

## MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Lisa Trumbell

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Initial ☐

Public Comment ☒

Final ☐

### Brief description of policy:

This policy expands provider enrollment criteria for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) providers to align more closely with other payers and to clarify physical location requirements.

### Reason for policy (problem being addressed):

To align Michigan DMEPOS enrollment standards more closely with Medicare and other payers and to clarify physical location requirements.

### 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 (Explain)

☒ acceptable to most/all groups

☐ limited public interest/comment

### Supporting Documentation:

State Plan Amendment Required: ☐ Yes ☒ No

If Yes, please provide status:

☐ Approved ☐ Pending

☐ Denied

Date: Approval

Date:

Public Notice Required: ☐ Yes ☒ No

If yes,  
Submission Date:

<b>DRAFT FOR PUBLIC COMMENT</b>  <b>Michigan Department of Health and Human Services</b>		
	<b>Project Number:</b> 1930-DMEPOS	<b>Date:</b> October 21, 2019

**Comments Due:** November 25, 2019  
**Proposed Effective Date:** February 1, 2020  
**Direct Comments To:** Lisa Trumbell  
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<b>Policy Subject:</b> Provider Enrollment Requirements for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Providers	
<b>Affected Programs:</b> Medicaid, Healthy Michigan Plan, Children's Special Health Care Services (CSHCS)	
<b>Distribution:</b> Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Providers, Hospitals, Pharmacies, Medicaid Health Plans, Integrated Care Organizations (ICOs)	
<b>Summary:</b> This policy expands provider enrollment criteria for durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) providers to align more closely with other payers and to clarify physical location requirements.	
<b>Purpose:</b> To align Michigan DMEPOS enrollment standards more closely with Medicare and other payers and to clarify physical location requirements.	
<b>Cost Implications:</b> Budget neutral	
<b>Potential Hearings &amp; Appeal Issues:</b> N/A	
<b>State Plan Amendment Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>If yes, date submitted:</b>	<b>Public Notice Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Submitted date:</b>
<b>Tribal Notification:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> - <b>Date:</b>	
<b>THIS SECTION COMPLETED BY RECEIVER</b>	
<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>
<b>Signature:</b>	<b>Phone Number</b>
<b>Signature Printed:</b>	
<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 Providers, Hospitals, Pharmacies, Medicaid Health Plans, Integrated Care Organizations (ICOs)

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

**Subject:** Provider Enrollment Requirements for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Providers

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

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

This bulletin announces provider enrollment policy criteria specific to providers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) (referred to in this bulletin as "Provider"). Requirements indicated in this policy are in addition to current provider enrollment policy located in the General Information for Providers chapter of the Medicaid Provider Manual, Provider Enrollment section.

Effective February 1, 2020, the provider must be compliant with all the following prior to enrollment with Medicaid:

- The provider must be compliant with federal and state licensing, certification and regulatory requirements.
- The provider must have a physical storefront located in Michigan (or within borderland areas of adjoining states). This location must be accessible to the public (including handicap accessible), be open for business for no less than 30 hours a week, be staffed during business hours, and maintain a visible sign with posted hours of business.
- The provider must fill orders from its own inventory, or contract with other companies for the purchase of items necessary to fill orders. The provider may not contract with any entity that is excluded from Medicare, Medicaid or any other federally funded program.
- The location must contain space for and have beneficiary records on site. For electronic health records, it is preferred that electronic health record systems be contained on the Certified Health IT Product List (CHPL) as published and maintained by the Office of the National Coordinator for Health Information Technology (ONC).

Records must be made available upon Michigan Department of Health and Human Services (MDHHS) request.

- The location must display equipment/supplies provided and have inventory on site (with the exception of custom-made items).
- The provider may not share space (refer to the Sharing Physical Location section below) with other Medicare or Medicaid healthcare entities except for the following:
  - The provider is also enrolled as a pharmacy and owned by the same entity; or
  - The provider is hospital-owned and located within the hospital or a hospital-owned clinic.
- The provider must notify the beneficiary of warranty coverage, honor all warranties under applicable State law and repair or replace free of charge Medicaid-covered items under that warranty.
- The provider must provide maintenance, replacement or repair at no charge to the beneficiary or Medicaid, either directly or through a service contract with another company, during the Medicaid rental period.
- The provider must accept beneficiary returns of substandard, defective or unsuitable items.
- The provider must permit MDHHS to conduct on-site inspections to evaluate the provider's compliance with State and Federal DMEPOS standards.
- The provider must have a primary business telephone listed under the business name in a local directory or a toll-free number available through directory assistance. The exclusive use of a beeper, answering machine, answering service or cell phone during business hours is prohibited.
- The provider is responsible for delivery, set-up and education on the use of the DMEPOS item(s), and must maintain proof of delivery and education in the beneficiary file. The delivery ticket must include the beneficiary's (or beneficiary guardian/appointee's) signature and date as confirmation of receipt.
- The provider must answer beneficiary questions, respond to complaints and maintain documentation of such contact(s) in the beneficiary file.
- The provider must have a complaint resolution protocol to address beneficiary complaints. Records of complaints must be maintained at the physical location. The complaint record must include: the name, address, telephone number and Medicaid beneficiary ID, complaint summary and actions taken to resolve the complaint.

- The provider must have a national provider identifier (NPI) for each location and may not allow another entity to use that billing NPI.
- The provider must be accredited (separate accreditation per location) by one of the Centers for Medicare & Medicaid Services (CMS) approved accreditation organizations (AOs) and must indicate the specific DMEPOS approved under that accreditation for that location (with the exception of CMS-determined pharmaceutical exemptions).
- All provider locations, whether owned or subcontracted, must meet the Medicare DMEPOS Supplier Standards (including, but not limited to, surety bond and liability insurance requirements), Medicare Quality Standards, and be Medicare enrolled.
- The provider must display on-site all licensing, certifications and accreditations, as applicable.

Michigan Medicaid does not enroll warehouses or distribution centers as the function of these entities is to ship/store product and are not considered a storefront.

### **Sharing Physical Location**

Separately identified physical spaces (e.g., clearly identified suites) within the same building is not considered “sharing space” if each space/location is recognized by the United States Postal Service (USPS) as a separate physical address.

### **Orthotic/Prosthetic Provider Accreditation**

MDHHS accepts orthotic and prosthetic certifications from any of the CMS-approved AOs. Effective February 1, 2020, the field title in the Community Health Automated Medicaid Processing System (CHAMPS) online enrollment application for the orthotics/prosthetics certification will change from “ABC Cert.” to “OP Cert.” in order to accommodate any of the CMS-approved AO certifications. This change does not impact current orthotic/prosthetic provider applications as the change is only to the CHAMPS screen.