

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

~~April 1, 2002~~ March
15-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 will be set subject to Section 1903(i)(27) of the Social Security Act. 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.

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 four hundred and fifty-five (455) consecutive days. The reimbursement rates for capped rental items will be established by dividing the purchase price by four hundred and fifty-five (455) days to arrive at a daily rental rate. Once the four hundred and fifty-five (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. H, however, this maintenance fee may not be billed until either one hundred and eighty-two (182) days have elapsed after the four hundred and fifty-five (455) day rental period or one hundred and eighty-two (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 twelve (12) to determine the one-year rental amount and divided by three hundred and sixty-five (365) to arrive at the Medicaid daily rental amount.