

## **Table of Contents**

**State/Territory Name: MARYLAND**

**State Plan Amendment (SPA) #: MD-24-0019**

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  
230 South Dearborn  
Chicago, Illinois 60604



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**Financial Management Group**

March 18, 2025

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

RE: TN 24-0019

Dear Medicaid Director Moran,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Maryland State Plan Amendment (SPA) to Attachment 4.19-B MD-24-0019, which was submitted to CMS on December 18, 2024. This plan amendment updates the reimbursement of prosthesis to include for purposes of whole-body health for participants in Fee-for-Service.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of January 1, 2025. 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 via email at [maria.gavino@cms.hhs.gov](mailto:maria.gavino@cms.hhs.gov).

Sincerely,

[Redacted Signature]

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 <u>2 4</u> — <u>0 0 1 9</u>	2. STATE <u>MD</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE  
**January 1, 2025**

5. FEDERAL STATUTE/REGULATION CITATION  
**42 CFR 447.20, Section 1903(i)(27) and 1902(a)(30)**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY <u>2025</u>	\$ <u>1,665,309</u>	<b>1,265,625</b>
b. FFY <u>2026</u>	\$ <u>571,756</u>	<b>434,531</b>

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
**Att 4.19B pg. 36 - 36-3 (24-0019)**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
**Att. 4.19B pg. 36 - 36-1 (22-0022)  
Att. 4.19B pg. 36-2 - 36-3 (NEW)**

9. SUBJECT OF AMENDMENT  
The purpose of this SPA is to expand coverage of prostheses to include for purposes of whole-body health for participants both enrolled in Managed Care Organization (MCO) and Fee-for-Service (FFS).

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:

12. TYPED NAME  
**Tricia Roddy**

13. TITLE  
**Deputy Medicaid Director**

14. DATE SUBMITTED

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  
**December 18, 2024**

17. DATE APPROVED  
**March 18, 2025**

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
**January 1, 2025**

19. SIGNATURE OF APPROVING OFFICIAL  
**[Redacted Signature]**

20. TYPED NAME OF APPROVING OFFICIAL  
**Todd McMillion**

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

22. REMARKS  
**The State of MD authorizes CMS for the following pen and ink changes: MYLG 1/23/25**

**Box 6 Federal Budget Impact -  
FFY 2025: change from \$1,665,309 to \$1,265,625  
FFY 2026: change from \$571,756 to \$434,531**

**Box 9 Subject of Amendment - delete "both enrolled Managed Care (MCO)"**

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

**Durable Medical Equipment (DME), Disposable Medical Supplies (DMS), Prosthetics, and Orthotics**

A unit of service is an item and quantity as prescribed by the physician. Quantities above the pre-established limits require prior authorization to establish medical necessity. Medical equipment services, prosthetics and orthotics reimbursed above \$1000, and medical supply services reimbursed above \$500, require prepayment authorization.

The Department will reimburse for covered prosthetic devices annually, on a rolling 12-month interval, when deemed medically necessary by a Medicaid-enrolled provider for use in enrollee's home, school or place of employment, or for the purpose of performing physical activities including running, biking, swimming, strength training and other activities to maximize overall health including improving lower and upper limb function.

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/Home.aspx> under Medicaid DME/DMS/Oxygen Approved List of items.

Purchased Medicare-Covered DME and DMS:

For Medicare-covered DME, DMS, prosthetics, and orthotics, 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%.

TN # 24-0019

Supersedes TN #22-0022

Date Effective: January 1, 2025

Date Approved: March 18, 2025

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

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.

Repairs

The Department shall reimburse for covered 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.

Repair of Prosthetic Devices and Components of Prosthetic Devices

- (1) The Department will reimburse for covered repair for prosthetic devices and components of prosthetic devices annually, on a rolling 12-month interval when deemed medically necessary by a Medicaid-enrolled provider and when the repair's necessity is not due to misuse.
- (2) Repairs are covered annually, on a rolling 12-month interval when deemed medically necessary by a Medicaid-enrolled provider for use in enrollee's home, school or place of employment, or for the purpose of performing physical activities including running, biking and swimming, strength training and other activities to maximize overall health.
- (3) The Department will reimburse for covered repairs of prosthetic devices and components of prosthetic devices only when adequate documentation is obtained by the ordering provider.

Limitation on Repairs

- (1) The Department will not reimburse for repairs of prosthetic devices and components of prosthetic devices in the event that an ordering health care provider determines that the prosthetic devices and components of prosthetic devices are damaged as a result of misuse.
- (2) In the event that the repair costs are 60% higher than replacement costs, the ordering health care provider will replace the affected prosthetic device and components of prosthetic device according to the requirements and limitations related to replacements.

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

Replacement of Prosthetic Devices and Components of Prosthetic Devices

- (1) Replacement of prosthetic devices are covered annually, on a rolling 12-month interval for devices less than three years old if the replacement is required for the following reasons:
  - a) A change in the physiological condition of the participant;
  - b) Unless necessitated by misuse, because of an irreparable change in the condition of the prosthetic device or the component of the prosthetic device; or
  - c) Unless necessitated by misuse, because the condition of the prosthetic device or the component of the prosthetic device requires repairs and the cost of the repairs would be more than 60% of the cost of replacing the prosthetic device or the component of the prosthetic device.
- (2) Replacements will be made annually, on a rolling 12-month interval when deemed medically necessary by a Medicaid-enrolled provider for use in enrollee's home, school or place of employment, or for the purpose of performing physical activities including running, biking and swimming, strength training and other activities to maximize overall health.

Limitations on Replacement

- (1) The Department may require an ordering health care provider to confirm that the prosthesis and /or the component of the prosthesis, being replaced, meets the requirements for replacement and is less than three years old.

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

**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](https://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.