

Home Health Durable Medical Equipment and Supplies Exceptional Circumstances Provision Questions and Answers:

- 1. Unlike children's Medicaid where we authorize these on the basis of MN as stipulated in the EPDST provision to include all services eligible for FFP, these services are optional in federal law (not mandatory) for adults, and FFP is typically limited to items covered under the state plan – based on this, what criteria are the MCOs to use to determine if the item being authorized is eligible for FFP?*

The Code of Federal Regulations categorizes Medicaid services as either required or optional. Durable medical equipment is categorized as a required service. Under the CFR states may create a list of pre-approved DME but may not have absolute exclusions. Instead states must have a process for requesting items not on the state's approved list. This part of the CFR – Title 42 Chapter 440 – is not limited to children, and it is this part of the regulation that HHSC is following.

- 2. Additionally, how should services be submitted on encounters and how will these items be captured in the FSR and rate setting process for reimbursement to the plans?*

For the time being, DME and supplies provided under this provision may need to be reimbursed using miscellaneous DME codes. HHSC is working on a modifier or other identifier can be put in place to allow for better reporting and tracking of these expenditures. Please note that providers should request items of DME with the most appropriate code even though there may be a need to bill with a miscellaneous code.

- 3. Often provider contracts are written to pay a certain percentage of a rate for miscellaneous codes. What can be done to allow providers to be reimbursed at the full rate?*

HHSC suggests following the same process used to reimburse EPSDT services not covered under the state plan.

- 4. How are MCOs to discern if the items should be covered by a waiver or through this exception process?*

Reimbursement under a 1915(c) or 1915(c)-like waiver is always the last resort. HHSC is putting together a comprehensive crosswalk of adaptive aids covered through waivers and how the waiver policies interact with the exceptional circumstance policy.

- 5. How will this be reconciled in the UMR and OIG audits to ensure we do not get ding for coverage of an item that is not outlined in the state plan?*

This policy is consistent with state and federal regulations. We will be adding these clarifying requirements to the UMCM, which will also provide support to the MCOs. HHSC will coordinate with OIG to ensure they are aware of and understand the exceptional circumstances policy.

6. *Does the exceptional circumstances process apply to prescription drugs?*

No.

7. *Could we get an example of an exception like DME that could not be considered an exception for an adult even if medically necessary?*

Under 42 CFR §440.70(b)(3)(v), states may not have absolute exclusions of coverage on medical equipment, supplies, or appliances. States must have processes and criteria for requesting medical equipment that is made available to individuals to request items not on a State's preapproved list.