A4371
A4396	A4377
A4404	A4382
A5055	A4389
A5073	A4394
A4367	A4399
A4375	A5053A4435
A4380	A5071A4456
A4385	A4456A5053
A4392	A5071

Non-Medicare codes (These are not subject to reduction)	
A4455	A5121
A4405	A4366
A4410	A4408
A4415	A4413
A4420	A4418
A4425	A4423
A4430	A4428
A5061	A4433
A4363	A5122
A4406	A4387
A4411	A4409
A4416	A4414
A4421	A4419
A4426	A4424
A4431	A4429
A5120	A4434
A4364	A5126
A4407	
A4412	
A4417	
A4422	
A4427	
A4432	

Table 122-0186-2: Complex Rehabilitation/Wheelchair Codes

E0950	E2206	E2371	K0037
E0951	E2209	E2373	K0038
E0952	E2210	E2374	K0039
E0955	E2211	E2375	K0040
E0956	E2212	E2376	K0041
E0957	E2213	E2377	K0043
E0958	E2214	E2381	K0044
E0960	E2215	E2382	K0045
E0966	E2219	E2383	K0046
E0967	E2221	E2384	K0047
E0973	E2222	E2385	K0050
E0974	E2224	E2386	K0051
E0978	E2225	E2387	K0052
E0981	E2226	E2388	K0053
E0982	E2231	E2389	K0056
E0992	E2310	E2390	K0065
E0995	E2311	E2391	K0069
E1002	E2312	E2392	K0070
E1003	E2313	E2394	K0071
E1004	E2321	E2395	K0072
E1005	E2322	E2396	K0073
E1006	E2323	E2601	K0077
E1007	E2324	E2602	K0098
E1008	E2325	E2603	K0733
E1010	E2326	E2604	K0739
E1014	E2327	E2605	K0848
E1015	E2328	E2606	K0849
E1016	E2329	E2607	K0850
E1020	E2330	E2608	K0851
E1028	E2340	E2611	K0852
E1029	E2341	E2612	K0853
E1030	E2342	E2613	K0854
E1161	E2343	E2614	K0855
E1232	E2351	E2615	K0856
E1233	E2360	E2616	K0857
E1234	E2361	E2619	K0858
E1235	E2362	E2620	K0859
E1236	E2363	E2621	K0860
E1237	E2364	K0005	K0864
E1238	E2365	K0007	K0862
E2201	E2366	K0015	K0863
E2202	E2368	K0017	K0864
E2203	E2369	K0018	