

J. Durable Medical Equipment Claims Procedure

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J. Durable Medical Equipment Claims Procedure

Supervisory unions can submit requests for Medicaid reimbursement for equipment purchased for students in accordance with their IEP's. The equipment must be considered **medically necessary** in order to be claimed. If the family has private insurance, permission must be requested for the private insurance to be billed. If the parent denies permission, then the durable medical equipment cannot be claimed through the School-Based Health Services Program. If the parent grants permission to bill the family's private insurance, it must be billed for the equipment prior to billing Medicaid. When the insurance company denies the claim for the equipment, a copy of the denial must be obtained and submitted with the Medicaid claim. Most equipment that is medically necessary would be purchased directly for the child and would not involve the supervisory union. Since FY-98, only seven claims submitted by supervisory unions have been approved for Medicaid reimbursement. All seven claims were for communication devices. If you are interested in obtaining a copy of the Medicaid policy on augmentative communication devices, or a list of pre-approved augmentative communication devices, please contact the Medicaid Unit Coordinator at 828-5111.

COVERED EQUIPMENT

A Medicaid claim may be submitted for durable medical equipment ordered by a physician for use in the school and at the student's home. Medicaid will generally only purchase one of a specific type of equipment for a child – i.e., one wheelchair, not two. If the equipment is a duplicate, it is unlikely that Medicaid would pay for the second piece of equipment.

Durable medical equipment is defined as equipment which will arrest, alleviate or retard a medical condition and:

- Can withstand repeated use and grow with the child;
- Is primarily and customarily used to serve a medical purpose;
- Is generally not useful to a person in the absence of illness or injury; and
- Is determined by DVHA to meet cost effectiveness guidelines.

NON-COVERED SERVICES

Non-covered items include, but are not limited to:

- FM systems
- Elevators and stair lifts
- Exercise balls, weights, mats and other equipment
- Toys
- Laptop computers

THE MEDICAID CLAIMS PROCESS FOR DURABLE MEDICAL EQUIPMENT

The following is a summary of the steps involved in ordering and receiving durable medical equipment through the Medicaid system.

- Step 1.** The IEP team determines that a student requires a piece of equipment and includes it in the student's IEP.
- Step 2.** The school district purchases the equipment or rents it for at least a two-week trial period.
- Step 3.** The school district decides whether to claim equipment costs for Medicaid reimbursement depending on the following:
- A. Is the student Medicaid eligible?

- B. Does the equipment meet medically necessary criteria?
- C. Does the equipment qualify as durable medical equipment?
- D. If the student is covered by other insurance, will the parent give permission to bill other insurance for the equipment?

Step 4. The supervisory union prepares claim for durable medical equipment.

- A. The staff person who is most familiar with the purpose of the equipment completes the Medical Necessity Form (MNF).
- B. The student's physician is asked to sign the MNF which is the prescription for the equipment. The physician's signature date on the MNF must be within six months of the dispensing date. The physician, who actually prescribed the equipment for the student, must be enrolled as a participating or non-participating Medicaid provider. Supportive documentation in the form of a letter, photograph, video and/or current peer reviewed medical literature can be attached to the Medical Necessity form.

Step 5. A claim for durable medical equipment sent to the Department of Education for processing consists of the following:

- A. A cover memo stating the name of the supervisory union making the claim.
- B. A MNF completely filled out and signed by the prescribing physician. The specific type of equipment needs to be described but the particular model/device need not be specified.
- C. Any supporting documentation regarding the efficacy of the device and its usefulness to the independence of the beneficiary.
- D. A copy of the receipt for the purchased equipment. The pricing documentation needs to include manufacturer suggested retail price, not invoice pricing. This item is usually the biggest cause of delay in the processing.
- E. A copy of the services page in the IEP where the equipment has been addressed.
- F. Documentation with objective, measurable parameters of the student's two-week trial period with the equipment.
- G. The claim is to be mailed to:
Department of Education
Attn: Medicaid Unit Coordinator
120 State Street
Montpelier VT 05620-2501

Step 6. Claims review process is described below.

- A. The forms and documentation are reviewed at the Department of Education and you will be contacted if any information is missing.
- B. After an initial review by the Department of Education, the claim is sent to the Clinical Unit at DVHA for approval.
- C. A Notice of Decision is sent to DOE and the Supervisory Union. If the claim is approved, the Department of Education submits the claim for payment. Medicaid has established rates of reimbursement for durable medical equipment claims.
- D. Medicaid reimbursement will be made at the lower of the actual charge or the Medicaid fee set for the service.

- E. The reimbursement for the equipment claim is included in the supervisory union grant.

OTHER INFORMATION IN REFERENCE TO DURABLE MEDICAL EQUIPMENT

A. Purchase/Rental

For purchased equipment, the recipient must be eligible for Medicaid at the time the equipment is delivered or obtained. Medicaid does not pay sales tax nor can the recipient be billed for sales tax. Medicaid will not reimburse for any convenience items and does not generally cover mileage.

Medicaid will cover up to one-month rental if the device cannot be loaned. The cost of rental must be included in the price if eventually purchased. If the equipment is rented and the recipient is ineligible for Medicaid during a portion of a rental month, rental is only paid for those days the recipient is eligible.

B. Ownership of Equipment

If Medicaid reimburses the supervisory union for durable medical equipment the equipment becomes the property of Medicaid for use by the student. If the student leaves one supervisory union and moves to another supervisory union the equipment goes with the student.

If Medicaid pays for the equipment and the child no longer needs it or outgrows the equipment, the parents or the supervisory union cannot sell the equipment because it is the property of Medicaid. If a school district has any unused equipment that Medicaid paid for, contact the Clinical Unit at DVHA (802-879-5903). They will discuss what to do with the unused equipment and may make arrangements to retrieve it. It is possible that DVHA will donate the equipment back to the school district if they have another student who can use it.

C. Repairs

When a piece of equipment is purchased by Medicaid and becomes in need of repair, Medicaid will generally pay for the repair. Repairs to covered items are covered when the repair is necessary to make the item useful. If the repair is more than 50% of the cost of a new device, Medicaid will cover the cost of a new device. It is important that all necessary care be taken to keep the device in good working order and appropriately cleaned and cared for. Many devices have limitations on the frequency of replacement, so care must be taken to prevent harm and unnecessary damage to devices purchased by Medicaid.

D. Appeals Process

If the payment for the item is denied, DVHA will send a letter to the supervisory union and the Department of Education. It includes a notice of the decision and the reason for the denial. It will also explain the Medicaid appeals process. Only the recipient (i.e., the student or student's family) can file an appeal. The supervisory union cannot file an appeal.