Disposable medical supplies covered in the home care rate

The cost of routine disposable medical supplies (DMS) used by a provider while caring for the recipient is covered in the home care rates. Wisconsin Medicaid has not changed its policy on DMS but is providing this information because of questions frequently raised about these supplies.

Definition of disposable medical supplies

Disposable medical supplies (DMS) are disposable, consumable, expendable, or nondurable medically necessary supplies which have a very limited life expectancy.

Disposable medical supplies covered in the home care rate

The cost of routine DMS used by the provider while caring for the recipient is covered in the home care rates. Personal care providers, home health providers, and nurses in independent practice are expected to provide these supplies. Home care providers are expected to include supplies only during the billable hours services are delivered. They are not expected to provide recipients with supplies for use when they are not directly delivering billable home care services.

When Wisconsin Medicaid includes DMS in the home care rate, providers may not do any of the following:

• Charge the recipient for the cost of DMS.
• Use supplies obtained by the recipient and paid for by Wisconsin Medicaid.
• Submit claims to Wisconsin Medicaid for the cost of the supplies.

Refer to “Disposable medical supplies included in home care rate” table for a list of DMS items currently included in the home care rate according to the Wisconsin Medicaid DMS Index. This information appears on the

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A4244</td>
<td>Alcohol per pint</td>
</tr>
<tr>
<td>A4365</td>
<td>Adhesive remover wipes, any type, per 50 (Ostomy use only)</td>
</tr>
<tr>
<td>A4402</td>
<td>Lubricant per ounce</td>
</tr>
<tr>
<td>A4455</td>
<td>Adhesive remover or solvent (for tape, cement or other adhesive) per ounce</td>
</tr>
<tr>
<td>A4554</td>
<td>Disposable underpads, all sizes, when used for purposes other than incontinence or for bowel and bladder programs</td>
</tr>
<tr>
<td>A4927</td>
<td>Gloves, non-sterile, per pair</td>
</tr>
<tr>
<td>W6400</td>
<td>Applicators</td>
</tr>
<tr>
<td>W6403</td>
<td>Cotton balls per 100</td>
</tr>
</tbody>
</table>
Wisconsin Medicaid DMS Index under the “IN HC RATE?” column. “Yes” indicates the supply is included in the home care rate and, therefore, is not separately reimbursable by Wisconsin Medicaid. Refer to Attachment 1 of this Wisconsin Medicaid and BadgerCare Update for the key to the DMS Index with clarified definitions of what is included in the home care rate.

**How to get the Disposable Medical Supplies Index**

The DMS Index is available through the following sources:

- The Wisconsin Medicaid Web site at [www.dhfs.state.wi.us/medicaid/](http://www.dhfs.state.wi.us/medicaid/). Refer to the next section for instructions on accessing the DMS Index on the Web site.
- A paper copy of the DMS Index can be ordered by calling Wisconsin Medicaid Provider Services at (800) 947-9627 or (608) 221-9883.

You may also ask a Medicaid-certified DMS provider to allow you to look at his or her copy.

4. Scroll down and click on “Disposable Medical Supplies (DMS) Index” to view the DMS Index. For information about proper billing of DMS, click on “Key to Reading the DMS Index.”

**Recipients notified of items covered in home care rate**

Attachment 2 provides a copy of a Wisconsin Medicaid and BadgerCare Recipient Update that explains the information contained in this Update to recipients who currently receive home care services. Please share this information with future recipients.

**Information regarding Medicaid HMOs**

This Update contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

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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/).
ATTACHMENT 1
Key to Reading the Disposable Medical Supplies Index
Maximum Allowable Fee Schedule

(A copy of the “Key to Reading the Disposable Medical Supplies Index Maximum Allowable Fee Schedule” is on the following pages.)
DISPOSABLE MEDICAL SUPPLIES INDEX
MAXIMUM ALLOWABLE FEE SCHEDULE

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

Wisconsin Medicaid utilizes HCFA Common Procedure Coding System (HCPCS) National Level II codes developed by the federal Centers for Medicare and Medicaid Services (CMS), formerly 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.

Prior Authorization Requirements

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

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

Not Otherwise Classified Supplies

When there is no similar item listed in the DMS Index, indicate procedure code W6499 — not otherwise classified (NOC). Prior to using the NOC procedure code, determine that a specific HCPCS or local procedure code is not available.

More Information

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

DMS Policy Analyst
Division of Health Care Financing
Community Services Section
PO 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 Centers for Medicare and Medicaid Services (CMS), formerly HCFA, or Wisconsin Medicaid-assigned local procedure codes that identify the disposable medical supplies (DMS).

MODIFIER: 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.
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 rate and is not separately reimbursable for Wisconsin Medicaid home care recipients. Home care services include covered services provided by home health agencies, personal care agencies, and nurses in independent practice.
NO — Indicates this item is not included in the home care 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/MO: Quantity allowed per recipient per calendar month (January, February, March, etc.) unless a different time period is indicated.

CHANGE: Current DMS Index revisions.
C — Indicates changes.
N — Indicates new information.
ATTACHMENT 2
Recipient Update about disposable medical supplies

(A copy of the November 2002 Wisconsin Medicaid and BadgerCare Recipient Update is on the following page.)
To: Recipients of Wisconsin Medicaid home care services

Your home care provider is required to supply some disposable medical supplies used for your care

**Your provider is responsible for some disposable medical supplies**

Wisconsin Medicaid requires personal care agencies, home health agencies, and nurses in independent practice to provide some disposable medical supplies (DMS) used when providing services. Disposable medical supplies are disposable, consumable, or nondurable medically necessary supplies that have a very limited life expectancy. As a Wisconsin Medicaid recipient, you should not provide these supplies for use by the provider. Your provider cannot charge you for them or expect you to provide them.

Wisconsin Medicaid has not changed its policy on these supplies but is providing this information because of questions frequently raised about these supplies.

**Supplies brought by your home care provider**

Your home care provider is required to supply the following disposable medical supplies if necessary:

- Non-sterile gloves.
- Disposable underpads when used for purposes other than incontinence or for bowel and bladder programs.
- Alcohol (isopropyl).
- Adhesive remover wipes.
- Adhesive remover or solvent for tape, cement, or other adhesives.
- Lubricant.
- Applicators, such as cotton swabs.
- Cotton balls.

Your home care provider is only responsible for providing these disposable medical supplies for your use when they are directly providing care for you.

**For more information**

This list is subject to change. If you would like to know more about Medicaid-covered disposable medical supplies or any other Medicaid topic, refer to the Wisconsin Medicaid Web site at www.dhfs.state.wi.us/medicaid/. Keep in mind that if you do not have a computer with Internet access, many libraries have access available. You also may call Recipient Services at 1-800-362-3002 or 1-608-221-5720 (TTY available).

In the Wisconsin Medicaid Disposable Medical Supplies Index, which is on the Web site listed above, you can locate information about the supplies that your home care provider is responsible for providing while directly delivering care. The supplies you should expect your provider to bring are noted “Yes” under the “IN HC RATE?” column.