

ARKANSAS REGISTER

Transmittal Sheet

Use only for **FINAL** and **EMERGENCY RULES**



Secretary of State

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For Office

Use Only:

Effective Date _____ Code Number _____

Name of Agency Department of Human Services

Department Division of Medical Services

Contact Alexandra Rouse E-mail Alexandra.rouse@dhs.ark Phone 501-508-8875

Statutory Authority for Promulgating Rules Arkansas Code Annotated 20-76-201

Rule Title: SPA #2020-007 Durable Medical Equipment Rate Adjustment

Intended Effective Date
(Check One)

Date

☐ Emergency (ACA 25-15-204)

Legal Notice Published

03/28/20

☒ 10 Days After Filing (ACA 25-15-204)

Final Date for Public Comment

04/26/20

☐ Other _____
(Must be more than 10 days after filing date.)

Reviewed by Legislative Council

06/19/20

Adopted by State Agency

06/24/20

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Lisa Teague

lisa.teague@dhs.arkansas.gov

06/24/20

Contact Person

E-mail Address

Date

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)

Signature

501-320-6272

janet.mann@dhs.arkansas.gov

Phone Number

E-mail Address

Director of Division of Medical Services

Title

06/24/20

Date

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

April 1, 2020

7. Home Health Services (Continued)

c. Medical Supplies, Equipment and Appliances Suitable for Use in the Home (continued)

- (2) Durable Medical Equipment (DME) - Reimbursement is based on amount billed not to exceed the Title XIX maximum.

Effective for claims with dates of service on or after April 1, 2020, the reimbursement rate maximums for codes subject to Section 1903(i)(27) of the Social Security Act will be set annually at the January 1 Medicare non-rural rate for the State of Arkansas. All rates are published on the agency's website (<http://medicaid.mmis.arkansas.gov/>). Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.

For all other DME claims not covered by Section 1903(i)(27) of the Social Security Act, rates will be set as follows.

Purchase: The Title XIX maximum for new equipment is based on Medicare's 1990 DME Fee Schedule. For those items which Medicare did not have a rate, the lowest manufacturer cost plus 10% was used. Arkansas Medicaid is following Medicare's policy of purchasing any item that costs \$150.00 or less.

Rental or Capped Rental: Capped Rental equipment may not be rented for more than 455 consecutive days. The reimbursement rates for capped rental items will be established by dividing the purchase price by 455 days to arrive at a daily rental rate. Once the 455 day rental maximum is reached, Arkansas Medicaid will cease to pay rent on the equipment, however the equipment will remain in the recipient's home as long as determined medically necessary by the recipient's physician. The equipment will remain the property of the DME company.

A provider may bill for maintenance. However, this maintenance fee may not be billed until either 182 days have elapsed after the 455 day rental period or 182 days have elapsed from the end of the period the item is no longer covered under the suppliers or manufacturer's warranty, whichever is later. Maintenance will continue to be paid at six-month intervals if equipment is determined to be medically necessary. Reimbursement of the maintenance is the lesser of the amount billed or the Title XIX maximum. The Title XIX maximum was established by arraying all the Title XIX monthly maximums for capped rental items and utilizing the 50th percentile.

For those items which are rental only, the Medicare 1990 DME Fee Schedule monthly rental rate was used to calculate the Medicaid daily rental rate. The Medicare monthly rental rate was multiplied by 12 to determine the one-year rental amount and divided by 365 to arrive at the Medicaid daily rental amount.