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State/Territory Name: MD

State Plan Amendment (SPA) MD-22-0022

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

October 24, 2022

Steven Schuh
Medicaid Director
201 W. Preston St. 5th Floor
Baltimore, MD 21201

RE: TN 22-0022

Dear Medicaid Director:

We have reviewed the proposed Maryland State Plan Amendment (SPA) to Attachment 4.19-B MD 22-0022, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on September 30, 2022. This plan amendment is proposing a change to reimburse Medicare-covered equipment at 85% of the Medicare rates established on January 1 of each year. This increase is in accordance with the enacted budget approved for FY 2023.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 01, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact [Monica Neiman](mailto:monica.neiman@cms.hhs.gov) via email at monica.neiman@cms.hhs.gov

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
2 2 — 0 0 2 2

2. STATE
MD

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT
 XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447.201 ,Section 1903(i)(27) DME and 1902(a)(30) DME Rate Increase


6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2022 \$ 4,409,239
b. FFY 2023 \$ 13,227,715

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Att. 4.19B page 36, 36-1 (22-0022)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable)
Att. 4.19B page 36, 36-1 (20-0009)

9. SUBJECT OF AMENDMENT
The Maryland Department of Health is proposing a change to reimburse Medicare-covered equipment at 85% of the Medicare rates established on January 1 of each year. This increase is in accordance with the enacted budget approved for FY 2023.

10. GOVERNOR'S REVIEW (Check One)
 GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
 OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL


12. TYPED NAME
Tricia Roddy

13. TITLE
Deputy Medicaid Director

14. DATE SUBMITTED
9/30/22

15. RETURN TO
Steven Schuh
Medicaid Director
Maryland Department of Health
201 W. Preston St., 5th Floor
Baltimore, MD 21201

FOR CMS USE ONLY

16. DATE RECEIVED
09/30/2022

17. DATE APPROVED
October 24, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
07/01/2022

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS
Pen and Ink Change processed by CMS in box 5 as approved by the State. Following regulatory citations were added: 1903(1)(27)DME and 1902(a)(30) DME rate increase

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE OF MARYLAND

Durable Medical Equipment (DME) and Disposable Medical Supplies (DMS)

A unit of service is an item and quantity as prescribed by the physician. Quantities above the pre-established limits may require additional documentation to establish medical necessity. Medical equipment services reimbursed above \$1,000 and medical supply services reimbursed above \$500 require prepayment authorization.

The DME/DMS Program does not cover:

- (1) Disposable medical supplies usually included with the office visit;
- (2) Completion of forms and reports; and
- (3) Fitting, dispensing, or follow-up care.

The rates and processes below apply to all Medicaid enrolled providers. The current fee schedule is published on the Department's website at

<https://health.maryland.gov/mmcp/communitysupport/Pages/approvedlist.aspx> under Medicaid DME/DMS/Oxygen Approved List of items.

Purchased Medicare-Covered DME and DMS:

For Medicare-covered DME and DMS, the State of Maryland reimbursement rate is set at 85% of the Medicare rate as set on January 1st of each calendar year; that rate will remain in effect the entire calendar year.

Rental Reimbursement for Medicare-Covered DME:

Monthly rental reimbursement for Medicare-Covered DME is 85% of the Medicare purchase price established January 1st of each year, divided over ten months. The monthly rental rate will remain in effect the entire calendar year. The formula for the monthly rental rate is as follows:

$$\text{Medicaid Monthly Rental Rate} = 85\% \text{ of Medicare Purchase Price} \div 10$$

For items that can be rented prior to purchase, the item is considered purchased after ten months of rental payments.

Purchase Reimbursement for DME and DMS for which there is no Medicare Rate:

For items for which Medicare has not established a rate whether or not the item is covered by Medicare:

- (1) DME at the provider's choice of the manufacturer's suggested retail price (MSRP) minus 41.2% or the provider's wholesale cost plus 27.4%;
- (2) Incontinence supplies at the provider's wholesale cost plus 25%;
- (3) All other DMS at the provider's choice of the MSRP minus 41.2% or the provider's wholesale cost plus 37.2%; and
- (4) Customized equipment at the provider's choice of the MSRP minus 30% or the provider's wholesale cost plus 40%.

Rental Reimbursement for DME for which there is no Medicare rate:

For rental items for which Medicare has not established a purchase rate, items will be rented at the

TN # 22-0022

Approval Date: October 24, 2022 Effective Date: July 1st, 2022

Supersedes TN #20-0009

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE OF MARYLAND

provider's choice of:

- (1) The manufacturer's suggested retail price minus 41.2 percent, divided over ten months; or
- (2) The provider's wholesale cost plus 27.4 percent, divided over ten months.

For items that can be rented prior to purchase, the item is considered purchased after ten months of rental payments.

Repairs

The Department shall pay for repairs to purchased durable medical equipment according to the following methodology:

- (1) The provider's choice of wholesale cost plus 37.2 percent or the manufacturer's suggested retail price minus 31.4 percent to the provider for all materials;
- (2) Labor costs shall be billed in quarter hour increments using the appropriate procedure code and shall be reimbursed the lesser of:
 - (a) The supplier's customary charge unless the service is free to individual not covered by Medicaid; or
 - (b) The reimbursement rate specified in the Medicaid Durable Medical Equipment Program's approved list of items.

Hearing Aids

The Department covers medically necessary hearing aids when the services are provided by appropriately licensed providers as described in the State Plan.

The Department's fee schedule was set as of July 1st, 2018 and is effective for services provided on or after that date. Except as otherwise noted in the State Plan, fee schedules are the same for both governmental and private individual practitioners. Any annual/periodic adjustments to the fee schedule are published on the agency's website.

1. Go to health.maryland.gov/providerinfo.
2. Navigate to the "Audiology Services information" header.
3. Select "Audiology, Physical Therapy, and Early Periodic, Screening, Diagnosis and Treatment (EPSDT) Provider Manual" to view the fee schedule.