

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1151

H.P. 872

House of Representatives, February 28, 2001

**Resolve, to Provide Adequate Reimbursement for Durable Medical
Equipment.**

Reference to the Committee on Health and Human Services suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative SCHNEIDER of Durham.
Cosponsored by Senator WOODCOCK of Franklin and
Representatives: BELANGER of Caribou, BROOKS of Winterport, CLOUGH of
Scarborough, MADORE of Augusta, NASS of Acton, O'BRIEN of Augusta, WESTON of
Montville, Senator: President Pro Tem BENNETT of Oxford.

Sec. 1. Reimbursement for durable medical equipment. Resolved:

2 That, by October 1, 2001, the Department of Human Services shall
3 amend the rules under the Medicaid program regarding
4 reimbursement for durable medical equipment to repeal the rules
5 adopted in 2000 and improve the reimbursement process and
6 increase the reimbursement level. Rules adopted pursuant to this
7 section are major substantive rules as defined by the Maine
8 Revised Statutes, Title 5, chapter 375, subchapter II-A. The
9 rules are subject to the requirements of this section.

10
11 1. The Medicare fee schedule must be adopted for all "A"
12 code equipment and rental equipment. The Medicare rate must be
13 adopted for service labor. Medicare standards and rates must be
14 adopted for respiratory equipment.

15
16 2. Reimbursement must be based on manufacturer's suggested
17 pricing less 15% on purchased equipment. Distinctions between
18 new and used equipment must be eliminated. All copays must be
19 fully reimbursed. Reimbursement for labor must include all time
20 in providing products and services, portal to portal, and must
21 include mileage. There may not be a fee cap on rehabilitation
22 and assistive technology.

23
24 3. Respiratory equipment may be changed from purchase to
25 rental only for frequently serviced equipment, as under the
26 Medicare program, such as oxygen, respiratory therapy equipment
27 and ventilators.

28
29 4. Prior authorization in Medicaid requirements must be
30 simplified as follows.

31
32 A. The types of equipment requiring prior authorization
33 must be reduced in number and limited to costs over \$1,000
34 for replacement parts and costs over \$500 for other items
35 and services. Prior authorization for rental and
36 respiratory equipment must be eliminated. The Medicare
37 certificate of medical necessity guidelines must be adopted.

38
39 B. Reimbursement for Group II support services must follow
40 Medicare codes, guidelines and fee schedules.

41
42 C. Decisions regarding prior authorizations must be made
43 within 14 days or will be considered to be granted. There
44 must be criteria for emergency authorizations.

45
46 D. Prior authorization must be processed for electronically
47 powered rehabilitation equipment for individuals with dual
48 insurance eligibility.

49
50 E. Standards for determining whether rehabilitation
equipment will be purchased or rented must be clarified.

2 F. Medicare guidelines for certificate of medical need
documentation and prescription requirements for
4 rehabilitation equipment must be adopted; and be it further

6 **Sec. 2. Rulemaking for durable medical equipment. Resolved:** That
the Department of Human Services shall adopt rules regarding
8 durable medical equipment that provide for equitable treatment of
suppliers who billed for durable medical equipment during 2000
10 and 2001, up to the date of the new rules adopted October 1, 2001.

12

SUMMARY

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This resolve requires the Department of Human Services to
16 amend the rules under the Medicaid program regarding
reimbursement for durable medical equipment to repeal the rules
18 adopted in 2000 and to improve the reimbursement process and
increase the reimbursement level. The rules are major
20 substantive rules as defined by the Maine Revised Statutes, Title
5, chapter 375, subchapter II-A. The new rules must be in effect
22 by October 1, 2001.