

# Wisconsin Medicaid update and BadgerCare

October 2000 • No. 2000-49

PHC 1758

Wisconsin Medicaid and BadgerCare Information for Providers

To:

Blood Banks  
Home Health Agencies  
Individual Medical Supply  
Medical Equipment Vendors  
Nursing Homes  
Personal Care-Only Agencies  
Pharmacies  
HMOs and Other Managed Care Programs

## Revised Disposable Medical Supplies Index

Effective for dates of service on and after October 1, 2000, use the disposable medical supply (DMS) procedure codes included in the attached index. The attached index lists the procedure codes reimbursable by Wisconsin Medicaid, as well as coverage and limitations applicable to each code, and completely replaces the index dated August 1, 1999.

### Procedure code description changes

Wisconsin Medicaid has revised the following procedure code descriptions to be consistent with the Health Care Financing Administration Common Procedure Coding System (HCPCS). The new descriptions are indicated below:

- A4557, lead wires, (e.g., apnea monitor) per pair.
- A5126, Adhesive, or non-adhesive, disc or foam pad.

### Changes to maximum allowable fees

#### *Maximum allowable fee increases*

Effective for dates of service on and after July 1, 2000, a 1% increase in maximum allowable fees for disposable medical supplies (DMS) was authorized by provisions of 1999 Wisconsin Act 9, the biennial budget. This increase is reflected in the attached DMS Index.

### Hearing aid battery code changes

The revised DMS Index also includes the recent changes made for hearing aid battery

codes, which were effective for dates of service on and after September 1, 2000. This information was published in the August 2000 *Wisconsin Medicaid and BadgerCare Update* (No. 2000-28) titled "Changes in hearing aid battery codes." Provider handbooks, *Updates*, and maximum allowable fee schedules can be downloaded from the Medicaid Web site at [www.dhfs.state.wi.us/medicaid/](http://www.dhfs.state.wi.us/medicaid/).

This *Update* applies to fee-for-service Medicaid providers only. If you are a Medicaid HMO network provider, contact your managed care organization for more information about its billing procedures. Wisconsin Medicaid HMOs are required to provide at least the same benefits for enrollees as those provided under fee-for-service arrangements.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at [www.dhfs.state.wi.us/medicaid/](http://www.dhfs.state.wi.us/medicaid/).



## **DISPOSABLE MEDICAL SUPPLIES INDEX MAXIMUM ALLOWABLE FEE SCHEDULE**

The Disposable Medical Supplies (DMS) Index/Maximum Allowable Fee Schedule (MAFS) contains information necessary for proper billing of DMS supplies. This DMS Index/MAFS completely replaces prior DMS indices.

Wisconsin Medicaid utilizes HCFA Common Procedure Coding System (HCPCS) National Level II codes developed by the federal Health Care Financing Administration (HCFA), as well as Wisconsin Medicaid local codes. When using the procedure codes listed in this index, providers must select the procedure code that most accurately identifies the supply or service ordered and dispensed.

In accordance with the Terms of Reimbursement, Wisconsin Medicaid-certified providers are reimbursed for services provided to eligible recipients at the lesser of the billed amount or the maximum allowable fee for the procedure.

Wisconsin Administrative code HFS 107.24(2)(b) states covered services are limited to supplies contained in the Wisconsin Medicaid DMS Index. Supplies requested, which are not contained in the indices, require prior authorization (PA). To request PA, complete and submit a Prior Authorization Request Form (PA/RF) and a Prior Authorization Durable Medical Attachment (PA/DMEA) according to instructions given in the Durable Medical Equipment Handbook. Providers are also required to:

- Indicate in Element 14 of the PA/RF the code from the DMS Index for a supply item that most closely matches the item to be dispensed.
- Indicate in Element 15 of the PA/RF the modifier “PA”
- Include a complete description of the item, product information, and the medical necessity for the service or supply.

When there is no similar service or code listed in the DMS Index, indicate the “not otherwise classified” (NOC) code W6499. Therefore, prior to using the NOC procedure code, you must determine if a specific HCPCS or local procedure code is not available.

If you have questions regarding the information attached, please contact the Division of Health Care Financing (DHCF) Community Services unit by writing to:

*DMS Policy Analyst  
Community Services Section, DHCF  
P.O. Box 309  
Madison, WI 53701-0309*

## **KEY TO READING THE DISPOSABLE MEDICAL SUPPLIES INDEX MAXIMUM ALLOWABLE FEE SCHEDULE**

**CODE:** Five-digit alphanumeric HCFA Common Procedure Coding System (HCPCS) National Level II codes developed by the federal Health Care Financing Administration (HCFA), or Wisconsin Medicaid-assigned local procedure codes that identify the DMS supply.

**MOD:** Modifiers used by Wisconsin Medicaid to indicate additional entries of procedure codes associated to the HCPCS and Wisconsin Medicaid-assigned base codes.

Y - Indicates modifiers specified must always be used when billing for the procedure code.

N - Indicates modifiers are not required when billing for the procedure code, but if listed, may be used if the modifier indicates a more accurate definition of the supply.

**IN NH RATE:** YES - Indicates that the item is included in the nursing home daily rate and is not separately reimbursable for Wisconsin Medicaid nursing home residents.  
YES # - Indicates that the supplies used to prepare IV/IM drugs at a pharmacy are not included in the NH daily rate.

NO - Indicates this item is not included in the nursing home daily rate and is separately reimbursable for Wisconsin Medicaid nursing home recipients.

**IN HC RATE:** YES - Indicates that the item is included in the home care visit rate and is not separately reimbursable for Wisconsin Medicaid home care recipients.  
NO - Indicates this item is not included in the home care visit rate and is separately reimbursable for Wisconsin Medicaid home care recipients.

**DESCRIPTION:** Base HCPCS or Wisconsin Medicaid-assigned local procedure code. The description that appears in the first row of each procedure code is the description that will appear on Remittance and Status (R/S) Reports, regardless of the modifier used. Providers will need to use the DMS Index/Maximum Allowable Fee Schedule with the R/S Report to verify Wisconsin Medicaid's maximum allowable fee payments.

Descriptions may also indicate quantities of each, package and per box, which is considered one unit. For example, a box may contain multiple items. If "per box of 100" is indicated, the quantity or unit is equal to one (1).

**MAX FEE:** Maximum allowable fee for each procedure code and modifier.

**MAX QTY ALLOWED/MO:** Quantity allowed per recipient per calendar month (January, February, March etc.) unless a different time period is indicated.

**NEW:** Current DMS Index/MAFS revisions.

C - indicates changes.

D - indicates deletions.

N - indicates new information.