HEALTH & WELFARE

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MEDICAID INFORMATION RELEASE 2008-20

To:

Medicaid Durable Medical Equipment Providers

From:

Leslie Clement, Administrator

Division of Medicaid

Subject:

New Pricing Methodology for Incontinence Supplies

The 2006 Idaho Legislature, through House Concurrent Resolution (HCR) #51, encouraged the Department of Health and Welfare to seek opportunities for consolidated purchasing, to increase purchasing power and improve cost-effectiveness. In an effort to comply with the intent of HCR 51, in 2007, Idaho pursued the potential to provide these services through a single provider. Recently, the state initiated a competitive bid process for incontinence supplies, but due to technical issues the process was never completed.

During the Request for Proposal (RFP) process, many of you said you understand Idaho's need to be cost-effective, but thought the department should consider lowering the fee schedule rather than seeking a selective contract.

Based on the comments during the RFP process, the Division of Medicaid staff compared Idaho's fee schedule with states that have either a single or minimal source contract. Based on our review, we found significantly lower rates for states using selective contracts. On average, Michigan's fees are 46 percent lower and Wisconsin's fees are 17 percent lower than Idaho Medicaid's current fee schedule.

Due to these findings, and the Governor's direction for state agencies to hold back one percent of their general fund budgets (Executive Order 2008-03), Idaho Medicaid is adjusting its fee schedule for incontinence supplies by approximately 17 percent. This is consistent with the fees for states using selective contracting and retains some parity with the surrounding region. A fee schedule outlining changes by HCPCS code is attached.

Any provider can choose not to supply incontinence supplies to Idaho Medicaid participants by informing the Idaho Department of Health and Welfare in writing of their decision.

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Attachments

Fee Schedule Changes - Effective December 1, 2008

Incontinence Supplies

	Current	Proposed	
HCPCS	Reimbursement	Reimbursement	Change
A4310	\$6.26	\$5.01	- \$1.25
A4311	\$12.04	\$12.04	\$0.00
A4312	\$14.62	\$12.79	- \$1.83
A4313	\$15.02	\$12.79	- \$2.23
A4314	\$20.50	\$17.05	- \$3.45
A4315	\$21.39	\$21.39	\$0.00
A4316	\$23.03	\$18.42	- \$4.61
A4320	\$6.04	\$4.83	- \$1.21
A4322	\$2.53	\$2.53	\$0.00
A4326	\$10.29	\$8.23	- \$2.06
A4327	\$42.56	\$34.05	- \$8.51
A4328	\$9.42	\$8.13	- \$1.29
A4331	\$3.04	\$3.04	\$0.00
A4332	\$0.12	\$0.10	- \$0.02
A4333	\$2.10	\$2.10	\$0.00
A4334	\$4.71	\$4.19	- \$0.52
A4338	\$11.70	\$9.36	- \$2.34
A4340	\$30.28	\$24.22	- \$6.06
A4344	\$12.99	\$11.58	- \$1.41
A4346	\$15.89	\$15.89	\$0.00
A4349	\$2.02	\$1.72	- \$0.30
A4351	\$1.47	\$1.31	- \$0.16
A4352	\$6.12	\$4.90	- \$1.22
A4353	\$6.67	\$6.67	\$0.00
A4354	\$10.58	\$8.46	- \$2.12
A4355	\$7.23	\$6.43	- \$0.80
A4356	\$36.99	\$29.59	- \$7.40
A4357	\$7.86	\$6.54	- \$1.32
A4358	\$5.38	\$4.30	- \$1.08

Fee Schedule Changes Effective December 1, 2008

Diapers, Pads, and Other Incontinence Garments

HCPCS	Current Reimbursement	Proposed Reimbursement	Change
T4521	\$0.56	\$0.48	- \$0.08
T4522	\$0.66	\$0.60	- \$0.06
T4523	\$0.76	\$0.72	- \$0.04
T4524	\$0.85	\$0.77	- \$0.08
T4525	\$0.67	\$0.54	- \$0.13
T4526	\$0.78	\$0.62	- \$0.16
T4527	\$0.92	\$0.74	- \$0.18
T4528	\$1.02	\$0.82	- \$0.20
T4529	\$0.51	\$0.41	- \$0.10
T4530	\$0.59	\$0.47	- \$0.12
T4531	\$0.58	\$0.46	- \$0.12
T4532	\$0.67	\$0.54	- \$0.13
T4533	\$0.60	\$0.48	- \$0.12
T4534	\$0.65	\$0.52	- \$0.13
T4535	\$0.42	\$0.34	- \$0.08
T4536	\$8.41	\$6.73	- \$1.68
T4537	\$15.55	\$14.07	- \$1.48
T4539	\$13.97	\$11.18	- \$2.79
T4540	\$12.38	\$9.90	- \$2.48
T4541	\$0.31	\$0.25	- \$0.06
T4542	\$0.25	\$0.24	- \$0.01