

# MEDICAID POLICY INFORMATION SHEET

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Initial

Public Comment

Final

## Brief description of policy:

The Michigan Department of Health and Human Services (MDHHS) currently approves on a case-by-case basis provider requests for custom fabricated prosthetics, orthotics and wheelchair seating when the provider has incurred costs to fabricate the custom item but is unable to deliver to the beneficiary due to the beneficiary's death.

## Reason for policy (problem being addressed):

To create a formal policy for the current practice of approving provider requests for custom fabricated prosthetics, orthotics and wheelchair seating when the provider is unable to deliver a custom fabricated item to the beneficiary due to the beneficiary's death.

## Budget implication:

budget neutral

will cost MDHHS \$ , and (select one) budgeted in current appropriation

will save MDHHS \$

## Is this policy change mandated per federal requirements?

No

## Does policy have operational implications on other parts of MDHHS?

No

## Does policy have operational implications on other departments?

No

## Summary of input:

controversial

acceptable to most/all groups

limited public interest/comment

## Supporting Documentation:

|  |   |
|--|---|
| State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If Yes, please provide status:   | If yes, Submission Date:  |
| <input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied |   |
| Date:                      Approval                      Date:                                     |   |

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| <b>DRAFT FOR PUBLIC COMMENT</b><br><br><b>Michigan Department of Health and Human Services</b> |                                    |                             |
|  | <b>Project Number:</b> 2008-DMEPOS | <b>Date:</b> March 11, 2020 |

**Comments Due:** April 15, 2020  
**Proposed Effective Date:** June 1, 2020  
**Direct Comments To:** Lisa Trumbell  
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**E-Mail Address:** [TrumbellL@michigan.gov](mailto:TrumbellL@michigan.gov)  
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| <p><b>Policy Subject:</b> Reimbursement for Custom Fabricated Prosthetics, Orthotics, and Wheelchair Seating when Beneficiary Dies Prior to Delivery</p> <p><b>Affected Programs:</b> Medicaid, Healthy Michigan Plan, Children’s Special Health Care Services (CSHCS)</p> <p><b>Distribution:</b> Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Providers, Practitioners, Medicaid Health Plans (MHPs), Integrated Care Organizations (ICOs)</p> <p><b>Summary:</b> The Michigan Department of Health and Human Services (MDHHS) currently approves on a case-by-case basis provider requests for custom fabricated orthotics, prosthetics and wheelchair seating when the provider has incurred costs to fabricate the custom item but is unable to deliver to the beneficiary due to the beneficiary’s death.</p> <p><b>Purpose:</b> To create a formal policy for the current practice of approving provider requests for custom fabricated prosthetics, orthotics and wheelchair seating when the provider is unable to deliver a custom fabricated item to the beneficiary due to the beneficiary's death.</p> <p><b>Cost Implications:</b> Budget neutral</p> <p><b>Potential Hearings &amp; Appeal Issues:</b></p> |
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|--|---|
| <b>State Plan Amendment Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/><br>If yes, date submitted: | <b>Public Notice Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/><br>Submitted date: |
|--|---|

**Tribal Notification:** Yes  No  - Date:

**THIS SECTION COMPLETED BY RECEIVER**

|   |  |
|---|--|
| <input type="checkbox"/> <b>Approved</b>    | <input type="checkbox"/> <b>No Comments</b>          |
| <input type="checkbox"/> <b>Disapproved</b> | <input type="checkbox"/> <b>See Comments Below</b>   |
|   | <input type="checkbox"/> <b>See Comments in Text</b> |

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|-------------------|---------------------|
| <b>Signature:</b> | <b>Phone Number</b> |
|-------------------|---------------------|

**Signature Printed:**

|  |             |
|--|-------------|
| <b>Bureau/Administration</b> <i>(please print)</i> | <b>Date</b> |
|--|-------------|

# Proposed Policy Draft

Michigan Department of Health and Human Services  
Medical Services Administration

**Distribution:** Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Providers, Practitioners, Medicaid Health Plans (MHPs), Integrated Care Organizations (ICOs)

**Issued:** May 1, 2020 (Proposed)

**Subject:** Reimbursement for Custom Fabricated Prosthetics, Orthotics, and Wheelchair Seating when Beneficiary Dies Prior to Delivery

**Effective:** June 1, 2020 (Proposed)

**Programs Affected:** Medicaid, Healthy Michigan Plan, Children's Special Health Care Services (CSHCS)

This policy applies to Medicaid Fee-for-Service (FFS). MHPs and ICOs must provide the full range of covered services described in this policy at a minimum and may choose to provide services over and above those specified. For beneficiaries enrolled in an MHP or ICO, the provider must check with the beneficiary's health plan for prior authorization (PA) requirements.

The purpose of this bulletin is to inform providers of Michigan Department of Health and Human Services (MDHHS) policy regarding reimbursement for custom fabricated prosthetics, orthotics, and wheelchair seating systems due to beneficiary death prior to delivery. This policy does not apply to prefabricated or off-the-shelf DMEPOS.

Providers may contact the MDHHS Program Review Division (PRD) at 800-622-0276 to request PA for reimbursement for costs incurred for undeliverable custom fabricated items due to the beneficiary's death prior to delivery. Requests are made through the PRD Director and are determined on a case-by-case basis upon provider submission of supporting documentation including:

- original PA tracking number,
- beneficiary date of death,
- date the provider learned of beneficiary's death,
- invoice with itemized cost for materials, number of hours of labor (up to date the provider learned of the beneficiary's death) and any salvage value\*, and
- provider statement of stage of fabrication completed.

MDHHS reserves the right to request other supporting documentation to substantiate provider incurred costs. The beneficiary must have been Medicaid eligible throughout the original PA period up to and including the date of death.

\*Salvage value applies when the provider can gain further profit by reusing materials/components for another device or by returning the materials/components to the manufacturer for credit. The salvage value must be clearly documented on the provider's invoice and deducted from the provider's usual and customary charge for the item. An example of an item with salvage value would be a prefabricated component such as a joint for a knee/ankle/foot orthosis.

The provider must submit an official invoice to receive reimbursement, and not a quote.

The PRD Director will determine the date of service within the date range of the initial approved PA up to the beneficiary's date of death. MDHHS will not approve requests past the authorization period of the original approved PA request.