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State/Territory Name: MARYLAND

State Plan Amendment (SPA) #: MD-23-0013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 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

September 18, 2023

Ryan Moran
Medicaid Director
Maryland Department of Health
201 W. Preston St., 5th Floor
Baltimore, MD 21201

RE: MD-23-0013

Dear Medicaid Director Moran,

We have reviewed the proposed Maryland State Plan Amendment (SPA) to Attachment 4.19-B, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 1, 2023. The Department is amending the State Plan to include language to clarify the specific Medicare rate used to set the Maryland rate for Medicare-covered Durable Medical Equipment (DME) and Durable Medical Supplies (DMS).

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2023. 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 Ysabel Gavino at maria.gavino@cms.hhs.gov

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

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 3 — 0 0 1 3

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, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447.201

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 0
b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19B Page 36,36-1 (23-0013)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Attachment 4.19B Pages 36,36-1 (22-0022)

9. SUBJECT OF AMENDMENT

The Department is amending the State Plan to include language to clarify the specific Medicare rate used to set the Maryland rate for Medicare-covered Durable Medical Equipment (DME) and Durable Medical Supplies (DMS). The reimbursement rate for Medicare-covered DME and DMS will be set at 85 percent of the lowest rural, non-rural, or competitive bidding area (CBA) Medicare rate established for Maryland as set on January 1st of each calendar year; that rate will remain in effect the entire calendar year.

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

7/28/23

15. RETURN TO

Ryan Moran
Medicaid Director
Maryland Department of Health
201 W. Preston St., 5th Floor
Baltimore, MD 21201

FOR CMS USE ONLY

16. DATE RECEIVED

August 1, 2023

17. DATE APPROVED

September 18, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2023

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

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 lowest rural, non-rural, or competitive bidding area (CBA) Medicare rate established for Maryland 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 lowest rural, non-rural, or competitive bidding area (CBA) Medicare purchase price established for Maryland as set on 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 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.

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