Getting Durable Medical Equipment (DME) from Medical Assistance (Medicaid) Managed Care: The Basics

Prepared by Disability Rights Network of Pennsylvania and Temple Institute on Disabilities

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Learning Objectives

• What is covered
• How to seek prior authorization
• How to appeal if denied
Roadmap

• Medical Assistance
• Managed Care
• Durable Medical Equipment
• Process
• Appeals
Medical Assistance (Medicaid)

• Part state-funded and part federally-funded health insurance program
• Authorized by Title XIX of the Social Security Act
• Each state has a “State Plan”
• Must follow federal law and rules
Medical Assistance (Medicaid) (continued)

• Eligibility through Temporary Assistance for Needy Families (TANF), SSI, and other low-income categories
  – If under age 18, parental income and resources not counted if SSI-level of disability

• Must use other insurance first
Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)

• For children under age 21 who qualify for Medical Assistance
• All medically necessary health care
• Federal requirement
The Importance of EPSDT

• Screening, vision, dental, and hearing services and “[s]uch other necessary health care, diagnostic services, treatment, and other measures described in [the federal Medicaid statute] to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the State plan.” (42 U.S.C. § 1396d(r)(5))
Delivery Through Managed Care

- Statewide as of March 1, 2013
- “HealthChoices”
- “Managed Care Organizations”
Delivery Through Managed Care (continued)

- Still fee for service (ACCESS) if
  - Medicare
  - In nursing facility
  - In state-operated facility
  - In Aging Waiver
  - Other circumstances (Medical Assistance Bulletin 99-13-05)
What Does Managed Care Mean?

• Must use providers in health plan’s network, but

• Network must be adequate
  – Need permission to go out of network
What Does Managed Care Mean? (continued)

• Fee schedule
  – List of covered services and rates
  – May cover more, but not less, than fee-for-service Medical Assistance
  – Remember Early and Periodic Screening, Diagnosis, and Treatment (EPSDT)
What Does Managed Care Mean? (continued)

• Health plan must follow federal and state laws and rules for Medical Assistance

• If exclusive list of durable medical equipment, person must be able to request item not on list (September 4, 1998 Dear State Medicaid Director Letter)
What Does Managed Care Mean? (continued)

• Providers must follow federal and state laws and rules for Medical Assistance
  – No supplemental payments
  – No balance billing
What Does Managed Care Mean? (continued)

• Special Needs Unit
  – Contact Member Services and ask for “Special Needs Unit”
  – Can request case management
What Does Managed Care Mean? (continued)

• HealthChoices Agreement
  www.dpw.state.pa.us/ucmprd/groups/webcontent/documents/communication/s_002105.pdf
  – Exhibits
    www.dpw.state.pa.us/ucmprd/groups/webcontent/documents/communication/s_002106.pdf

• Directory
  http://www.dpw.state.pa.us/ucmprd/groups/webcontent/documents/communication/s_002108.pdf
Durable Medical Equipment (DME)

• Item or device
  – that can withstand repeated use
  – is used primarily and customarily to serve a medical purpose
  – customarily is not useful to a person in the absence of illness or injury, and
  – is appropriate for home use
Durable Medical Equipment (DME) (continued)

- Covered under home health services
- Other categories of services
  - Speech, hearing, and language services
  - Orthotics and prosthetics
- Maintenance and repairs – Spring 2014 webinar
Is This Durable Medical Equipment (DME)?

- Air conditioner for a woman with multiple sclerosis?
- Augmentative communication device for a boy with autism?
- Adult diapers for a man with a severe intellectual disability?
- Scooter for an 85-year-old woman who had a stroke?
Medically Necessary

- Service must be “medically necessary”
- Fee-for-service Medical Assistance and managed care health plans must use Pennsylvania’s “medically necessary” definition in deciding whether to approve or pay for a requested service
Medically Necessary (continued)

1. Compensable under the Medical Assistance Program and will

2. Prevent illness, condition, injury, or disability; or
   Reduce or ameliorate the effects of an illness, condition, injury or disability; or
   Help the person achieve or maintain maximum functional capacity in performing daily activities, like other Medical Assistance recipients of the same age
Process

• Prescription for evaluation
• Evaluation by provider who participates in network
  – Or, request to use out-of-network provider
• Health plan coverage policy (e.g., frequency of replacement)
Process (continued)

• Prescription for recommended durable medical equipment
  – Accessories and customization
• Durable medical equipment provider in network
  • Or, request to use out-of-network provider
Process (continued)

- Prior Authorization request
  - Prescription
  - Specifications
  - Provider name and information
  - Procedure code and pricing
  - Evaluation report
  - Letters of Medical Necessity
Process (continued)

- Physician and others submit any additional documentation requested by health plan
- As long as physician continues to prescribe the durable medical equipment, person can appeal any denial
Process (continued)

• Program Exception request if prescribed item not on fee schedule or to exceed limits on fee schedule
Letter of Medical Necessity

• Explain the need
  – Age, diagnosis, functional needs
  – What is being prescribed
  • Accessories and customization
Letter of Medical Necessity (continued)

• Explain the need
  – Purpose, how will meet person’s specific needs, and why medically necessary
    • “Durable medical equipment” definition
    • “Medically necessary” definition
    • Information on item and its effectiveness
    • Medical literature
Letter of Medical Necessity (continued)

- Concur with evaluator
- How health plan policy is met
- Why any less expensive measures are not adequate
- Consequences if recommended durable medical equipment is not approved
Prior Authorization
Deadlines for Health Plan

• Must decide and notify verbally within 2 business days of getting all documentation
• Must then send written notice within 2 days
• Can request more information
• In every case, 21 days to decide and provide notice, or automatically approved
Approval

• Person must get written approval
  –Procedure code and authorization period for billing
Denial

• Person must get written denial with
  – Specific reasons
    • “Approved other than as requested” is denial
  – Process and deadlines for filing appeals
Denial (continued)

• Having other insurance should not delay approval or be a basis for denial

• Throughout appeals process, health plan must adhere to reasons for denial as stated in denial notice
Key Information on Appeals

- Right to request Fair Hearing
- Right to file Complaint or Grievance
- Can request Fair Hearing and file Complaint or Grievance at the same time
Key Information on Appeals (continued)

- Fair Hearing: file appeal within 30 days of date on notice
  - Continuation of existing services: file appeal within 10 days of date on notice
  - Ask for in-person Fair Hearing or will be by telephone
Key Information on Appeals (continued)

• Complaint and Grievance: file appeal within 45 days of receipt of notice
  – Continuation of existing services: file appeal within 10 days of date on notice
  – Ask to attend review
Key Information on Appeals (continued)

• Read denial notice carefully or get help to do so

• Put each appeal in writing
Key Information on Appeals (continued)

• Request copy of file and rules relied on
• Submit more documentation to health plan
• Prepare
Key Information on Appeals (continued)

• If you don’t win:
  – Fair Hearing: Reconsideration by Secretary of Public Welfare and court
  – Complaint or Grievance: 2nd-level review then external review; also, Fair Hearing
Disability Rights Network of Pennsylvania

- 1-800-692-7443 (voice)
  1-877-375-7139 (TDD)
- intake@drnpa.org

- Follow us on Facebook
  www.facebook.com/DRNPA.org

- Sign up for alerts at www.drnpa.org
Disability Rights Network of Pennsylvania

- Publications on how to appeal a Medical Assistance denial and on assistive technology can be found at www.drnpa.org/publications
Temple Institute on Disabilities

- Pennsylvania’s Initiative on Assistive Technology: 800-204-7428 (voice), 866-268-0579 (TDD), atinfo@temple.edu, www.disabilities.temple.edu/piat
- Statewide network of regional Assistive Technology Resource Centers
- Device demonstrations
Temple Institute on Disabilities

- Device loans: atlend@temple.edu, www.disabilities.temple.edu/programs/assistive/atlend
- Device reutilization
- Telecommunication Device Distribution Program (TDDP)
- iCanConnectPA
Other Resources

• Pennsylvania Assistive Technology Foundation: 888-744-1938 (toll-free voice/TDD), www.patf.us

• Department of Public Welfare: 866-542-3015 or 800-433-1324 (toll-free voice), www.dpw.state.pa.us

• Department of Insurance: 877-881-6388 (toll free), www.ins.state.pa.us/ins
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Webinar Survey

• Please fill out our survey at www.surveymonkey.com/s/2V26BJV or contact us for a print copy or alternative format

• Next webinar is September 17 at noon

• More webinars in Spring 2014
Other Information

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Thank you!