

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT2020128    DECEMBER 17, 2020

## **IHCP to update rates for certain DME and medical supply items**

Effective February 1, 2021, the Indiana Health Coverage Programs (IHCP) will change the reimbursement methodology for select durable medical equipment (DME) and medical supply procedure codes as presented in this bulletin.

### **Rate-setting methodology**

To comply with *Section 1903(j)(27) of the Social Security Act* (also known as the *21<sup>st</sup> Century Cures Act*), rates will be updated for Healthcare Common Procedure Coding System (HCPCS) codes. The list of HCPCS codes subject to the *21<sup>st</sup> Century Cures Act* (referred to as the Act in this bulletin) for calendar year 2021 has not yet been released by the Centers for Medicare & Medicaid Services (CMS). The list of impacted codes, as well as their updated rates, will be published after they are received from the CMS.



To determine the rate for covered DME and medical supplies that are subject to the Act, the IHCP will use the Indiana Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule amount and competitive bidding single payment amount. When both a competitive bid single payment amount and DMEPOS fee schedule amount are available for DME or supplies covered by the Act, the IHCP will use the lowest of those rates.

No procedure codes subject to the Act have a single payment amount in the Round 2021 competitive bid program. As a result, only the DMEPOS fee schedule will be used to set rates for codes subject to the Act for the foreseeable future.

Rates for procedure codes subject to the Act will be updated each calendar year, and the IHCP fee schedules will be updated for any HCPCS codes for which the rate changes.

### **Capped rental items HCPCS codes**

For DME and medical supply HCPCS codes not subject to the Act, the capped rental period will remain 15 months.

For HCPCS codes subject to the Act that are designated as capped rental items by Medicare, the capped rental period will be 6 months or 10 months. The capped rental period will be 6 months for power wheelchairs and 10 months for all other capped rental DME and medical supplies.

For HCPCS codes subject to the Act that are designated as capped rental items by Medicare but for which Medicare does not have a purchase rate, the IHCP will establish a purchase rate. For capped rental power wheelchair HCPCS codes, the purchase rate will be the lowest non-zero Indiana Medicare rental rate divided by 0.15. For all other capped rental HCPCS codes, the purchase rate will be the lowest non-zero Indiana Medicare rate multiplied by 10.

Additionally, for codes subject to the Act, the IHCP will begin following Medicare reimbursement methodology for supplies provided to members during the capped rental period. During the capped rental period, supplies provided to members will be separately reimbursable and may be billed to the IHCP.

A list of HCPCS codes with 6- and 10-month capped rental periods will be published after the CMS releases the list of HCPCS codes subject to the Act for calendar year 2021.

Reimbursement and billing information applies to services delivered under the fee-for-service (FFS) delivery system. Individual managed care entities (MCEs) establish and publish reimbursement and billing criteria within the managed care delivery system. Questions about managed care billing should be directed to the MCE with which the member is enrolled.



**QUESTIONS?**

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