

Instructions for the State Fee Schedule Drop spreadsheet

Background

In order to implement section 503 of the Consolidated Appropriations Act, 2016 and section 5002 of the 21st Century Cures Act of 2016, where Congress added section 1903(i)(27) to the Social Security Act (the Act), which prohibits federal Medicaid reimbursement to states for certain durable medical equipment (DME) expenditures that are, in the aggregate, in excess of what Medicare would have paid for such items, we formulated a State Medicaid Directors' Letter (SMDL) in order to comply with the statute. The statute takes effect January 1, 2018, for reporting by the states. In order for states to comply with the statute, we will need them to demonstrate that the states are not spending in excess of what Medicare would have paid for the relevant DME items.

We propose the minimal amount of information be collected from states to comply with this statute. We will ask the states to demonstrate compliance by filling in their DME fee schedules onto the State Fee Schedule Drop spreadsheet with the relevant information, including only HCPCS code series A, K, & E, that are relevant to this information collection of durable medical equipment. The fee schedule information should also include all relevant modifiers for the codes, descriptors for these codes, Medicaid fee schedule rates, and the claims volume for each unique combination of the codes for the federal fiscal year all submitted annually. We understand that most states use Medicare's coding system, but some states develop their own coding system, and this needs to be explained. We would also need the definitions of the state modifiers, if not using the Medicare coding modifiers.

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In column B row 4 please enter the name of the state who is reporting, or use the two letter postal abbreviation for the state.

In column A, starting with row 7, copy the relevant HCPCS codes (A, K, & E only) from your state Medicaid fee schedule for DME. If there are HCPCS descriptors (column B), any modifiers (columns C and D), the Medicaid Payment rate (column E), and the claim volume- the number of claims made for the relevant HCPCS code during the relevant year (column F) for the relevant codes, then please include these next to the HCPCS codes. It is much less time consuming and efficient to copy and paste these columns all together with the relevant data at one time, if possible. If this is not possible be sure that the descriptors, modifiers, payment rates, and claims volume all align with the correct HCPCS codes when you copy and paste these into the appropriate columns.

For the modifiers, please indicate the modifier code (if any) for each HCPCS code- up to 2 are allowed. Below are some of the standard Medicare modifier codes for DME, with a link to the full list. If the state uses Medicare modifiers, simply enter them into the correct column(s) (either column C or D). If there are modifiers that the state uses that are not a part of the Medicare modifiers, or the state uses other abbreviations for these modifiers, we ask the state to please provide the abbreviation along with definitions of these modifiers and how they affect the pricing of the relevant DME item(s). This can be provided as an additional document or an

added spreadsheet tab to the State Fee Schedule Drop spreadsheet. CMS does not anticipate that all states use or have need for all of the same modifiers as Medicare, but rather that states account for the modifiers that are used in their claiming systems account for them for purposes of this tool.

Examples of Standard Medicare Modifiers

For a complete list of Medicare DME modifiers, please refer to this website:

<https://med.noridianmedicare.com/web/jddme/topics/modifiers>

Medicare Modifier	Medicare Modifier Definition
BA	Item furnished in conjunction with parenteral enteral nutrition (PEN) services
NU	New durable medical equipment purchase
RR	Rental (Use this 'RR' modifier when DME is to be rented)
UE	Used durable medical equipment purchase
RB	Replacement of a Part of a DME, Orthotic or Prosthetic Item Furnished as Part of a Repair
RA	Replacement of a DME, Orthotic or Prosthetic Item
AU	Item furnished in conjunction with a urological, ostomy or tracheostomy supply
KC	Replacement of special power wheelchair interface
KU	DMEPOS Item Subject to DMEPOS Competitive Bidding Program Number 3

Optional: In column G, states have the option of including the name of the regional area of the state where the claims for DME occurred. This is intended to address the need for some states to accommodate Medicare's competitive bidding areas (CBAs) of the state. For states that opt not to use this column, CMS will use the lowest available Medicare rate for the item of DME as a comparison to Medicaid. States should use the following values for their "Medicare Area Identifier":

Non-Rural (NR), Rural (R), or one of the following CBAs:

Birmingham-Hoover, AL	Little Rock-North Little Rock-Conway, AR	Phoenix-Mesa-Scottsdale, AZ	Tucson, AZ
Bakersfield, CA	Fresno, CA	Los Angeles County, CA	Orange County, CA
Oxnard-Thousand Oaks-Ventura, CA	Riverside-San Bernardino-Ontario, CA	Sacramento--Roseville--Arden-Arcade, CA	San Diego-Carlsbad, CA
San Francisco-Oakland-Hayward, CA	San Jose-Sunnyvale-Santa Clara, CA	Stockton-Lodi, CA	Visalia-Porterville, CA
Colorado Springs, CO	Denver-Aurora-Lakewood, CO	Bridgeport-Stamford-Norwalk, CT	Hartford-West Hartford-East Hartford, CT
New Haven-Milford, CT	Washington, DC	Wilmington, DE	Cape Coral-Fort Myers, FL
Deltona-Daytona Beach-Ormond Beach, FL	Jacksonville, FL	Lakeland-Winter Haven, FL	Miami-Fort Lauderdale-West Palm Beach, FL
North Port-Sarasota-Bradenton, FL	Ocala, FL	Orlando-Kissimmee-Sanford, FL	Palm Bay-Melbourne-Titusville, FL
Tampa-St. Petersburg-Clearwater, FL	Atlanta-Sandy Springs-Roswell, GA	Augusta-Richmond County, GA	Catoosa, Dade & Walker Counties, GA
Honolulu, HI	Council Bluffs, IA	Boise City, ID	Aurora-Elgin-Joliet, IL
Chicago-Naperville-Arlington Heights, IL	East St. Louis, IL	Lake & McHenry Counties, IL	Dearborn, Franklin, Ohio & Union Counties, IN
Gary, IN	Indianapolis-Carmel-Anderson, IN	Jeffersonville-New Albany, IN	Kansas City-Overland Park-Ottawa, KS
Wichita, KS	Covington-Florence-Newport, KY	Louisville-Jefferson County, KY	Baton Rouge, LA
New Orleans-Metairie, LA	Boston-Cambridge-Quincy, MA	Bristol County, MA	Springfield, MA
Worcester, MA	Baltimore-Columbia-Towson, MD	Calvert, Charles & Prince George's Counties, MD	Silver Spring-Rockville-Bethesda, MD
Detroit-Warren-Dearborn, MI	Flint, MI	Grand Rapids-Wyoming, MI	Minneapolis-St. Paul-Bloomington, MN
Kansas City, MO	St. Louis, MO	Jackson, MS	South Haven-Olive Branch, MS
Asheville, NC	Charlotte-Concord-Gastonia, NC	Greensboro-High Point, NC	Raleigh, NC
Omaha, NE	Rockingham & Strafford Counties, NH	Camden, NJ	Elizabeth-Lakewood-New Brunswick, NJ
Jersey City-Newark, NJ	Albuquerque, NM	Las Vegas-Henderson-Paradise, NV	Albany-Schenectady-Troy, NY
Bronx-Manhattan, NY	Buffalo-Cheektowaga-Niagara Falls, NY	Nassau, Kings, Queens & Richmond Counties, NY	Port Chester-White Plains-Yonkers, NY
Poughkeepsie-Newburgh-Middletown, NY	Rochester, NY	Suffolk County, NY	Syracuse, NY
Akron, OH	Cincinnati, OH	Cleveland-Elyria, OH	Columbus, OH
Dayton, OH	Toledo, OH	Youngstown-Warren-Boardman, OH	Oklahoma City, OK
Tulsa, OK	Portland-Hillsboro-Beaverton, OR	Allentown-Bethlehem-Easton, PA	Mercer County, PA
Philadelphia, PA	Pittsburgh, PA	Scranton--Wilkes-Barre--Hazleton, PA	Providence, RI
Aiken & Edgefield Counties, SC	Charleston-North Charleston, SC	Chester, Lancaster & York Counties, SC	Columbia, SC

Greenville-Anderson-Mauldin, SC	Chattanooga, TN	Knoxville, TN	Memphis, TN
Nashville-Davidson--Murfreesboro--Franklin, TN	Austin-Round Rock, TX	Beaumont-Port Arthur, TX	Dallas-Fort Worth-Arlington, TX
El Paso, TX	Houston-The Woodlands-Sugar Land, TX	McAllen-Edinburg-Mission, TX	San Antonio-New Braunfels, TX
Salt Lake City, UT	Arlington-Alexandria-Reston, VA	Richmond, VA	Virginia Beach-Norfolk-Newport News, VA
Seattle-Tacoma-Bellevue, WA	Vancouver, WA	Kenosha County, WI	Milwaukee-Waukesha-West Allis, WI
Pierce & St. Croix Counties, WI	Huntington, WV		