DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

SPA 18-L: Reductions and Adjustments to Payment for Durable Medical Equipment (DME) to Remain Compliant with Federal Law, Additional Medical Equipment, Devices and Supplies (MEDS) Reimbursement Reductions, and Pricing for Code K0108

The State of Connecticut Department of Social Services (DSS) proposes to submit the following Medicaid State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS) within the U.S. Department of Health and Human Services (HHS).

Changes to Medicaid State Plan

A. DME Changes Necessary to Comply with Federal Law

Effective on or after April 1, 2018, SPA 18-L will amend Attachment 4.19-B of the Medicaid State Plan in order to reduce and adjust the payment methodology for DME in order to comply with federal law at 42 U.S.C. § 1396b(i)(27), also codified as section 1903(i)(27) of the Social Security Act, as amended by section 5002 of the 21st Century Cures Act, Public Law No. 114-255. That federal law limits federal Medicaid matching funds only for specified total DME expenditures that, in the aggregate, do not exceed the 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.

This public notice updates and supersedes the public notice for this SPA that was previously published in the Connecticut Law Journal on December 26, 2017.

In order to comply with that federal law, this SPA proposes to reduce reimbursement to certain DME procedure codes, adjust the payment methodology for certain DME items, or a combination thereof as necessary with the purpose of ensuring 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.

In making these changes, DSS will ensure that rates and payment methodologies comply with all applicable law. Based on the information and analysis that is currently available, DSS anticipates that this SPA will primarily include the following changes to the DME fee schedule:

1. This SPA will decrease reimbursement amounts to various categories of procedure codes on the DME fee schedule to 100% of the lowest applicable Medicare fee (including Medicare competitive bid pricing for codes that are part of that program).

2. This SPA will decrease reimbursement amounts to various categories of procedure codes on the DME fee schedule to a percentage to be determined that is lower than 100% of the lowest applicable Medicare fee (including Medicare competitive bid pricing for codes that are part of that program).

Fee schedules are published at this link: http://www.ctdssmap.com, then select "Provider", then select "Provider Fee Schedule Download." DSS will also be sending providers a provider bulletin to describe the changes in more detail.

B. Additional MEDS Reimbursement Reductions

In addition to making changes necessary to comply with the federal law described above, this SPA will also reduce the fee by 6% for most codes on the MEDS fee schedules (including the DME, orthotics and prosthetics, hearing aids, and medical surgical supplies fee schedules) that are not priced by Medicare or are not covered by Medicare.

Fee schedules are published at this link: http://www.ctdssmap.com, then select "Provider", then select "Provider Fee Schedule Download." DSS will also be sending providers a provider bulletin to describe the changes in more detail.

C. Changes to Pricing Methodology for Certain Miscellaneous Custom Wheelchair Components Billed Under Procedure Code K0108

This SPA will also change pricing methodology for certain miscellaneous custom wheelchair components bulled under procedure code K0108 (wheelchair component or accessory, not otherwise specified). DSS has established set fees for certain miscellaneous custom wheelchair components billed under procedure code K0108 in an effort to improve clarity and establish a uniform pricing methodology. The list of components will be posted on the Connecticut Medical Assistance Program's (CMAP) Web site at http://www.huskyhealthct.org. Please select "Provider Home" then select "Medical Management" then select "Policies, Procedures & Guidelines". Scroll down to the file titled "Established fees for certain miscellaneous custom wheelchair components billed under procedure code K0108".

Fiscal Information

Based on the analysis and information that is currently available, DSS estimates that the portions of this SPA that are described in sections A and B above will collectively reduce annual aggregate expenditures by approximately $13 million during the twelve-month period from April 1, 2018 through March 31, 2019 and a similar amount in the following twelve-month period.

DSS is unable to estimate the fiscal impact for the portion of this SPA described in section C above because procedure code K0108 because it is a miscellaneous wheelchair component code and is currently

unquantifiable due to lack of detailed data and because miscellaneous wheelchair components are bundled together under code K0108 on prior authorization documents.

Compliance with Federal Access Regulations

In accordance with federal regulations at 42 C.F.R. §§ 447.203 and 447.204, DSS is required to ensure that there is sufficient access to Medicaid services, including services where payment rates are proposed to be reduced or where payment rates or methodologies are being restructured in a manner that may affect access to services. Those federal regulations also require DSS to have ongoing mechanisms for Medicaid members, providers, other stakeholders, and the public to provide DSS with feedback about access. In addition to other available procedures, anyone may send DSS comments about the potential impact of this SPA on access to MEDS services as part of the public comment process for this SPA. Contact information and the deadline for submitting public comments are listed below.

Obtaining SPA Language and Submitting Comments

This SPA is posted on the DSS web site at the following link: http://portal.ct.gov/dss. Scroll down to the bottom of the webpage and click on "Publications" and then click on "Updates." Then click on "Medicaid State Plan Amendments". The proposed SPA may also be obtained at any DSS field office, at the Town of Vernon Social Services Department, or upon request from DSS (see below).

To request a copy of the SPA from DSS or to send comments about the SPA, please email: Public.Comment.DSS@ct.gov or write to: Medical Policy Unit, Department of Social Services, 55 Farmington Avenue, 9th Floor, Hartford, CT 06105 (Phone: 860-424-5067). Please reference "SPA 18-L: Reductions and Adjustments to Payment for Durable Medical Equipment (DME) to Remain Compliant with Federal Law, Additional Medical Equipment, Devices and Supplies (MEDS) Reimbursement Reductions, and Pricing for Code K0108".

Anyone may send DSS written comments about this SPA, including comments about access to the services for which this SPA proposes to reduce rates or restructure payments in a manner that could affect access. Written comments must be received by DSS at the above contact information no later than March 29, 2018.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut

(7) Home Health Services –

(a) Intermittent or part-time nursing services provided by a home health agency or by a registered nurse when no home health agency exists in the area are provided with limitations.
(b) Home health aide services provided by a home health agency with limitations.
(d) Physical therapy, occupational therapy, or speech pathology and audiology services provided by a home health agency or medical rehabilitation facility are provided with limitations.

The fee schedule for licensed home health care agencies for service (a), (b), and (d) above can be accessed and downloaded by going to the Connecticut Medical Assistance Program website: www.ctdssmap.com. From this web page, go to "Provider," then to "Provider Fee Schedule Download." Home health service rates were set as of July 1, 2016 and are effective for services on or after that date. Rates are the same for private and governmental providers and are published on the agency's website. Any fee payable to a home health care agency may qualify for an add-on to the standard fee for the applicable home health service upon application by the agency evidencing extraordinary costs associated with (1) treating AIDS patients; (2) high risk maternal child health care; (3) escort security services or (4) extended hour services. The provider must complete the appropriate application form showing the incremental costs that the agency incurs for the service. The allowable added cost is divided by all projected visits with and without the additional special circumstance (i.e., 1, 2, 3 or 4 above). The Department may add or delete codes in order to remain compliant with HIPAA. In no case will the fee paid to an agency exceed the agency charge to the general public for similar services.

(c) Medical supplies, equipment and appliances suitable for use in the home – The current fee schedule was set as of April 1, 2018 and is effective for services provided on or after that date, except that codes may be deleted or added in order to remain compliant with HIPAA. The fee schedule can be accessed and downloaded by going to the Connecticut Medical Assistance Program website: www.ctdssmap.com. From this web page, go to "Provider," then to "Provider Fee Schedule Download." Over-the-counter products provided by pharmacies are reimbursed at Average Wholesale Price (AWP). All governmental and private providers are reimbursed according to the same fee schedule.

(8) Private duty nursing services – Not provided.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE CONNECTICUT

(b) Prosthetic devices

Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of prosthetic devices. The agency's rates were set as of April 1, 2018 and are effective for services rendered on or after that date. The fee schedule is subject to periodic adjustment. All rates are published on the agency's website at www.ctdssmap.com. Select "Provider," then select "Provider Fee Schedule Download."

(c) Eyeglasses

Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of eyeglasses. The agency's rates were set as of 7/1/2008 and are effective for services rendered on or after that date. The fee schedule is subject to periodic adjustment. All rates are published on the agency's website at www.ctdssmap.com. Select "Provider," then select "Provider Fee Schedule Download."

(d) Hearing aids

Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of prosthetic devices. The agency's rates were set as of April 1, 2018 and are effective for services rendered on or after that date. The price allowed shall be the actual acquisition cost of the hearing aid(s) to the provider, not to exceed the applicable rates on the Hearing Aid/Prosthetic Eye fee schedule, which are published on the agency's website at www.ctdssmap.com. Select "Provider," then select "Provider Fee Schedule Download."