

Beginning Billing Workshop DME Supply

Colorado Medical Assistance Programs
including Health First Colorado
(Colorado's Medicaid Program) and CHP+

2018



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CMS 1500

- What are some of the DME services reimbursable on the CMS 1500?

Wheelchairs

Walkers

Repairs

Disposable
Supplies

Incontinence
Products

Fraud and Abuse

False Claims Act

- Submitting claim for services or items not provided
- Falsifying elements on a claim (e.g. DOS, Units, etc.)
- See CRS 25.5-4-303.5 et seq

Anti-Kickback Statute

- Prohibits exchange (or offer to exchange, of anything of value, in an effort to induce (or reward) referral of federal health care program business
- See 42 U.S.C. 1320a-7b

Stark Law

- Prohibits physicians from referring patients to medical facilities in which physician has a financial interest
- See 42 U.S.C. 1395nn



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Fraud and Abuse

- Failure to use proper coding when billing may:
 - Result in claims being denied
 - Place provider in jeopardy of recovery actions and/or state or federal civil sanctions
- To avoid improper coding, use procedure codes & modifiers as instructed in Provider Bulletins and Provider Manuals



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DME Reimbursement Billing: By MSRP

- Cannot receive more for an item than maximum purchase price (MPP) as identified in fee schedule
- For items without MPP:
 - Reimbursement rate = manufacturer's suggested retail price (MSRP) less set percentage
 - Percentage includes DME handling
 - Copies of documented MSRP shall be submitted with all claims.



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DME Reimbursement Billing: By MSRP

- Acceptable MSRP documentation
 - MSRP, LIST Price, Retail price. Originals must be maintained in provider's files
 - Per Department regulations
 - Providers cannot bill for state sales tax collection



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DME Reimbursement Billing: By Invoice

- Cannot receive more for an item than maximum purchase price (MPP) as identified in fee schedule
- For items without MPP that also do not have an MSRP:
 - Reimbursement rate = the lower of the acquisition cost plus set percentage
 - Actual acquisition costs are manufacturer's list price for the item, minus any standard trade discount applied to lower the actual cost to provider
 - Does not include any time-sensitive or otherwise conditional discounts available to provider



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Unrelated Manufacturer

- Only invoices from unrelated manufacturer's or wholesale distributors shall be allowed
- Invoices are not allowed from
 - Related owners
 - Related parties
- See rule 10 CCR 2505-10 Section 8.590.7.A



Related Owner

- Individual with 5% or more ownership interest of a manufacturer
- One entitled to a legal or equitable interest in any property of the business whether the interest is in the form of capital, stock, or profits of the business
- DME supplier has control of or is affiliated with manufacturer



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Related Party

- Member of owner's immediate family, including:
 - Spouse
 - Natural, adoptive parent, or step-parent
 - Natural, adoptive child, or step-child
 - Sibling or step-sibling
 - In-laws
 - Grandparents and grandchildren



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Custom Manufacturing

- Invoices for Supplies or DME manufactured by provider must include detailed cost information for:
 - Acquisition
 - Material
 - Time and Labor

Used or Refurbished Equipment

- Written, signed and dated agreement from the member accepting the equipment
- Members and providers may negotiate trade-in amount on member-owned used equipment
- Health First Colorado will pay up to 60% of the new cost for used pieces of equipment
 - On PAR or claim, list serial number in “Additional information” section of the CMS 1500
 - Providers are not required to take trade-ins
 - PAR and claim must include the UE modifier
- See 10 CCR 2505-10 8.590.7.D & 8.590.7.G



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Date of Death

- The following are allowable the month of member's death:
 - Durable medical rental equipment
 - Oxygen
 - Bulk supplies drop-shipped to member's home
- Following date of death, recoveries will be made for
 - Other services
 - Rental and bulk supplies billed after the month of member's death



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Benefit and Billing Information

For more detailed benefit and billing information, refer to:

<https://www.Colorado.gov/hcpf/Billing-Manuals>

Billing Manuals → CMS 1500 → Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)



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Provider Services Call Center

1-844-235-2387

[Download the Call Center Queue Guide](#)

7 a.m. - 5 p.m. MST Monday, Tuesday, & Thursday

10 a.m. - 5 p.m. MST Wednesday & Friday

The Provider Services Call Center will be utilizing the time
between 7 a.m. and 10 a.m.

on Wednesdays and Fridays to return calls to providers.



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Thank you! Please feel free to ask us any questions you may have.

