



HOMES DME Cures Act Alternative Proposal Fee Schedule Proposal to Connecticut Department of Social Services May 1, 2018

DME Provider Overview

On April 1, 2018, Connecticut Department of Social Services implemented a new DME fee schedule that reduced the 244 HCPCS codes affected by the 21st Century Cures Act to the 2018 Medicare Non-Rural reimbursement rates. At the request of the Department, the Home Medical Equipment and Services Association of New England (HOMES), in collaboration with the American Association for Homecare (AAHomecare) and the National Coalition for Assistive and Rehab Technology (NCART), we have submitted a “DME Cures Act Alternative Proposal” for their consideration in an effort to maintain beneficiary access while at the same time ensuring the state is in compliance with provisions of the 21st Century Cures Act. HOMES is the regional trade association that advocates for Home Medical Equipment (HME) and supply companies in the six New England states. AAHomecare is the national association that advocates for the HME industry in Washington, D.C. and NCART is the national association that advocates for the Complex Rehabilitative Technology (CRT) industry.

Background

On February 28, 2018, DSS issued Provider Bulletin 2018-15, *Reductions and Adjustments to Payment for Durable Medical Equipment (DME) to Remain Compliant with Federal Law and Additional Reimbursement Reductions to Medical Equipment, Devices and Supplies (MEDS)*. In order to comply with federal law, the Department was “revising reimbursement rates to certain DME procedure codes and also adjusting the payment methodology for certain DME items in order to ensure that the amount paid by Connecticut’s Medicaid program for specified DME items is not in excess of the aggregate amount that Medicare Part B would have paid for the same applicable DME items, incorporating the amounts that Medicare would have paid under its Competitive Bidding Program for applicable items and geographic areas.” These changes were scheduled to go into effect on April 1, 2018 and affected the entire DMEPOS fee schedule, reducing many codes by 50-60%.

In follow up to concerns raised by HOMES and other stakeholders, the Department held an open meeting on March 16, 2018. Following that meeting, the Department issued Provider Bulletin 2018-18 on March 26, 2018, *Corrected and Revised - Reductions and Adjustments to Payment for Durable Medical Equipment (DME) to Remain Compliant with Federal Law and Additional Reimbursement Reductions to Medical Equipment, Devices and Supplies (MEDS)* which reduced reimbursement to only the 244 codes that are affected by the Cures Act.

While this change was an improvement, there were still many codes that were cut by 40-50% and the Association began hearing of access to care issues. At the Department's request, HOMES collaborated with AAHomecare and NCART along with providers from each sector of the industry that was impacted by the reimbursement cuts on an alternative proposal that would meet Cures Act compliance requirements and ensure Medicaid recipients' access to medically necessary equipment.

Proposal Details

The individual items and the terms of the proposal are:

1. With the exception of 7 HCPCS codes (see item 2), all other HCPCS Codes will revert back to fee schedule in effect for dates of service through March 31, 2018.
2. Reduction in rates will be limited to ONLY these 7 HCPCS Codes:
 - a. E1390
 - b. E0441
 - c. E0442
 - d. E0601
 - e. E0470
 - f. E0277
 - g. E2402
3. Stationary oxygen contents will be additionally reimbursed monthly while stationary oxygen system is on rent.
4. Positive Airway Pressure (PAP) supplies will be reimbursed separately while PAP unit is on rent and after purchase.
5. Additional reimbursement proposed for Respiratory Therapist (RT) setup visit if utilized for PAP and a one-time PAP compliance fee for all new PAP setups.
6. Increase the number of months on rent to purchase price from 10 to 13 months on 4 HCPCS Codes.
 - a. E0601-Item can convert to purchase after 3 months on rent.
 - b. E0470-Item can convert to purchase after 3 months on rent.
 - c. E0277-Item will be rental only.
 - d. E2402-Item will be rental only.
7. Eliminate unnecessary documentation and administrative inefficiencies to reduce state and provider costs.
8. Retroactive implementation of proposal to April 1, 2018.
9. No further cuts to DME payment rates for the remainder of 2018.

Rate proposals and details for each product category impacted are attached for review.

We thank the Department for the opportunity to submit this proposal and encourage working with the Association prior to the implementation of any future reimbursement, regulatory or policy changes and schedule regular meetings with the Association.

Next Steps

The proposal with supporting detailed schedules have been submitted to the Department and is under review. The HOMES Cures Workgroup is continuing the discussions with the Department to arrive at a resolution acceptable to all parties and that will preserve access.

For any questions regarding this proposal, please contact Karyn Estrella of HOMES at 508-993-0700.

Proposed Cures Payment Rate Reductions

HCPC	Current Rental Allowable	Current Purchase Allowable	Proposed Rental Allowable	Proposed Purchase Allowable	Months on Rent	Notes
E0470	\$207.21	\$2,072.05	\$101.19	\$1,315.47	13	CONVERT TO PURCHASE AT MONTH 4, Pay supplies while on rent
E0601	\$90.20	\$902.03	\$61.53	\$799.89	13	CONVERT TO PURCHASE AT MONTH 4, Pay supplies while on rent
E0441		\$69.70		\$51.67		*Pay 1 unit for every E1390 on rent
E0442		\$69.70		\$51.67		*Pay 1 unit for every E0439 on rent
E1390	\$160.21	N/A	\$69.62	N/A	Lifetime	
E2402	\$1,386.04	\$13,860.40	\$450.00	\$5,850.00	13	RENTAL ONLY
E0277	\$568.05	\$5,680.53	\$183.15	\$2,380.95	13	RENTAL ONLY

OXYGEN PROPOSAL ANALYSIS

*Reduce Rates for E1390 to Medicare fee Schedule

*Add monthly payment of stationary contents for each E1390 or E0439

Portable/Concentrator Patient

	Reimbursement on 3/31/18	Reimbursement on 4/1/18	Proposed Reimbursement
E1390	\$160.21	\$69.62	\$69.62
E0431	\$25.67	\$25.67	\$25.67
E0441	N/A	N/A	\$51.67
Total	\$185.88	\$95.29	\$146.96

Portable Concentrator Patient

	Current Reimbursement	Current Reimbursement	Proposed Reimbursement
E1390	\$160.21	\$69.62	\$69.62
E1392	\$41.70	\$41.70	\$41.70
E0441	N/A	N/A	\$51.67
Total	\$201.91	\$111.32	\$162.99

Transfill Patient

	Current Reimbursement	Current Reimbursement	Proposed Reimbursement
E1390	\$160.21	\$69.62	\$69.62
K0738	\$43.89	\$43.89	\$43.89
E0441	N/A	N/A	\$51.67
Total	\$204.10	\$113.51	\$165.18

Stationary Liquid

	Current Reimbursement	Current Reimbursement	Proposed Reimbursement
E0439	\$122.07	\$69.62	\$122.07
E0434	\$25.83	\$25.83	\$25.83
E0442	N/A	N/A	\$51.67
Total	\$147.90	\$95.45	\$199.57

Nocturnal Patient

	Reimbursement on 3/31/18	Reimbursement on 4/1/18	Proposed Reimbursement
E1390	\$160.21	\$69.62	\$69.62
E0441	N/A	N/A	\$51.67
Total	\$160.21	\$69.62	\$121.29

SLEEP PROPOSAL ANALYSIS

***Reduce Rates for E0601 and E0470**

***Additional payment for supplies while units on rent**

***Additional payment for one time compliance tracking fee**

***Additional payment for RT fee for PAP setup if utilized.**

Sleep

	Rent/Sale	Reimbursement on 3/31/18	Reimbursement on 4/1/18	Proposed Reimbursement
E0470	Rental	\$207.21	\$101.19	\$101.19
E0470	Sale	\$2,072.05	\$1,011.90	\$1,315.47
E0601	Rental	\$90.20	\$38.15	\$61.53
E0601	Sale	\$902.30	\$381.50	\$902.03

LOW AIRLOSS PROPOSAL ANALYSIS

***Reduce Rates for E0277 to Medicare rates**

***Change months on rent period to purchase from 10 months to 13 months**

LOW AIRLOSS

	Rent/Sale	Reimbursement on 3/31/18	Reimbursement on 4/1/18	Proposed Reimbursement
E0277	Rental	\$568.05	\$183.15	\$183.15
E0277	Sale	\$5,680.53	\$1,831.50	\$2,380.95

NPWT PROPOSAL ANALYSIS

***Reduce Rates for E2402 to Medicare rates**

***Change months on rent period to purchase from 10 months to 13 months**

NPWT

	Rent/Sale	Reimbursement on 3/31/18	Reimbursement on 4/1/18	Proposed Reimbursement
E2402	Rental	\$1,386.04	\$450.00	\$450.00
E2402	Sale	\$13,860.40	\$4,500.00	\$5,850.00

ADMINISTRATIVE AND POLICY CHANGE RECOMMENDATIONS

- (1) Adopt Medicare policy for prescription requirements.
- (2) Adopt Medicare policy for proof of delivery.
- (3) Implement clearer coverage and documentation criteria relating to provision of CRT.
- (4) Meet with HOMES quarterly to discuss any regulatory, reimbursement, and policy changes being considered.

PROPOSED ADDITIONAL SPEND RATES

HCPC	Description	Proposed Purchase Allowable	Guidelines
	RT Visit for PAP Setup	\$75.00	Paid at initial setup
	PAP Compliance Fee for Initial Pap Setup	\$50.00	Paid at initial setup
A7034	Nasal Mask	\$94.99	Pay While PAP On Rent
A7030	Full Face Mask	\$152.32	Pay While PAP On Rent
A7035	Headgear	\$32.10	Pay While PAP On Rent
A7037	PAP Tubing	\$33.13	Pay While PAP On Rent
A7038	Disposable Filter	\$4.35	Pay While PAP On Rent
A4604	Heated Tube	\$56.79	Pay While PAP On Rent
A7032	Nasal Cushions	\$32.73	Pay While PAP On Rent
A7033	Nasal Pillows	\$22.94	Pay While PAP On Rent