

Prior Approval Process for Enrollees Eligible for Both Medicare and Medicaid

for Durable Medical Equipment,
Prosthetic, Orthotic and Supply Items

*Effective **August 1, 2007**, this article will serve as a revision to the policy and procedures outlined in the [May 2000 Medicaid Update](#) on this subject.*

A. POLICY

Medicaid law and regulation require that when an enrollee is eligible for both Medicare and Medicaid benefits (i.e., dually eligible), the provider must bill Medicare first for covered services prior to submitting a claim to Medicaid for coinsurance and deductible. Prior approval from Medicaid is not required when billing Medicare coinsurance and deductible for services otherwise requiring prior approval for Medicaid-only enrollees.

B. EXCEPTIONS

When a Durable Medical Equipment, Prosthetic, Orthotic, and Supply (DMEPOS) item requires prior approval for Medicaid-only enrollees, a medical prior approval determination for a dually-eligible enrollee may be requested under the situations listed below. When required, the provider must furnish conclusive documentation with a Medicaid prior approval request that an appeal for reconsideration of a Medicare claims denial has been submitted to and denied by the Durable Medical Equipment Medicare Administrative Contractor (DME MAC).

1. ITEM IS STATUTORILY NON-COVERED BY MEDICARE

When a DMEPOS item is statutorily never covered by Medicare (e.g., bathing equipment) and is covered by Medicaid, a prior approval request may be submitted to Medicaid along with documentation of medical necessity. It is not necessary to submit claims to Medicare before requesting Medicaid prior approval in this situation.

2. SAME OR SIMILAR EQUIPMENT

When the DME MAC issues a claim denial because the Medicare beneficiary has received a product within the last five years which has the same or similar therapeutic benefit for the same medical condition, the provider must include documentation of the DME MAC denial with any Medicaid prior approval request. The prior approval request must include any information available to the provider about the item or items that caused the current Medicare claim to be rejected. Based upon this information Medicaid will make an independent determination of current medical necessity and appropriateness with respect to the requested item.

3. PRODUCTS USED OUTSIDE THE HOME

When the DME MAC issues a claim denial because a requested item is not being used "in the home", the provider must submit documentation of the DME MAC claim rejection with any Medicaid prior approval request. The prior approval request must also contain any information available to the provider about products supplied under Medicare reimbursement for the beneficiary's use in the home.

4. PRODUCTS IN EXCESS OF THE ALLOWED MAXIMUM

When the DME MAC issues a claim denial because the physician's order for a Medicare covered item requests quantities that exceed Medicare payment screens, the provider must submit documentation of the denial with any Medicaid prior approval. The provider must then proceed to appeal that denial to the DME MAC and maintain a copy of the DME MAC's determination on the appeal in the provider's records for any Medicaid post-audit purposes.

5. ADVANCE DETERMINATION OF MEDICARE COVERAGE (ADMC)

Unlike most services, certain customized or specialized wheeled mobility bases are eligible for a Medicare ADCM review **prior** to provision of service. When a negative ADCM decision communicates to the Medicare supplier and beneficiary that the beneficiary does not meet Medicare coverage criteria established for the base equipment, prior approval from Medicaid may be requested. The provider must submit with the prior approval request **a copy of the ADCM and all the supporting documentation required by and submitted to Medicare***. This process is not to be utilized when the ADCM states that documentation submitted was not sufficient for a determination to be made. When a particular item is eligible for ADCM, all options and accessories ordered by the physician for that patient, along with the base HCPCS code, are eligible for ADCM. The current list of codes available for ADCM is:

- Manual wheelchairs described by codes: E1161, E1231-E1234, K0005, and K0009.
- Group 2, 3, 4 or 5 Single Power Option or Multiple Power Options wheelchair (K0835-K0843, K0856-K0864, K0877-K0891) – whether or not a power seating system will be provided at the time of initial issue.
- Group 3 or 4 No Power Option wheelchair (K0848-K0855, K0868-K0871) that will be provided with an alternative drive control interface at the time of initial issue.

*Refer to the DME MAC medical policies and specific documentation requirements at the following websites:

http://www.tricenturion.com/content/lcd_current_dyn.cfm ; and
http://www.medicarenhic.com/dme/dmemaca_sm_ch09-rev2007-01.pdf.

C. PAYMENT

- If requests for major items of DMEPOS, such as powered mobility are approved, Medicaid will issue a prior approval in the amount of \$1.00 pending resolution of the appeal of the adverse Medicare coverage determination to the DME MAC. Once a DME MAC denial is received in prior approval, Medicaid payment will be made according to the applicable Medicaid pricing policy.
- If the DME MAC approves the major item of medical equipment on appeal, a bill may be submitted directly to Medicaid indicating the Medicare Approved and Medicare Paid amounts. When the DME MAC approves such a request on appeal, DO NOT enter the Medicaid prior approval number issued to you on your Medicaid claim.
- If New York State Medicaid issues a prior approval and a subsequent decision by Medicare results in a Medicare payment to the provider, the provider is required to adjust any Medicaid paid claims to reflect the Medicare Approved and Medicare Paid amounts received in conformity with [Department of Health Regulation at Title 18 of the New York Code of Rules and Regulations Section 540.6.](#)

Questions? Please contact the Pre-Payment Review Group at:
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