GREAT LAKES
Home Medical
Services Association

September 11, 2019 *Sent electronically via email*

Indiana Medicaid
Indiana Family and Social Services Administration
402 W. Washington St., Room W374, MS07
Indianapolis, IN 46204

Attn: Danielle Zavala - Senior Manager, Provider Relations
Re: IHCP Bulletin BR201936 published 09/03/2019

Great Lakes is requesting that Indiana Health Coverage Programs (IHCP) delay the implementation of any of the changes announced in this bulletin. These are very significant changes that will have a substantial impact on Indiana Medicaid DME suppliers' ability to continue to provide equipment and services to Indiana Medicaid. We need more time in order to prepare for these changes, and we need more information and detail to understand exactly what IHCP is proposing, so that DME providers can take the appropriate steps and develop transition plans to continue serving Medicaid recipients.

Some of Great Lakes Association member questions and concerns are outlined below:

Fee Schedule:

1) The bulletin says 'all covered codes' will be paid at the lowest non-zero Medicare rate.

   The Medicare fee schedule has multiple rates for many codes, even on the Indiana fee schedule; allowables vary by Medicare beneficiary zip code, and also by the use of modifiers that assign different allowables based on coverage and usage scenarios. Providers need to know exactly which allowable Indiana Medicaid will adopt. If Medicaid truly uses the lowest possible allowable, and if Medicaid does not recognize the same modifiers as Medicare, this will create access problems, as many of the lower allowables are unsustainable. **We request that IHCP publish the specific fee schedule that will be implemented, at least 45 days before it goes into effect.**

   This drastic proposal and rate reduction may have been implemented as a response to the CURES Act; but we strongly believe this is an over-reaction and misunderstanding of that regulation. We would like to discuss this in more detail.

2) Will rates be updated annually, when Medicare does? Historically, Indiana Medicaid has not updated the DME fee schedule on any regular basis.

3) Manually Priced items: the proposal calls for reversing the current IHCP policy, and asking 1st for cost invoices that would be priced at cost + 20%; and only accepting MSRP (paying MSRP x 75%) if no cost invoice is available. Making this switch creates an extremely difficult situation for suppliers. We generally do not have cost invoices for a specific item when we obtain, provide and bill for that item when delivered to a specific member. We don't receive cost invoices until later. Or we may purchase in bulk and there is difficulty in retrieving and identifying a cost for an item that is provided. Using cost, which can vary widely depending on the supplier's purchasing practices will cause scenarios where Medicaid will pay very different amounts for the same item. Using cost and paying at just 120% does not come close to covering a supplier's expenses in providing that item – product acquisition cost is just one small part of the costs of providing needed services and equipment to Indiana Medicaid members. **Great Lakes is requesting that IHCP maintain the current policy of paying for manually priced items using 75% of MSRP as the primary/default method, while still accepting a cost invoice in those rare situations when MSRP is not available.** This creates a consistent payment scenario for IHCP, and enables better and more consistent claims processing.

4) If a manually priced item is also a rental item, how will the fee schedule amount be set? Both MSRP and cost invoices will reflect the purchase price or cost, not a rental amount. An example is in Table 1 of the bulletin - E0619 a rental item.

5) The Bulletin states "HCPCS codes on the Medicare DMEPOS fee schedule with rates of $0 will be manually priced". How will codes that are accepted by Indiana Medicaid, that are NOT on the Medicare fee schedule, be reimbursed? Examples: B4160, B4161, T codes, etc.

6) Capped Rental items – Indiana Medicaid has always approved initial purchase when a member has a long term need for an item, even when the item is classified as capped rental by Medicare or Medicaid. Will IHCP continue to do so? If so, how will the purchase allowable be calculated if Medicare only publishes a rental rate? Traditionally, the equivalent Medicare allowable is the rental rate times 10.

Codes:
Indiana Medicaid has historically delayed adopting the standard HCPCS codes used by Medicare and most other payers. BR201936 cites acceptance of K0108 (vs E1399) for wheelchair options and accessories.

7) Will IHCP also implement and accept K codes (K0001 – K0009) for manual wheelchair bases and other K codes for wheelchair options, eliminating the 'old' E codes? Suppliers will need to know exactly which codes can and should be used.

8) Clarification: BR201936 says that Medicaid will pay separately for supplies that are needed for use with equipment that is in capped rental period. We would like a list of these supplies.

Transition:

9) Is there a transition/crosswalk plan for code changes where PAs are in process or approved but not delivered as of the effective date of this bulletin?

10) What happens if Members are currently renting items - delivered prior to the effective date of these changes? Will the supplier be paid for 13 or 15 months?

Coverage Policy:

11) Indiana Medicaid has historically recognized the difference between the Medicaid population and the Medicare population: age, level of disability, chronic health status, monthly eligibility and other factors. Because of this, there are (and rightly so) coverage differences in the programs. BR201936 appears to be moving in the direction of adopting more Medicare policies rather than maintaining those distinctions. Great Lakes association members are requesting that we discuss adoption of any more restrictive Medicare policies – for services such as home oxygen therapy, and community use (school, work, community activities) for mobility products – before Medicaid makes any coverage changes.

Data Request:

12) Indiana Medicaid had to complete a data reconciliation for 2018 calendar year to provide to CMS for Cures compliance. We request a copy of this reconciliation to determine if data was provided by zip code area to utilize the higher rural rates for those areas. If this was not provided, we request that the data utilization by zip code area be provided so that AAHomecare can analyze to ensure what rates can be utilized to preserve access.

The Great Lakes Association is concerned that these incredibly significant changes were published with less than 30 days-notice before the intended effective date; and that we did not have an opportunity to discuss these substantial changes prior to the bulletin being issued. We meet regularly with representatives of the Indiana Medicaid program, and have tried to establish open communication and show our willingness to work with the State in order for Indiana Medicaid members to have access to quality providers, equipment and services.

Please delay implementation of these changes until we have more information, answers to our questions, and time to create transition plans and prepare.

Association Contacts:

Kam Yuricich, Executive Director
Great Lakes Home Medical Services Association
Office: 877-279-1707 / Cell: 614-581-2958
Kam@greatlakeshme.org

Kathy Murzyn, VP Reimbursement
Fairmeadows Home Health Center, Inc.
Office: 219-865-5960 x110 / Cell: 219-805-6524
Kathleenmurzyn@sbcglobal.net