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MassHealth

# Transmittal Letter DME-40--Corrected November 2022

**TO:** Durable Medical Equipment Providers Participating in MassHealth

**FROM:** Amanda Cassel Kraft, Assistant Secretary for MassHealth [signature of Amanda Cassel Kraft]

**RE:** Durable Medical Equipment Manual (Updates to Subchapter 6 and the MassHealth Durable Medical Equipment and Oxygen Payment and Coverage Guideline Tool to Align with Amendments to 101 CMR 322.00)

## Introduction

This letter transmits revisions to the list of service codes in Subchapter 6 of the Durable Medical Equipment Manual and additional updates. The revised Subchapter 6 aligns the list of service codes with the interactive MassHealth Durable Medical Equipment and Oxygen Payment and Coverage Guideline Tool (Tool), and updates previously communicated via message text, provider bulletin, and/or administrative bulletin.

In addition to MassHealth provider communications, providers may consult the Centers for Medicare & Medicaid Services (CMS) website at [www.cms.gov](https://www.cms.gov/) for a full description of the service codes.

For prior-authorization (PA) requirements, service limits, and allowable place-of-service codes, providers should refer to the interactive Tool at [www.mass.gov/info-details/masshealth-payment-and-coverage-guideline-tools#masshealth-durable-medical-equipment-and-oxygen-payment-and-coverage-guideline-tool-](http://www.mass.gov/info-details/masshealth-payment-and-coverage-guideline-tools#masshealth-durable-medical-equipment-and-oxygen-payment-and-coverage-guideline-tool-).

**Added Codes**

# Effective July 1, 2022, the following codes have been added to Subchapter 6, with rates established in 101 CMR 322.00:

# K1005 – Disposable collection and storage bag for breast milk, any size, any type, each.

# In response to public comments, the agency has expanded covered services to include breast milk storage bags. In addition, the payment methodology for procedure codes A4281-A4285 are at fixed rates rather than adjusted acquisition cost (AAC) plus a markup.

# E0486 – Oral device/appliance used to reduce upper airway collapsibility, adjustable or non-adjustable, custom fabricated, includes fitting and adjustment (new equipment).

# The payment methodology has changed from AAC+30% to a fixed rate.

E0766 - Electrical stimulation device used for cancer treatment, includes all accessories, any type.

The reimbursement fee was adjusted within the rate table of 101 CMR 322.00.

**Modifier U6**

The amendments to 101 CMR 322.00 add Modifier U6 to the regulation, to be used in combination with relevant procedure codes. The interactive Tool has also been updated to indicate that the U6 modifier may be used in two circumstances:

* requesting certain premium absorbent products (see [Administrative Bulletin 22-12](https://www.mass.gov/doc/administrative-bulletin-22-12-101-cmr-32200-durable-medical-equipment-oxygen-and-respiratory-therapy-equipment-rate-updates-for-certain-absorbent-products-subject-to-a-preferred-supplier-agreement-effective-june-3-2022-0/download)); or
* requesting labor when repairing a member’s serviceable retired power wheelchair (see [Administrative Bulletin 22-14](https://www.mass.gov/doc/administrative-bulletin-22-14-101-cmr-32200-durable-medical-equipment-oxygen-and-respiratory-therapy-equipment-repair-of-retired-serviceable-power-wheelchairs-effective-july-1-2022-0/download)).

**Additional Guidance**

The agency has amended 101 CMR 322.00 Rates for Durable Medical Equipment, Oxygen and Respiratory Therapy Equipment effective July 1, 2022, to update, clarify, and codify policy, as described below.

**General Provisions about Administrative Bulletins** (101 CMR 322.01)

The agency added language to account for three additional types of circumstances under which EOHHS may issue administrative bulletins. The three new provisions in 101 CMR 322.01(7) are:

(d) a standard markup requires adjustment due to shifts in cost or utilization;

(e) a fixed rate may be specified for codes which do not have a Medicare rate or would otherwise be priced at Individual Consideration when a fixed rate can be determined by using a comparison of industry rates including Medicare crossovers payments, other state Medicaid payment rates, third-party liability, or private insurance rates; and

(f) a historical fixed rate for a product that has no Medicare rate requires adjustment due to a shift in provider costs, a shift in utilization, or to maintain access to care.

## Definitions (101 CMR 322.02) Separate from Payment Methodologies (101 CMR 322.03)

EOHHS has reorganized portions of the regulation. Descriptions of pricing methodologies and documentation requirements have been moved from the General Definitions section, creating three new subsections under 101 CMR 322.03 (General Rate Provision):

* 101 CMR 322.03 (17) AAC Methodology and Documentation;
* 101 CMR 322.03 (18), Methodology for Pricing Capped Rentals; and
* 101 CMR 322.03 (19) Methodology for Individual Consideration.

In the definition of standard markup, the agency has provided clarity about application of the standard markup when a provider receives a timely payment discount less than or equal to 5% and when an eligible provider receives a timely payment discount greater than 5%. Further guidance about documentation is in 101 CMR 322.03(17).

Additionally, the agency updated and clarified the definition and application of the term “usual and customary charge.”

**General Rate Provisions (101 CMR 322.03)**

The agency codified its policy for the AAC Methodology and documentation requirements for timely payment discounts. Please note: the amount and percentage of the timely payment discount must be clearly identified on the manufacturer’s invoice or quote (see 101 CMR 322.03 (17)). Descriptions of pricing methodologies have been moved from the General Definitions section, creating three new subsections under 101 CMR 322.03 (General Rate Provisions):

* 101 CMR 322.03 (17) AAC Methodology and Documentation;
* 101 CMR 322.03 (18) Methodology for Pricing Capped Rentals; and
* 101 CMR 322.03 (19) Methodology for Individual Consideration.

**Allowable Fees and Rate Schedule (101 CMR 322.06)**

Based on assessment of the current market and suppliers’ costs, MassHealth increased the rate in 101 CMR 322.06 for non-sterile gloves from $4.78 to 7.89 per box. The rate established in 130 CMR 446.000 of $11.00 per box will supersede the rate in 101 CMR 322.00 until the end of the federal public health emergency after which the rate will revert to the established rate in 101 CMR 322.00.

## Fee Schedule

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To obtain a fee schedule, download the Executive Office of Health and Human Services regulations from [www.mass.gov/regulations/101-CMR-32200-durable-medical-equipment-oxygen-and-respiratory-therapy-equipment](http://www.mass.gov/regulations/101-CMR-32200-durable-medical-equipment-oxygen-and-respiratory-therapy-equipment). The regulation title for Durable Medical Equipment, Oxygen and Respiratory Therapy Equipment is 101 CMR 322.00.

**MassHealth Website**

This transmittal letter and attached pages are available on the MassHealth website at [www.mass.gov/masshealth-transmittal-letters](http://www.mass.gov/masshealth-transmittal-letters).

[Sign up](https://www.mass.gov/forms/email-notifications-for-masshealth-provider-bulletins-and-transmittal-letters) to receive email alerts when MassHealth issues new transmittal letters and provider

bulletins.

**Questions**

If you have any questions about the information in this transmittal letter, please contact the LTSS Provider Service Center.

The MassHealth LTSS Provider Service Center is open from 8 a.m. to 6 p.m. ET, Monday through Friday, excluding holidays. LTSS providers should direct questions about this bulletin or other MassHealth LTSS provider questions to the LTSS Third Party Administrator (TPA) as follows:

**Phone:** Toll-free (844) 368-5184

**Email:** [support@masshealthltss.com](mailto:support@masshealthltss.com)

**Portal:** [www.MassHealthLTSS.com](http://www.MassHealthLTSS.com)

**Mail:**  MassHealth LTSS

PO Box 159108

Boston, MA 02215

**FAX:** (888) 832-3006

NEW MATERIAL

(The pages listed here contain new or revised language.)

Pages vi and 6-1 through 6-4

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

Pages vi and pages 6-1 through 6-4 — transmitted by Transmittal Letter DME-38

6. Services Codes

601: Introduction 6-1

602: Service Codes 6-1

Appendix A. Directory A-1

Appendix C. Third‑Party-Liability Codes C-1

Appendix T. CMSP Covered Codes T-1

Appendix U. DPH-Designated Serious Reportable Events That Are Not Provider Preventable

Conditions U-1

Appendix V. MassHealth Billing Instructions for Provider Preventable Conditions V-1

Appendix W. EPSDT Services Medical and Dental Protocols and Periodicity Schedules W-1

Appendix X. Family Assistance Copayments and Deductibles X-1

Appendix Y. EVS Codes and Messages Y-1

Appendix Z. EPSDT/PPHSD Screening Services Codes Z-1

601 Introduction

MassHealth pays for the services for codes listed in Section 602 in effect at the time of service, subject to all conditions and limitations in MassHealth regulations at 130 CMR 409.000 and 450.000. In addition, a provider may request prior authorization (PA) for any medically necessary durable medical equipment or supplies. Providers should consult *Transmittal Letter DME-35* for the specific effective dates of service for the service codes.

Providers should refer to the *MassHealth DME and Oxygen Payment and Coverage Guideline Tool* for service descriptions, applicable modifiers, place-of-service codes, PA requirements, service limits, and pricing and markup information. For certain services that are payable on an individual consideration (I.C.) basis, the tool can calculate the payable amount, based on information entered into certain fields on the tool.

To get to the *MassHealth DME and Oxygen Payment and Coverage Guideline Tool*, visit [www.mass.gov/service-details/masshealth-payment-and-coverage-guideline-tools](https://www.mass.gov/info-details/masshealth-payment-and-coverage-guideline-tools).

602 Service Codes

This section lists Level II HCPCS codes that are payable under MassHealth. Refer to the Centers for Medicare & Medicaid Services website at [www.cms.gov](https://www.cms.gov/) for more detailed descriptions when billing for Level II HCPCS codes provided to MassHealth members.

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