DEPARTMENT OF HEALTH AND SOCIAL SERVICES

PROPOSED CHANGES TO REGULATIONS

Medicaid Coverage and Payment.

Durable Medical Equipment

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PUBLIC COMMENT DRAFT

November 6, 2014

COMMENT PERIOD ENDS: December 22, 2014

Please see public notice for details about how to comment on these proposed changes.

Notes to reader:

1. Except as discussed in note 2, new text that amends an existing regulation is **bolded and underlined**.

2. If the lead-in line above the text of the regulations states that a new section, subsection, paragraph, or subparagraph is being added, or that an existing section, subsection, paragraph, or subparagraph is being repealed and readopted (replaced), *the new or replaced text is not required to be bolded or underlined*. HOWEVER, to assist the reader in locating such changes at-a-glance, they are **bolded and underlined**

3. [ALL-CAPS TEXT WITHIN BRACKETS] indicates text that is to be deleted.

4**.** When the word "including" is used, Alaska Statutes provide that it means "including, but not limited to."

5. Only the text that is being changed within a section of the current regulations is included in this draft. Refer to the text of that whole section, published in the current Alaska Administrative Code, to determine how a proposed change relates within the context of the whole section and the whole chapter.

7 AAC 120.200(a) is repealed and readopted to read:

7 AAC 120.200. Enrollment; general provisions; covered items and services. (a) To be eligible for payment under 7 AAC 105 – 7 AAC 160 for providing durable medical equipment, medical supplies, and related service, a provider must

(1) hold a valid business license issued under AS 43.70 and 12 AAC 12;

(2) be enrolled in accordance with 7 AAC 105.210 as a

(A) durable medical equipment provider, if the provider provides

(i) durable medical equipment;

(ii) medical supplies;

(iii) respiratory therapy assessment visits;

(iv) home infusion therapy services; or

(v) pre-fabricated orthotics; or

(B) prosthetics and orthotics provider, regardless of whether the provider provides other items or services in (1) of this subsection, if the provider

(i) provides prosthetics and orthotics; and

(ii) is certified by the American Board of Certification in Prosthetics and Orthotics, the Board for Orthotist/Prosthetist Certification, the National Examining Board of Ocularists, Inc., or other similar certifying agencies approved by the department

(The existing text for (a) is presented below for the reader to compare to the proposed text)

[(a) THE DEPARTMENT MAY ENROLL UNDER THIS SECTION A PROVIDER THAT PROVIDES THE DEPARTMENT WITH EVIDENCE THAT THE PROVIDER HOLDS A VALID BUSINESS LICENSE ISSUED UNDER AS 43.70 AND 12 AAC 12. THE DEPARTMENT WILL ENROLL A PROVIDER UNDER THIS SECTION AS EITHER A

(1) DURABLE MEDICAL EQUIPMENT PROVIDER, IF THE PROVIDER PROVIDES

(A) DURABLE MEDICAL EQUIPMENT;

(B) MEDICAL SUPPLIES;

(C) RESPIRATORY THERAPY ASSESSMENT VISITS;

(D) HOME INFUSION THERAPY SERVICES; OR

(E) NONCUSTOMIZED-FABRICATED ORTHOTICS; OR

(2) PROSTHETICS AND ORTHOTICS PROVIDER, REGARDLESS OF WHETHER THE PROVIDER PROVIDES OTHER ITEMS OR SERVICES IN (1) OF THIS SUBSECTION, IF THE PROVIDER

(A) PROVIDES PROSTHETICS AND ORTHOTICS; AND

(B) IS CERTIFIED BY THE AMERICAN BOARD OF CERTIFICATION IN PROSTHETICS AND ORTHOTICS, THE BOARD FOR ORTHOTIST/PROSTHETIST CERTIFICATION, THE NATIONAL EXAMINING BOARD OF OCULARISTS, INC., OR OTHER SIMILAR CERTIFYING AGENCIES APPROVED BY THE DEPARTMENT].

7 AAC 120.200(b) is amended to read:

(b) Subject to the applicable provisions of 7 AAC 120.200 - 7 AAC 120.299, the department will pay a provider **enrolled under this section** for medically necessary durable medical equipment, medical supplies, prosthetics, orthotics, or **prefabricated off-the-shelf or custom fabricated** [NONCUSTOMIZED-FABRICATED] orthotics furnished to a recipient, if

(1) the item **is**

(A) [IS] prescribed by **a** [THE ATTENDING] physician, physician assistant, **or** advanced nurse practitioner[, PHYSICAL THERAPIST, OCCUPATIONAL THERAPIST, OR SPEECH-LANGUAGE PATHOLOGIST], **who is enrolled in accordance with 7 AAC 105.210 and**
acting within the scope of that person's license;

(B) [IS] appropriate for use in the recipient's home, school, or community; [AND]

(C) [IS] not provided by, or under arrangements made by, a home health agency**; and**

(D) dispensed pursuant to a prescription order;

(2) the provider furnishes orientation and training to the recipient regarding the proper use of the item, and includes proof of compliance with this paragraph in its records; the provider shall submit this proof to the department upon request; [AND]

(3) prior authorization, if required under 7 AAC 120.210, is obtained from the department.

7 AAC 120.200(c) is amended to read:

(c) Subject to the applicable provisions of 7 AAC 120.200 - 7 AAC 120.299, the department will **not** pay a provider enrolled under this section for continuous oxygen used by a recipient in a skilled nursing facility or intermediate care facility if the skilled nursing facility or intermediate care facility has not been authorized to provide continuous oxygen under 7 AAC 140.580.

7 AAC 120.200(e) is amended to read:

(e) Subject to the applicable provisions of 7 AAC 120.200 - 7 AAC 120.299, the department will pay a provider enrolled under this section for home infusion therapy services if the services are

(1) ordered by a physician, a physician assistant, or an advanced nurse Practitioner **who is enrolled under 7 AAC 105.210 and acting within the scope of the provider's license**;

(2) reviewed at least every 60 days by the **ordering** physician, physician assistant, or advanced nurse practitioner to determine the ongoing medical need for the service; and

(3) appropriate for use in the recipient's home, school, or community.

7 AAC 120.200(f) is amended to read:

(f) **Skilled nursing visits for home infusion therapy, ordered under the requirements in (e) of this section and provided by** [IF] a home infusion therapy provider [IS ALSO PROVIDING SKILLED NURSING VISITS ORDERED BY THE PHYSICIAN, PHYSICIAN ASSISTANT, OR ADVANCED NURSE PRACTITIONER UNDER (e) OF THIS SECTION, THOSE SKILLED NURSING VISITS FOR HOME INFUSION THERAPY] must be provided in the recipient's home **and for a recipient received home infusion therapy**, except that the department will pay a home infusion therapy provider

(1) for one skilled nursing visit for catheter insertion and patient instruction at

(A) a hospital on the day of discharge from the hospital;

(B) a hospital one day before the day of discharge from the hospital; or

(C) one of the following on the day of surgery:

(i) a hospital-based infusion clinic;

(ii) an ambulatory surgical center;

(2) for no more than one skilled nursing visit per day, if the total cumulative time of the visit, including multiple trips, is two hours or less; if the total cumulative time exceeds two hours in the same day, each additional hour is paid separately;

(3) a per diem amount, if

(A) the skilled nursing visit is provided on the same day the recipient receives infusion therapy services at a hospital-based infusion clinic or an ambulatory surgical center; and

(B) a physician, physician assistant, or advanced nurse practitioner has ordered additional infusion therapy services to continue in the home.

7 AAC 120.200(h) is repealed;

(h) Repealed ____/____/2014 [SUBJECT TO THE APPLICABLE PROVISIONS OF 7 AAC 120.200 - 7 AAC 120.299, THE DEPARTMENT WILL PAY A PROVIDER ENROLLED UNDER THIS SECTION FOR THE FOLLOWING ITEMS IF DESCRIBED BY A NATIONAL DRUG CODE (NDC):

(1) SKIN SEALANT;
(2) SKIN PROTECTANT;
(3) SKIN MOISTURIZER;
(4) SKIN OINTMENT;
(5) SKIN CLEANSER;
(6) SKIN SANITIZER].

7 AAC 120.200(i) is repealed;

(i) Repealed ____/____/2014 [THE DEPARTMENT WILL PAY A PROVIDER ENROLLED UNDER THIS SECTION FOR THE REASONABLE AND NECESSARY COSTS OF DELIVERY AND DISPENSING EXPENSES INCURRED IN THE DELIVERY OF THE ITEMS FROM THE DISPENSING PROVIDER TO THE RECIPIENT IF THE RECIPIENT RESIDES OUTSIDE THE MUNICIPALITY WHERE THE BUSINESS OF THE ENROLLED SERVICING PROVIDER IS LOCATED AND THE ITEM IS UNAVAILABLE IN THE MUNICIPALITY IN WHICH THE RECIPIENT RESIDES. IF THE CHARGE IS OVER $50, THE PROVIDER MUST SUBMIT

(1) AN ELECTRONIC CLAIM, SUPPORTED BY

(A) THE RECIPIENT'S NAME;
(B) THE RECIPIENT'S ADDRESS;
(C) INFORMATION, SUCH AS A SERIAL NUMBER, THAT IDENTIFIES THE ITEM;
(D) THE DELIVERY DATE; AND
(E) THE TOTAL CHARGES; OR

(2) A PAPER CLAIM, INCLUDING AN INVOICE THAT SHOWS

(A) THE RECIPIENT'S NAME;
(B) THE RECIPIENT'S ADDRESS;

(C) INFORMATION, SUCH AS A SERIAL NUMBER, THAT IDENTIFIES THE ITEM;

(D) THE DELIVERY DATE; AND

(E) THE TOTAL CHARGES].

7 AAC 120.200(j) is repealed;

(j) Repealed ____/____/2014 [THE DEPARTMENT WILL NOT PAY SEPARATELY FOR THE COSTS OF ADMINISTRATIVE EXPENSES. THE FOLLOWING COSTS ARE CONSIDERED ADMINISTRATIVE EXPENSES AND ARE INCLUDED IN THE PAYMENT FOR THE DURABLE MEDICAL EQUIPMENT, MEDICAL SUPPLIES, PROSTHETICS, ORTHOTICS, AND NONCUSTOMIZED-FABRICATED ORTHOTICS:

(1) TELEPHONE RESPONSES TO QUESTIONS;

(2) MILEAGE;

(3) TRAVEL EXPENSES;

(4) TRAVEL TIME;

(5) SETTING UP AN ITEM;

(6) INSTALLATION;

(7) ORIENTATION AND TRAINING REGARDING THE PROPER USE OF THE ITEM].

7 AAC 120.200(*l*) is amended to read:

(*l*) A provider of durable medical equipment, medical supplies, prosthetics, orthotics, or noncustomized-fabricated orthotics shall

(1) document a recipient's request for a [30-DAY] refill; **including**

(A) the quantity of items that the recipient needs;

(B) the quantity of items that still remain;

(2) supply no more than the difference between what the recipient needs and what still remains;

(3) accept returns from recipients of any substandard item; for purposes of this paragraph, "substandard item" means an item that does not function in a manner that meets the prescribed need or specifications; and

(4) upon request, provide proof, in the form of copies of letters, logs, or signed notices, that it has provided Medicaid recipients with warranty information for Medicaid-covered items**;**

(5) maintain proof of receipt for items supplied to recipients; the proof of receipt may be either a signature log or shipping receipt; the provider shall submit the proof of receipt to the department upon request.

7 AAC 120.200(m) is amended to read:

(m) The department will **not pay for a more costly item if a similar, least costly item, is adequate for the recipient's condition. The department will** only pay for required medical supplies for up to a 30-day supply. The department may seek recovery under 7 AAC 105.260 of payment for services or items determined to be medically unnecessary and impose sanctions under 7 AAC 105.400 – 7 AAC 105.490.

7 AAC 120.200(n) is amended to read:

(n) The department may enter into a contract under AS 36.30, a grant, or other arrangement permitted by law, with a provider authorizing that provider to

(1) provide durable medical equipment, medical supplies, prosthetics, orthotics, or **prefabricated off-the-shelf or custom fabricated** [NONCUSTOMIZED-FABRICATED] orthotics; or

(2) serve a specific geographic region and provide incontinence supplies, including

(A) garments;
(B) liners;
(C) underpads;
(D) nonsterile gloves;
(E) diaper wipes; and
(F) disposable washcloths.

7 AAC 120.200(p) is amended to read:

(p) Subject to prior authorization as required under 7 AAC 120.210, the department will pay for

(1) disposable incontinence products including diapers, liners, underpads, wipes, and washcloths for recipients three years of age or older if

(A) the items are prescribed by the recipient's attending physician, physician's assistant, or advanced nurse practitioner on an incontinence prescription certificate of medical necessity;

(B) the items are medically necessary for a medical condition resulting in bladder or bowel incontinence; and

(C) the recipient has not responded to, would not benefit from, or has failed bowel or bladder training;

(2) [REUSABLE PROTECTIVE UNDERPADS,] skin sealants, skin protectants,

skin cleansers, skin sanitizers, and skin ointments **will be covered and reimbursed in accordance with 7 AAC 120.100 – 7 AAC 120.140 and 7 AAC 145.400 – 7 AAC 145.410** [IF

(A) THE ITEMS ARE PRESCRIBED BY THE RECIPIENT'S ATTENDING PHYSICIAN, PHYSICIAN'S ASSISTANT, OR ADVANCED NURSE PRACTITIONER ON AN INCONTINENCE PRESCRIPTION CERTIFICATE OF MEDICAL NECESSITY; AND

(B) THE ITEMS ARE MEDICALLY NECESSARY FOR A MEDICAL CONDITION RESULTING IN BLADDER OR BOWEL INCONTINENCE].

7 AAC 120.200 is amended by adding new subsections to read:

(r) A provider enrolled under this section may not make unsolicited contact with a recipient of medical assistance under 7 AAC 100 for the purpose of marketing the provider's products or services.

(s) A prescription order for durable medical equipment, prosthetics, orthotics, supplies and related items must contain the following:

(1) the recipient's name and date of birth;

(2) the item being prescribed;

(3) the quantity of item being prescribed;

(4) the directions or instructions for use of the item including the frequency of use;

(5) the duration or estimated length of need for the item;

(6) the enrolled prescribing provider's signature and signature date; and

(7) the number of refills, if applicable.

(t) A prescription order for durable medical equipment, prosthetics, orthotics, supplies and related items that require a certificate of medical necessity form may be part of the certificate of medical necessity, as long as the certificate of medical necessity includes all of the components of a prescription order as described in subsection (s) as well as the diagnosis, international classification of disease code, length of need and the clinical assessment of need for prescribed services.

(u) A certificate of medical necessity that contains a prescription order for durable medical equipment, prosthetics, orthotics, supplies and related items may not be prepared by a supplier of durable medical equipment, prosthetics, orthotics, supplies for the prescriber.

(v) A prescription order, or prescription order that is part of a certificate of medical necessity, will be accepted from the signature date forward for no more than one year from the signature date. A backdated order will not be accepted as authorization for an item supplied prior to the provider receiving a valid prescription order for the item.

(w) The prescriber's signature must be made and affixed to the prescription order or

prescription order that is part of the certificate of medical necessity by the prescriber. A signature stamp or a copy of a signature will not be accepted by the department as part of a valid prescription order even if affixed to the prescription order by the prescriber.

(Eff. 2/1/2010, Register 193; am 7/7/2010, Register 195; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040
AS 47.05.015

The editor's noted following 7 AAC 120.200 is changed to read:

Editor's note: [THE UNITED STATES FOOD AND DRUG ADMINISTRATION, CENTER FOR DRUG EVALUATION AND RESEARCH'S NATIONAL DRUG CODE COMPILATION REFERRED TO IN 7 AAC 120.200(g) IS AVAILABLE AT THE FOLLOWING INTERNET ADDRESS:
http://www.fda.gov/Drugs/InformationOnDrugs/ucm142438.htm.]

Information on how to enroll with Medicare may be obtained from United States Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) at the following Internet address: http://www.cms.hhs.gov/cmsforms/downloads/cms855s.pdf.

7 AAC 120.205 is amended by adding new subsections to read:

(g) The department will not reimburse for shipping, freight, or delivery costs for any durable medical equipment, medical supplies, prosthetics, or orthotics except as specified in 7 AAC 145.420(*l*).

(h) The department will not pay separately for the costs of administrative expenses. The following costs are considered administrative expenses and are included in the payment for the durable medical equipment, medical supplies, prosthetics, orthotics, and prefabricated off-the-shelf or custom fabricated orthotics:

(1) telephone responses to questions;

(2) mileage;

(3) travel expenses;

(4) travel time;

(5) setting up an item, including assembly and ensuring the item is in full operational condition at the time of delivery except that if the item is shipped to a recipient under the conditions of 7 AAC 145.420(*l*), the item must be

(A) assembled prior to shipping, if possible; or

(B) if pre-assembly is not possible due to size or risk of damage during shipment, the provider must arrange for a therapist or practitioner working with the

recipient in the recipient's local area or the recipient's designee to assemble and ensure the item is in full operational condition;

(6) orientation and training regarding the proper use of the item, except that if the item is shipped to a recipient under the conditions of 7 AAC 145.420(*l*), the provider must arrange for a therapist or practitioner working with the recipient in the recipient's local area to conduct orientation and training.

(7) installation, except that charges related to installing bath grab bars and toilet rails installed in a recipient's residence that is not in an assisted living home, adult foster home, or any facility licensed under 7 AAC 130.220 for which installation must meet building code requirements.

(i) The department will not pay for non-prescription or over-the-counter enteral nutrition products except as per 7 AAC 120.240.

(j) The department will not pay separately or make an additional payment for back-up durable medical equipment, prosthetics, orthotics or supplies.

(Eff. 2/1/2010, Register 193; am 7/7/2010, Register 195;am ___/___/2014, Register)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

7 AAC 120.210(b) is amended to read:

(b) Prior authorization is required for

(1) the rental of durable medical equipment **that is indicated as requiring prior authorization on the fee schedules adopted by reference in 7 AAC 160.900**;

(2) medical supplies that exceed **the maximum units or** a 30-day limit set by the Department[; THE DEPARTMENT WILL SET THE 30-DAY LIMIT BASED ON THE 75TH PERCENTILE OF RECIPIENT USE IN CALENDAR YEAR 2004, AND WILL REVIEW THE LIMIT AT LEAST BIENNIALLY THEREAFTER];

(3) **requests to exceed the maximum allowable payment under 7 AAC 145.420(m); prior authorization requests to exceed the maximum allowable payment will not be accepted based on a provider's anticipated acquisition costs** [REQUESTS THAT EXCEED THE MAXIMUM ALLOWABLE PAYMENT FOR DURABLE MEDICAL EQUIPMENT, MEDICAL SUPPLIES, NONCUSTOMIZED-FABRICATED ORTHOTICS, PROSTHETICS, OR ORTHOTICS UNDER 7 AAC 145.420];

(4) customized durable medical equipment;

(5) the following incontinence supplies:

(A) garments;

(B) liners;

(C) underpads;

(D) repealed [NONSTERILE GLOVES];

(E) diaper wipes;

(F) disposable washcloths;

(6) repealed [THE FOLLOWING ITEMS:

(A) SKIN SEALANT;

(B) SKIN PROTECTANT;

(C) SKIN MOISTURIZER;

(D) SKIN OINTMENT;

(E) SKIN CLEANSERS;

(F) SKIN SANITIZERS];

(7) items that are listed **as requiring prior authorization** on the department's ***Durable Medical Equipment Fee Schedule*** [*DURABLE MEDICAL EQUIPMENT PRIOR AUTHORIZATION LIST*], adopted by reference in 7 AAC 160.900;

(8) items that are identified as miscellaneous in the United States Department of Health and Human Services, Centers for Medicare and Medicaid **Services'** [SERVICES'S] (CMS) *Healthcare Common Procedure Coding System (HCPCS)*, adopted by reference in 7 AAC 160.900;

(9) respiratory therapy assessment visits for ventilator-dependent recipients;

(10) home infusion therapy;

(11) enteral and oral nutritional products;

(12) the purchase of durable medical equipment for a recipient in a skilled nursing facility or intermediate care facility;

(13) continuous oxygen for a recipient in a skilled nursing facility or an intermediate care facility; [AND]

(14) the purchase of durable medical equipment if the charge to the department is over $1,000**; and**

(15) items that, based on medical necessity, may need to be replaced prior to the qualified time that the item would be allowed to be replaced, otherwise and also may have not be identified, initially, as requiring a service authorization.

7 AAC 120.210(c) is amended to read:

(c) A request for prior authorization must include

(1) a **prescription order and a** certificate of medical necessity completed by the **ordering** [ATTENDING]

(A) physician;

(B) physician assistant; **or**

(C) advanced nurse practitioner;

(D) **repealed**[PHYSICAL THERAPIST;]

(E) **repealed** [OCCUAPTIONAL THERAPIST; OR]

(F) **repealed** [SPEECH-LANGUAGE PATHOLOGIST;]

(2) **for requests under (b)(3) of this section,** a written statement by the person

under (1) of this subsection that the recipient's condition requires the more costly durable medical equipment, medical supply, noncustomized-fabricated orthotics, prosthetics, or orthotics if the request is for payment that exceeds the maximum allowable payment under 7 AAC 145.420;

(3) documentation by the person under (1) of this subsection that the item or service is necessary to treat, correct, or ameliorate a defect, condition, or physical or mental illness if the recipient is under 21 years of age; and

(4) for a request for incontinence supplies, an incontinence prescription form,

(A) for a request for incontinence supplies completed by the recipient's **ordering** [ATTENDING] physician, physician's assistant, or advanced nurse practitioner, on a form provided by the department, that includes the

(i) diagnosis**, including the diagnosis code,** that is related to the cause or is causing the incontinence of the bladder, bowels, or both;

(ii) diagnosis**, including the diagnosis code,** of the type of incontinence;

(iii) **documentation that the recipient has not responded to, would not benefit from, or has failed bowel or bladder training** [PROGNOSIS FOR CONTROLLING INCONTINENCE; AND]

(iv) **prognosis for controlling incontinence; and**[ITEM OR ITEMS TO BE DISPENSED; AND]

(v) **item or items to be dispensed**;

(B) an incontinence certificate of medical necessity form completed by the recipient's **ordering** [ATTENDING] physician, physician's assistant, advanced nurse practitioner, or the department's designee, on a form provided by the department, that includes the

(i) frequency of incontinence;

(ii) duration of need;

(iii) diuretic or other medications that increase output;

(iv) products currently being used;

(v) skin integrity or vulnerability to skin breakdown;

(vi) measurements for product sizes;

(vii) quantity of item or items;

(viii) known allergies to product materials;

(ix) description of activities outside of the home; and

(x) description of abilities to manage incontinence independently or with assistance**.**

7 AAC 120.210(d) is amended to read:

(d) In addition to the requirements of (c) of this section, a prior authorization request for the following durable medical equipment or medical supplies must include, if available for the

item, manufacturer information, the item description or number, the global trade item number (GTIN), the suggested list price, **and** the serial number[, AND THE NATIONAL DRUG CODE (NDC)]:

(1) items that are identified as miscellaneous in the *Healthcare Common Procedure Coding System (HCPCS)*, adopted by reference in 7 AAC 160.900;

(2) customized durable medical equipment; **and**

(3) requests that exceed the maximum allowable payment under 7 AAC 145.420 for the item[;

(4) THE FOLLOWING ITEMS:

(A) SKIN SEALANT;

(B) SKIN PROTECTANT;

(C) SKIN MOISTURIZER;

(D) SKIN OINTMENT;

(E) SKIN CLEANSER;

(F) SKIN SANITIZER].

7 AAC 120.210 is amended by adding new subsections to read:

(f) A request for prior authorization under (b)(3) of this section must be accompanied by the provider's unaltered final purchase invoice as defined in 7 AAC 160.990, and a letter from the enrolled provider certifying that the item is being obtained from the most cost effective source and in the most effective manner;

(g) A request for prior authorization under (b)(8) of this section must be accompanied by the provider's unaltered final purchase invoice as defined in 7 AAC 160.990 and submitted with the claim. (Eff. 2/1/2010, Register 193; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

The editor's note following 7 AAC 120.210 is changed to read:

Editor's note: The certificate of medical necessity form referred to in 7 AAC 120.210(a) and (c) may be obtained from the Department of Health and Social Services, Division of Health Care Services, 4501 Business Park Boulevard, Suite 24, Anchorage, Alaska 99503-7167 **or online at the Alaska Medicaid website www.medicaidalaska.com/providers/forms.html**.

[THE UNITED STATES FOOD AND DRUG ADMINISTRATION, CENTER FOR DRUG EVALUATION AND RESEARCH'S NATIONAL DRUG CODE COMPILATION REFERRED TO IN 7 AAC 120.210(d) IS AVAILABLE AT THE FOLLOWING INTERNET ADDRESS: www.fda.gov/cder/ndc/index.htm.]

The incontinence prescription form and the incontinence certificate of medical necessity form referred to in 7 AAC 120.210(c)(4) may be obtained from the Department of Health and Social Services, Division of Health Care Services, 4501 Business Park Boulevard, Suite 24, Anchorage, Alaska 99503 **or online at the Alaska Medicaid website www.medicaidalaska.com/providers/forms.html**.

7 AAC 120.215 is amended by adding new subsections to read:

(c) Rental of durable medical equipment, medical supplies, prosthetics, orthotics, and noncustomized-fabricated orthotics identified as capped rental items on the department's Durable Medical Equipment Fee Schedule, adopted by reference in 7 AAC 160.900, are purchased by the department after 10 months of continuous rental and ownership information, including warranties and title, must be transferred to the recipient on the first day after 10 months of continuous rental.

(d) The 10 months of continuous rental begins when the recipient first receives the rental item and does not include temporary interruptions of less than 60 consecutive days, plus the days remaining in the rental month in which the use ceases. Unreimbursed months of temporary interruptions in rental do not count towards the 10 months of continuous rental or begin a new rental period.

(e) Interruptions of greater than 60 consecutive days, plus the days remaining in the rental month in which the use ceases, will begin a new rental period and the provider must obtain a new prescription order and submit a new prior authorization request for the new rental period.

(f) Modification of the existing rental equipment due to a change in the recipient's medical needs during a 10 month continuous rental period does not begin a new rental period. The rental period for the existing equipment will continue and a new rental period for the added equipment will begin, if applicable.

(g) Rental equipment that is replaced with different, but similar, equipment during the 10 month continuous rental period will not begin a new rental period.

(h) A temporary or permanent change in the recipient's residence during the 10 month continuous rental period will not begin a new rental period.

(i) The department may pay durable medical equipment or prosthetic and orthotics providers for used or refurbished equipment at a rate of no more than 60 percent of the current established DMEPOS Fee Schedule, according to 7 AAC 145.420, for rental or purchased items as long as the following criteria are met:

(1) the provider must have the recipient acknowledge in writing that they are receiving used equipment;

(2) the provider must bill with the appropriate modifier that distinguishes used equipment from new equipment;

(3) the used or refurbished equipment must be cleaned and sanitized; and

(4) the used or refurbished equipment supplied must meet the current needs

of the recipient, must be close to the manufacturer's suggested specifications for a newly purchased piece of equipment and be able to withstand at least 3 years of use; if the equipment supplied does not meet current replacement standards of three years of use and the item needs to be replaced before the standard replacement limit has been met, then the provider must replace the item with a new or used piece of equipment at no charge to the department or the recipient. (Eff. 2/1/2010, Register 193; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

7 AAC 120.220(a) is amended to read:

(a) Subject to applicable requirements of 7 AAC 120.200 - 7 AAC 120.299, the department will pay for the purchase or rental of replacement durable medical equipment, prosthetics, orthotics, and **prefabricated off-the-shelf** [NONCUSTOMIZED-FABRICATED] orthotics if the

(1) replacement is necessary to replace an item that has been in continuous use by the recipient for the item's reasonable useful lifetime**, of no less than three years,** and the department determines that the item is lost or irreparably damaged;

(2) item is not covered by a manufacturer's warranty; and

(3) provider replaces the item with a like item, and if the original item was rented, continues renting the replacement in accordance with **7 AAC 120.215 or** 7 AAC 120.225.

7 AAC 120.220(b) is amended to read:

(b) A replacement that is needed because of item wear **and the original item no longer functions** or a change in the recipient's condition must be supported by current documentation of medical necessity.

7 AAC 120.220 is amended by adding a new subsection to read:

(e) Replacement of an item or repairs due to abuse, neglect, or misuse of an item are not covered by the department.
(Eff. 2/1/2010, Register 193; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

7 AAC 120.225(a) is amended to read:

(a) Prior authorization for the following rentals of durable medical equipment is required:

(1) rental **of items indicated as requiring prior authorization on the durable medical equipment, prosthetics, orthotics, or supply fee schedules adopted by reference in 7 AAC 160.900** for anticipated short-term use;

(2) capped rental **of items indicated as requiring prior authorization on the durable medical equipment, prosthetics, orthotics, or supply fee schedules adopted by reference in 7 AAC 160.900** [, "IF

(A) A SHORT-TERM RENTAL BECOMES LONG-TERM AND THE TOTAL RENTAL PERIOD IS 12 MONTHS; OR

(B) AN ITEM REQUIRES RENTAL BUT THE DEPARTMENT LIMITS PAYMENT TO NO MORE THAN 12 MONTHS];

(3) continuous rental of an item that requires frequent servicing and maintenance[, INCLUDING AN APNEA MONITOR AND OXYGEN EQUIPMENT, AND OF A BREAST PUMP].

7 AAC 120.225(c) is amended to read:

(c) Subject to applicable requirements of 7 AAC 120.200 - 7 AAC 120.299, the department will pay for the capped rental of an item if the provider

(1) transfers ownership of the item, including any warranty, to the recipient for whom it was rented; and

(2) replaces the item with a new item if it was previously used by a person other than the recipient before it was rented to the recipient**, unless the item is used or refurbished equipment, as defined in 7 AAC 120.299, and is billed to the department as such**.

7 AAC 120.225(d) is amended to read:

(d) The department will pay a provider by rental period. The department will not pay a provider for any item that exceeds **10** [12] months of continuous use, except for an item described in (a)(3) of this section.

7 AAC 120.225 is amended by adding new subsections to read:

(e) The department may pay durable medical equipment or prosthetic and orthotics providers for used or refurbished equipment at a rate of no more than 60 percent of the established DMEPOS Fee Schedule, according to 7 AAC 145.420, for purchased items as long as the following criteria are met:

(1) the provider must have the recipient acknowledge in writing that they

are receiving used equipment;

(2) the provider must bill with the appropriate modifier that distinguishes used equipment from new equipment;

(3) the used or refurbished equipment must be cleaned and sanitized; and

(4) the used or refurbished equipment supplied must meet the current needs of the recipient, must be close to the manufacturer's suggested specifications for a newly purchased piece of equipment and be able to withstand at least 3 years of use; if the equipment supplied does not meet current replacement standards of 3 years of use and the item needs to be replaced before the standard replacement limit has been met, then the provider must replace the item with a new or used piece of equipment at no charge to the department or the recipient.

(f) The department will not reimburse a provider for options, supplies and accessories that are considered included in the monthly rental payment nor will the department reimburse for options, supplies and accessories that are still considered to be covered by the manufacturer warranty. (Eff. 2/1/2010, Register 193; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

7 AAC 120.230(a) is amended to read:

(a) Except as otherwise provided in this section, an interruption in a rental period affects the department's payment as follows:

(1) a rental period is not affected by an interruption of less than **60 consecutive days plus the days remaining in the rental month in which the use ceases** [30 DAYS]; if an interruption continues beyond **60 consecutive days plus the days remaining in** [THE END OF] the rental month in which use ceases, the department will pay for the rental month in which use ceased, but will not make an additional payment until use resumes **and a new prior authorization request is submitted and a new rental period begins**[; A NEW DATE OF SERVICE WILL BE ESTABLISHED WHEN USE RESUMES];

(2) rental units for which prior authorization has been received, but for which no payment is made, do not apply toward a capped rental period;

(3) repealed ____/____/2014 [IF AN INTERRUPTION IS OR EXCEEDS 30 CONSECUTIVE DAYS, OR IF THE ORIGINAL RENTAL PERIOD EXPIRES DURING THE INTERRUPTION, THE PROVIDER SHALL SUBMIT TO THE DEPARTMENT A NEW PRIOR AUTHORIZATION REQUEST UNDER 7 AAC 120.210, WITH A STATEMENT THAT EXPLAINS THE REASON FOR THE INTERRUPTION; IF THE DEPARTMENT APPROVES THE REQUEST, A NEW RENTAL PERIOD BEGINS].

(Eff. 2/1/2010, Register 193; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

7 AAC 120.240(a) is amended to read:

(a) Subject to applicable requirements of 7 AAC 120.200 - 7 AAC 120.299, the department will pay a provider enrolled under 7 AAC 120.200 for enteral and oral nutritional products at the rate established in 7 AAC 145.420 if the products are

(1) not provided by, or under arrangements made by, a home health agency or hospice program;

(2) prescribed **pursuant to a valid prescription order** by **a** [THE ATTENDING] physician, physician assistant, or advanced nurse practitioner**, including the recipient's daily caloric need from the enteral nutrition**;

(3) certified as medically necessary by **a** [THE ATTENDING]physician, physician assistant, advanced nurse practitioner, or dietitian on a **Certificate of Medical Necessity** form [PROVIDED BY THE DEPARTMENT]; [CERTIFICATION OF]medical necessity must indicate that sufficient caloric or protein intake is not obtainable through regular, liquefied, or pureed food[;] and **a recipient is at least 3 years of age or older and meets one or more of the following criteria or the recipient is receiving the product via tube-feed administration and meets at least one of the following criteria:**

(A) sole source of nutrition of need;

(B) increased metabolic need resulting from severe trauma;

(C) malabsorption difficulties, including short gut syndrome, fistula, and cystic fibrosis;

(D) ESRD with or without renal dialysis;

(E) on-going cancer treatment;

(F) HIV, AIDS, or HIV-related illness;

(G) pulmonary insufficiency;

(H) nutritional deficiency shown by recent low serum protein levels, blood test or dietary consultation;

(I) unplanned weight loss of at least 10 percent documented in the recipients medical record, by the prescribing physician, for at least 6 months;

(4) identified as an enteral formula in the United States Department of Health and Human Services, **Centers for Medicare and Medicaid Services'**[CENTERS FOR MEDICARE AND MEDICAID SERVICES'S] (CMS) *Healthcare Common Procedure Coding System (HCPCS)*, adopted by reference in 7 AAC 160.900.

7 AAC 120.240 is amended by adding a new subsection to read:

(c) The department will not reimburse separately for the use of the IV pole when used in conjunction with a feeding pump; providers may only submit a claim for the IV pole if the enteral nutrition is gravity tube-fed administered.

(Eff. 2/1/2010, Register 193; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040
7 AAC 120.299(1) is amended to read:

(1) "capped rental" means the rental of durable medical equipment, prosthetics, or orthotics for no more than **10** [12] months;

7 AAC 120.299 is amended by adding new paragraphs to read:

(9) "prefabricated off-the-shelf orthotics" means an orthotic that is manufactured in quantity without a specific patient in mind, requires minimal self-adjustment for appropriate use and does not require expertise in trimming, bending, molding, assembling or customizing to fit a recipient;

(10) "minimal self-adjustment" means an adjustment that the beneficiary, caretaker for the beneficiary, or supplier of the device can perform; and that does not require the services of a certified orthotist (that is, an individual who is certified by the American Board of Certification in Orthotics and Prosthetics, Inc., or by the Board for Orthotist/Prosthetist Certification) or an individual who has specialized training;

(11) "custom fabricated orthotics" means an orthotic that is individually made for a specific patient and created using an impression generally by means of plaster or fiber cast, a digital image using computer-aided design-computer aided manufacture (CAD-CAM) systems software, or direct form to patient;

(12) "used equipment" means equipment that has been gently or lightly used, is in like new condition and is considered to be as close as possible to the original specifications of the manufacturer.

(Eff. 2/1/2010, Register 193; am 1/1/2011, Register 196; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

7 AAC 145.420(c) is repealed and readopted:

(c) The department will pay a provider for durable medical equipment, medical supplies, prosthetics, orthotics, and noncustomized-fabricated orthotics, for covered non-miscellaneous HCPCS codes for which CMS has not issued a price as described in (b) of this section at the submitted unaltered final purchase invoice price plus 25 percent, except covered items submitted using a miscellaneous HCPCS code will be paid according to (3) of this subsection. When at least 10 claims have been paid at the submitted unaltered final purchase invoice price plus 25 percent, and one or more claims has been paid to at least two different enrolled providers, the department will assign a rate for the code based on the following:

(1) if the median unaltered final purchase invoice price of the item for first 10

claims is less than $500, the rate will be the median submitted unaltered final purchase invoice price of the first 10 claims plus 25 percent; if more than 10 claims were paid at the submitted unaltered final purchase invoice price plus 25 percent because claims had not been paid to at least two different enrolled providers for a particular HCPCS code, then the rate will be set at the median submitted unaltered final purchase invoice price of the number of claims paid between the effective date of this section and the date the rate is established plus 25 percent;

(2) if the median unaltered final purchase invoice price of the item for the first 10 claims is $500 or more, the rate will be the median submitted unaltered final purchase invoice price plus 15 percent; if more than 10 claims were paid at the submitted unaltered final purchase invoice price plus 15 percent because claims had not been paid to at least two different enrolled providers for a particular HCPCS code, then the rate will be set at the median submitted unaltered final purchase invoice price of the number of claims paid between the effective date of this section and the date the rate is established plus 15 percent;

(3) claims for covered items submitted using a miscellaneous HCPCS code as defined in 7 AAC 120.299 for which CMS has not issued a price as described in (b) of this section will be paid at the unaltered final purchase invoice price and no rate will be established for the miscellaneous code;

(4) all claims paid under this section must be submitted with an unaltered final purchase invoice as defined in 7 AAC 160.990 with the claim; claims submitted without an unaltered final purchase invoice or with anything other than an unaltered final purchase invoice will be denied;

(5) when applicable, the rental rates for a covered item for which CMS has not issued a price and a rate is established for the covered non-miscellaneous code under this section will be 10 percent of the purchase price;

(6) rates established under this section for a covered code for which CMS has not issued a price will be published on the department's interim DMEPOS fee schedule.

(The existing text for (c) is presented below for the reader to compare to the proposed text)

(c) THE DEPARTMENT WILL PAY A PROVIDER FOR DURABLE MEDICAL EQUIPMENT, MEDICAL SUPPLIES, PROSTHETICS, ORTHOTICS, AND NONCUSTOMIZED-FABRICATED ORTHOTICS, FOR WHICH CMS HAS NOT ISSUED A PRICE AS DESCRIBED IN (b) OF THIS SECTION, AT 80 PERCENT OF BILLED CHARGES FROM ENROLLED PROVIDERS IN THIS STATE FOR THE FIRST NINE BILLINGS THAT REFLECT A CHARGE FOR AN ITEM NOT ALREADY ON THE SCHEDULE ESTABLISHED UNDER THIS SUBSECTION. THEREAFTER, THE FEE WILL BE ESTABLISHED BASED ON THE 50TH PERCENTILE OF THE FIRST 10 BILLINGS. THE DEPARTMENT WILL ADD NEW FEES TO THE PAYMENT SCHEDULE UNDER THIS SUBSECTION EACH TIME THE DEPARTMENT RECEIVES 10 BILLINGS FOR AN ITEM NOT ALREADY ON THE SCHEDULE. TO BE PAID UNDER THIS SUBSECTION, A

BILLING MUST REFLECT A CHARGE THAT COMPLIES WITH THE APPLICABLE STANDARDS IN 7 AAC 145.020.

7 AAC 145.420(d) is amended to read:

(d) The department will pay separately for labor and repair parts for damaged durable medical equipment, medical supplies, prosthetics, and orthotics with the following limitations:

(1) the department will not pay more than $20 for each 15 minutes of labor costs;

(2) the billing for a repair part must reflect a charge that complies with the applicable standards in 7 AAC 145.020;

(3) labor and repair parts for the item must be documented as necessary **and the documentation must be submitted with each claim**; documentation must include

(A) a statement signed by the recipient or the recipient's authorized representative that describes the cause for and nature of the repair;

(B) a description of the item being repaired and its serial number, if available;

(C) the beginning and end dates of warranty coverage, if available; and

(D) documentation for labor charges that includes the amount of time spent on the repair, rounded up to the nearest quarter hour, and the hourly rate charged for the repair;

(E) an itemized list of parts used in repair and associated costs.

(4) the department will not pay for labor and repair parts if the item is covered under a manufacturer's or supplier's warranty, or if the labor or parts are necessary to repair an item that needs repair because of a manufacturer's defect;

(5) payment will not be made for labor and repair parts for a rented item; the provider shall ensure that a rented item functions as intended after the provider repairs or replaces the item.

7 AAC 145.420(e) is repealed:

(e) Repealed ____/____/2014 [THE DEPARTMENT WILL NOT PAY A PROVIDER MORE THAN THE AVERAGE WHOLESALE PRICE ACCEPTED MONTHLY BY THE DEPARTMENT FROM THE *AMERICAN DRUGGIST BLUE BOOK*, PLUS 10 PERCENT OF THAT AMOUNT, FOR THE FOLLOWING ITEMS:

(1) SKIN SEALANTS;

(2) SKIN PROTECTANTS;

(3) SKIN MOISTURIZERS;

(4) SKIN OINTMENTS;

(5) SKIN CLEANSERS;

(6) SKIN SANITIZERS].

7 AAC 145.420(f) is amended to read:

(f) The department will pay a provider based on the **DMEPOS Fee Schedule** [*HCPC FEE SCHEDULE FOR INCONTINENCE SUPPLIES* TABLE], adopted by reference in 7 AAC 160.900, for the following incontinence supplies:

(1) garments;
(2) liners;
(3) under pads;
(4) nonsterile gloves;
(5) diaper wipes;
(6) disposable washcloths.

7 AAC 145.420(g) is amended to read:

(g) For a rental period that is 30 days or more, the department will pay for rented durable medical equipment at a monthly rental rate of 10 percent of the allowed purchase price under this section**, except**

(1) HCPCS codes defined as a rental codes or with a specific rental rate identified on the DMEPOS fee schedule will pay at the rental price listed on the DMEPOS fee schedule adopted by reference in 7 AAC 160.900 or the interim DMEPOS fee schedule;

(2) capped rental items will pay at the rental rate listed on the DMEPOS fee schedule adopted by reference in 7 AAC 160.900 or the interim DMEPOS fee schedule up to the lesser of the purchase price of the item or 10 months of continuous rental.

7 AAC 145.420(h) is amended to read:

(h) For a rental period that is less than 30 days, the department will pay for rented durable medical equipment at a monthly rental rate of 150 percent of the monthly fee in (g) of this section, divided by the number of days in the month, times the number of days in the rental period. Payment may not exceed the monthly rate. **HCPCS codes defined as daily rental codes or with a specific daily rate identified on the DMEPOS fee schedule will pay at the rental price listed on the DMEPOS fee schedule adopted by reference in 7 AAC 160.900 or the interim DMEPOS fee schedule**

7 AAC 145.420 is amended by adding new subsections to read:

(*l*) Subject to the applicable provisions of 7 AAC 120.200 – 7 AAC 120.299, the department will reimburse a provider enrolled under this section for the actual shipping cost for the following:

(1) from the manufacturer to the provider for customized durable medical equipment repair and replacement parts that are specialized or unique to a recipient's equipment and for which the final unaltered purchase invoice price exceeds $250; the shipping method used must be the most cost effective method available; the unaltered final purchase invoice must include the purchase invoice for the replacement items or repair and shipping costs; if the unaltered final purchase invoice contains one or more item in addition to the repair or replacement part, the department will pay for the shipping cost attributed to the repair or replacement part; the shipping cost attributed to the repair or replacement part will be calculated by dividing the shipping cost on the unaltered final purchase invoice by the number of items purchased and multiplied by the number of repair or replacement parts specific to the recipient's need; expedited, next day, rush, or delivery charges resulting from the use of a shipping method other than the most cost effective method available will not be covered;

(2) from the dispensing provider to the recipient if the recipient's delivery location is more than 50 miles from the provider's point of shipment and the item is unavailable from a provider enrolled under this section that is located within 50 miles of the recipient's delivery location; the shipping method used must be the most cost effective method available; expedited, next day, rush, or delivery charges resulting from the use of a shipping method other than the most cost effective method available will not be covered unless the ordering prescriber submits medical justification for the expedited delivery and the request is approved by the department; the provider must submit the following documentation with the claim for the shipping costs:

(A) an unaltered final purchase invoice for the shipping costs that includes:

(i) address of the point of shipment;

(ii) address of the delivery location;

(iii) shipment date; and

(iv) total shipping charges paid by the provider;

(v) serial number or other identifying information for the item shipped.

(B) shipping costs that qualify for coverage under this section due to the recipient traveling within or outside of this state are eligible for coverage if the recipient is traveling for medical, educational or vocational reasons; documentation from the prescribing physician supporting the recipients' reason for travel must be submitted with the claim to include estimated duration of travel; shipping costs related to recreational travel are not covered.

(3) from the recipient to the dispensing provider for the repair of recipient owned equipment if the recipient's location is more than 50 miles from the provider and repair services are unavailable from a provider enrolled under this section that is located within 50 miles of the recipient's location; the shipping method used must be the most cost

effective method available; expedited, next day, rush, or delivery charges resulting from the use of a shipping method other than the most cost effective method available will not be covered unless the ordering prescriber submits medical justification for the expedited delivery and the request is approved by the department; the provider must submit the following documentation with the claim for the shipping costs:

(A) an unaltered final purchase invoice for the shipping costs that includes:

(i) address of the point of shipment;

(ii) address of the delivery location;

(iii) shipment date; and

(iv) total shipping charges paid by the provider;

(v) serial number or other identifying information for the item shipped.

(B) shipping costs that qualify for coverage under this section due to the recipient traveling within or outside of this state are eligible for coverage if the recipient is traveling for medical, educational or vocational reasons; documentation from the prescribing physician supporting the recipients' reason for travel must be submitted with the claim to include estimated duration of travel; shipping costs related to recreational travel are not covered.

(m) Approved prior authorization requests under 7 AAC 120.210(b)(3) that exceed the maximum allowable payment under 7 AAC 145.420 for an item, will be paid at the submitted unaltered final purchase invoice price. All claims paid under this section must be submitted with an unaltered final purchase invoice as defined in 7 AAC 160.990 with the claim. Claims submitted without an unaltered final purchase invoice or with anything other than an unaltered final purchase invoice will be denied.

(n) Used or refurbished durable medical equipment, prosthetics and orthotics will be reimbursed at no more than 60 percent of the allowed DMEPOS Fee Schedule rate, adopted by reference in 7 AAC 160.900.

(o) Codes appearing on the DMEPOS fee schedule adopted by reference in 7 AAC 160.900 or interim DMEPOS fee schedule as "not covered" will not be eligible for payment under this section.

(p) An unaltered final purchase invoice is considered altered if

(1) any information on the original invoice is removed, erased, redacted, omitted, or otherwise modified so that the copy submitted to the department is anything other than an exact copy of the original invoice received by the enrolled provider from their supplier; legible markings made by an enrolled provider on the original invoice as part of their normal business practices will not result in the department viewing an invoice as altered so long as the markings do not remove, erase, redact, omit, or otherwise modify the invoice in any way that results in any of the information on the original invoice becoming illegible and the markings appear on both the original invoice and the copy submitted to the department;

(2) the invoice shows a price other than the final price paid by the enrolled

provider.

(q) Payment for miscellaneous HCPCS for custom-fabricated prosthetics will be made based on the most applicable HCPC:

(1) lesser of billed charges; or

(2) based on the following calculation

(A) Itemized list of parts with no provider mark-up at cost + 25%

(B) Labor charge will be priced at the L7520 payment rate per 15 minutes

(C) Additional costs (bundled) will be paid up to $954.98; the bundled items include the initial evaluation, diagnostic checks and follow-up.

(r) Payment for out-of-state enrolled DMEPOS providers will be reimbursed at the lowest of

(1) the current established DMEPOS rate within Alaska; or

(2) the current established rate in the jurisdiction where the service was provided

(A) if no out-of-state rate is established, the claim will be processed based on the un-priced HCPC methodology

(Eff. 2/1/2010, Register 193; am 7/7/2010, Register 195; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040

The editor's note following 7 AAC 145.420 is changed to read:

Editor's note: <u>The department's interim DMEPOS fee schedule, referenced in 7 AAC 145.420, may be obtained from the Department of Health and Social Services, Division of Health Care Services, 4501 Business Park Boulevard, Building L, Anchorage, Alaska 99503-7167, or at http://www.medicaidalaska.com/providers/FeeSchedule.asp</u> [THE *AMERICAN DRUGGIST BLUE BOOK* IS A SERVICE SUBSCRIBED TO BY THE DEPARTMENT THAT PROVIDES WEEKLY UPDATED COMPREHENSIVE ELECTRONIC DATA ON AVAILABLE DRUGS, DRUG CLASSIFICATIONS, NATIONAL DRUG CODE (NDC) NUMBERS, AND WHOLESALE PRICING. TO SEE HOW THIS INFORMATION IS USED, AN INDIVIDUAL MUST MAKE ARRANGEMENTS FOR AN IN-PERSON VISIT BY CONTACTING THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, DIVISION OF HEALTH CARE SERVICES, 4501 BUSINESS PARK BOULEVARD, SUITE 24, ANCHORAGE, ALASKA 99503-7167].

7 AAC 160.900(a)(13) is amended to read:

(13) United States Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), ***DMEPOS Fee Schedule 2014 1st Quarter*** [*DMEPOS FEE SCHEDULE 2006 1ST QUARTER]*;

7 AAC 160.900(d)(4) is repealed:

(4) repealed [THE *DURABLE MEDICAL EQUIPMENT PRIOR AUTHORIZATION LIST*, DATED AUGUST 2005];

7 AAC 160.900(e)(6) is repealed:

(6) repealed [*2010 HCPC FEE SCHEDULE FOR INCONTINENCE SUPPLIES*, TABLE I-1, REVISED AS OF MARCH 4, 2010];

7 AAC 160.900(e) is amended by adding a new paragraph to read:

(15) *2014 DMEPOS Fee Schedule*, revised as of November 1, 2014.

(Eff. 2/1/2010, Register 193; am 8/25/2010, Register 195; am 12/1/2010, Register 196; am 1/1/2011, Register 196; am 1/15/2011, Register 197; am 2/9/2011, Register 197; am 3/1/2011, Register 197; am 10/1/2011, Register 199; am 12/1/2011, Register 200; am 1/26/2012, Register 201; am 3/8/2012, Register 201; am 4/1/2012, Register 201; add'l am 4/1/2012, Register 201; am 5/11/2012, Register 202; am 10/16/2012, Register 204; am 11/3/2012, Register 204; am 12/1/2012, Register 204; am 12/2/2012, Register 204; am 1/1/2013, Register 204; am 1/16/2013, Register 205; am 7/1/2013, Register 206; add'l am 7/1/2013, Register 206; am 11/3/2013, Register 208; am 1/1/2014, Register 208; am 2/2/2014, Register 209; am 3/19/2014, Register 209; am 3/22/2014, Register 209; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.030 AS 47.07.040
AS 47.05.012

The editor's note following 7 AAC 160.900 is changed by repealing the 16th paragraph.

[THE *DURABLE MEDICAL EQUIPMENT PRIOR AUTHORIZATION LIST*, ADOPTED BY REFERENCE IN 7 AAC 160.900, MAY BE OBTAINED FROM THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES, DIVISION OF HEALTH CARE SERVICES, 4501 BUSINESS PARK BOULEVARD, SUITE 24, ANCHORAGE, ALASKA 99503-7167.]

7 AAC 160.990 is amended by adding a new paragraph to read:

(105) "unaltered final purchase invoice" means the unaltered actual purchase invoice received by the enrolled durable medical equipment, medical supplies, prosthetics, orthotics, or supply provider from their supplier showing the total actual amount paid by the enrolled provider to the supplier net all discounts for the covered item and does not include taxes, shipping, or handling costs; if the unaltered final purchase invoice is received electronically by the enrolled provider from their supplier a printed copy of the unaltered electronic invoice showing the total actual amount paid by the enrolled provider to the supplier, net all discounts, will be accepted by the department.

(Eff. 2/1/2010, Register 193; am 7/7/2010, Register 195; am 1/1/2011, Register 196; am 10/1/2011, Register 199; am 4/1/2012, Register 201; am 7/1/2013, Register 206; am ___/___/2014, Register _____)

Authority: AS 47.05.010 AS 47.07.040 AS 47.07.055