**Affected Programs:** BadgerCare Plus, Medicaid

**To:** Individual Medical Supply Providers, Medical Equipment Vendors, Physical Therapists, Podiatrists, Rehabilitation Agencies, Therapy Groups, HMOs and Other Managed Care Programs

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**New Policy Regarding Diabetic Shoes and Inserts**

This *ForwardHealth Update* announces new policy regarding coverage of diabetic shoes and inserts. Effective for dates of service on and after September 1, 2015, *ForwardHealth* will require prior authorization once the life expectancy for the shoe or insert is exceeded.

**General Coverage Information**

Effective for dates of service (DOS) on and after September 1, 2015, *ForwardHealth* will cover diabetic shoes and inserts (Healthcare Common Procedure Coding System [HCPCS] procedure codes A5500-A5507, A5512-A5513) for members who meet all of the following criteria:

- Have been diagnosed with diabetes (other than gestational diabetes) by a physician.
- Have at least one of the following conditions in one or both feet:
  - Foot deformity.
  - History of foot ulcers.
  - History of calluses that could lead to foot ulcers.
  - Nerve damage due to diabetes, with signs of problems with calluses.
  - Partial or complete foot amputation.
  - Poor circulation.
- Have a comprehensive diabetes care plan and require therapeutic shoes and/or inserts because of diabetes as documented by the physician in the member’s medical record.

**Life Expectancy**

*ForwardHealth* covers medically necessary diabetic shoes and/or inserts without prior authorization (PA) at a frequency of one pair of shoes and three inserts per foot per 12 months.

*Note:* Reimbursement of diabetic shoes and inserts that are needed in excess of the life expectancy listed above require PA.

**Diagnosis Restrictions**

Reimbursement of diabetic shoes and/or inserts is covered for members who have a primary diagnosis of diabetes, with the exception of gestational diabetes. Shoes and/or inserts are not covered for members with a primary diagnosis of gestational diabetes.

Any claims for this service that do not indicate a primary *International Classification of Diseases* (ICD) diagnosis of diabetes will be denied. Prior authorization requests will be returned to the provider, if the provider indicates an ICD diagnosis code other than diabetes on the Prior Authorization Request Form (PA/RF), F-11018 (05/13).

**Noncovered Services**

*ForwardHealth* does not cover the following items:

- Diabetic shoes and/or inserts for members without a diagnosis of diabetes and who do not meet general coverage criteria presented in this *ForwardHealth Update*.

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*Department of Health Services*
• Shoes and/or inserts that do not meet the definition of durable medical equipment (DME), per Wis. Admin. Code § DHS 101.03(50).
• Shoes and/or inserts to accommodate weather or seasonal needs.

Although members may not qualify for diabetic shoes, members may qualify for orthopedic or corrective shoes and/or foot orthotics if they meet the corresponding coverage criteria outlined in the August 2015 Update (2015-37), titled “New Coverage and Prior Authorization Policy for Orthopedic or Corrective Shoes and Foot Orthotics.”

**Member Responsibility**

ForwardHealth does not cover diabetic shoes in any of the following situations, and, if provided, the member may be responsible for any associated costs:

- Diabetic shoes were ordered for a member who does not have a diagnosis of diabetes.
- Diabetic shoes were ordered for a member with a primary diagnosis of gestational diabetes.
- Diabetic shoes were ordered for a member without complications of one or both feet.
- Diabetic shoes were ordered for member without a diabetes care plan.
- Diabetic shoes were ordered for a member for style change or weather change.

A member may request a noncovered service or a covered service for which PA was denied (or modified). The charge for the service will be collected from the member if both of the following conditions are met prior to the delivery of that service:

- The member accepts responsibility for payment.
- The provider and member make payment arrangements for the service.

Providers are strongly encouraged to obtain a written statement documenting that the member has accepted responsibility for payment of the service in advance.

The amounts allowed as payment for covered services must be accepted as payment in full. As a result, providers may not collect payment from a member, or authorized person acting on behalf of the member, for the difference between their usual and customary charge and the allowed amount for a service (i.e., balance billing).

**Procedure Codes**

Providers are reminded to submit claims for services with the most accurate procedure codes for all services and equipment. Refer to the HCPCS procedure code list in the Attachment of this Update. After September 1, 2015, refer to the PDF version of the DME Index, available on the ForwardHealth Portal at www.forwardhealth.wi.gov/WIPortal/content/provider/medicaid/MedicalEquipmentVendor/resources_25.htm.spage for coverage and limitation information.

**Maximum Allowable Fees**

Effective for DOS on and after September 1, 2015:

- Maximum allowable fees have changed for some HCPCS codes.
- A maximum allowable fee has been added for HCPCS procedure code A5507.

**Place of Service**

Effective for DOS on and after September 1, 2015, the allowable place of service (POS) codes have been changed. Refer to the POS code list in the Attachment.

**Claims and Prior Authorization Requests Submission**

When submitting claims and PA requests, providers are required to do the following:

- Record each procedure code representing the shoe or unit as a separate line item. Refer to the specific procedure code description to determine the number of units.
- Indicate the RT (right side) or LT (left side) modifier, as appropriate, on separate line items of the claim or PA request.

**Copayments**

Providers should refer to the Copayment chapter of the Reimbursement section of the Online Handbook at www.forwardhealth.wi.gov/ for information about copayments.
**Documentation Requirements**

Per Wis. Admin. Code § DHS 105.02(4), providers are required to maintain medical records for no less than five years from the date of reimbursement. The billing provider is required to document and maintain the following information in the member’s medical record:

- A physician’s prescription for diabetic shoes and/or inserts.
- The member’s ICD diagnosis (or diagnoses) and any other co-morbid conditions that support the condition for the requested services.
- The objective measurement of specific foot deformity, if applicable.
- The member’s height and weight.
- The shoe brand, model number, and size(s).
- Medical records from the prescribing provider that support the claim.
- The written report of the member’s podiatry exam and results.
- The member’s ambulatory status and/or transfer abilities.
- The member’s use of any ambulation aids for mobility, if applicable.
- Information regarding the member’s functional daily routine (e.g., place of residence, caregiver type, and level of assistance, if applicable).
- Specific reason for the requested service, date of initial issue of the requested service to the member, or the reason for replacement and the last DOS to member, if known.
- If mismatched shoes are requested, documentation of the foot size discrepancy.

In addition to the above, the medical record for custom molded shoes using HCPCS procedure code A5501 (For diabetics only, fitting [including follow-up], custom preparation and supply of shoe molded from cast[s] of patient's foot [custom molded shoe], per shoe) must include the following:

- Documentation that the member has a foot deformity that cannot be accommodated by a depth shoe.
- A detailed description of the nature of the severity of the deformity.

**Physician Prescription Requirements**

A prescription for diabetic shoes and/or inserts must include:

- An ICD diagnosis that supports the medical need for the requested diabetic shoes and/or inserts.
- If present, an ICD diagnosis of any other co-morbid conditions of the member that support the medical need for the requested diabetic shoes and/or inserts.
- If present, an ICD diagnosis of the member’s gross foot deformity and/or other conditions that justify the medical need for requested diabetic shoes and/or inserts.
- The quantity to be dispensed and the length of need.

If a billing provider receives an initial prescription for a service, but after assessing the member, the physician’s prescription does not completely and accurately represent all of the services and items that will be issued to the member, the billing provider is responsible for obtaining a new prescription. A prescription that indicates only “refill” or “verbal order” or the phrase “orthopedic shoes,” even if signed by a physician, does not meet this requirement. Wisconsin Medicaid does not accept verbal orders for diabetic shoes and/or inserts. A billing provider is required to have a current, valid, written prescription on file before the service may be issued to the member. These prescription
requirements must be present on every prescription used to support the billing provider’s submission of a claim or PA request.

**Documentation of Delivery**

The billing provider’s record of diabetic shoes and/or inserts must include all of the following:

- Written confirmation of delivery of the service to the member, which includes the following:
  - Date of delivery.
  - Member’s printed name.
  - Member’s acknowledgment of receipt with member’s signature and member’s entry of date signed.
  - If member is not able to sign, the printed name of person accepting delivery, signature, date signed, and relationship to the member.
  - Brand, model, and sizes issued to the member.
  - Quantity dispensed.
- Written instruction to the member for use and care of items dispensed.

**Prior Authorization**

Prior authorization is required to exceed life expectancy. Prior authorization requests must include the following:

- A completed PA/RF.
- A completed Prior Authorization/Durable Medical Equipment Attachment (PA/DMEA), F-11030 (07/12).
- Documentation that fully supports the coverage criteria defined in this *Update*.
- Documentation that meets the documentation requirements defined in this *Update*.
- A physician prescription that meets the physician prescription requirements defined in this *Update*.

**Information Regarding Managed Care Organizations**

This *Update* contains fee-for-service policy and applies to services members receive on a fee-for-service basis only. For managed care policy, contact the appropriate managed care organization. Managed care organizations are required to provide at least the same benefits as those provided under fee-for-service arrangements.
ATTACHMENT
Affected Procedure Codes Due to New Policy Regarding Diabetic Shoes and Inserts

The information in this table is effective for dates of service (DOS) on and after September 1, 2015. For information about specific place of service (POS) and provider type codes, refer to the tables at the end of this attachment.

For coverage and limitation information after September 1, 2015, refer to the PDF version of the Durable Medical Equipment (DME) Index, available on the ForwardHealth Portal at [www.forwardhealth.wi.gov/WTPortal/content/provider/medicaid/MedicalEquipmentVendor/resources_25.htm](http://www.forwardhealth.wi.gov/WTPortal/content/provider/medicaid/MedicalEquipmentVendor/resources_25.htm).

<table>
<thead>
<tr>
<th>Procedure Code</th>
<th>Description</th>
<th>Allowable or Required Modifiers</th>
<th>Purchase PA Needed?/Max Fee</th>
<th>Life Expectancy</th>
<th>In NH Facility Rate?</th>
<th>Allowable Rendering Types</th>
<th>Allowable POS</th>
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</thead>
<tbody>
<tr>
<td>A5500</td>
<td>For diabetics only, fitting (including follow-up), custom preparation and supply of off-the-shelf depth-inlay shoe manufactured to accommodate multi-density insert(s), per shoe</td>
<td>RT, LT</td>
<td>N/$56.46</td>
<td>1 year</td>
<td>Not in rate</td>
<td>05, 24, 25, 53</td>
<td>01, 04, 05, 06, 07, 08, 11, 12, 13, 14, 31, 32, 33, 49, 50, 54</td>
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<tr>
<td>A5501</td>
<td>For diabetics only, fitting (including follow-up), custom preparation and supply of shoe molded from cast(s) of patient's foot (custom molded shoe), per shoe</td>
<td>RT, LT</td>
<td>N/$169.34</td>
<td>1 year</td>
<td>Not in rate</td>
<td>05, 24, 25, 53</td>
<td>01, 04, 05, 06, 07, 08, 11, 12, 13, 14, 31, 32, 33, 49, 50, 54</td>
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<tr>
<td>A5503</td>
<td>For diabetics only, modification (including fitting) of off-the-shelf depth-inlay shoe or custom-molded shoe with roller or rigid rocker bottom, per shoe</td>
<td>RT, LT</td>
<td>N/$27.66</td>
<td>1 year</td>
<td>Not in rate</td>
<td>05, 24, 25, 53</td>
<td>01, 04, 05, 06, 07, 08, 11, 12, 13, 14, 31, 32, 33, 49, 50, 54</td>
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<tr>
<td>A5504</td>
<td>For diabetics only, modification (including fitting) of off-the-shelf depth-inlay shoe or custom-molded shoe with wedge(s), per shoe</td>
<td>RT, LT</td>
<td>N/$27.66</td>
<td>1 year</td>
<td>Not in rate</td>
<td>05, 24, 25, 53</td>
<td>01, 04, 05, 06, 07, 08, 11, 12, 13, 14, 31, 32, 33, 49, 50, 54</td>
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<td>A5505</td>
<td>For diabetics only, modification (including fitting) of off-the-shelf depth-inlay shoe or custom-molded shoe with metatarsal bar, per shoe</td>
<td>RT, LT</td>
<td>N/$27.66</td>
<td>1 year</td>
<td>Not in rate</td>
<td>05, 24, 25, 53</td>
<td>01, 04, 05, 06, 07, 08, 11, 12, 13, 14, 31, 32, 33, 49, 50, 54</td>
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<tr>
<td>A5506</td>
<td>For diabetics only, modification (including fitting) of off-the-shelf depth-inlay shoe or custom-molded shoe with off-set heel(s), per shoe</td>
<td>RT, LT</td>
<td>N/$27.66</td>
<td>1 year</td>
<td>Not in rate</td>
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<tr>
<td>A5507</td>
<td>For diabetics only, not otherwise specified modification (including fitting) of off-the-shelf depth-inlay or custom-molded shoe, per shoe</td>
<td>RT, LT</td>
<td>N/$27.66</td>
<td>1 year</td>
<td>Not in rate</td>
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<tr>
<td>A5512</td>
<td>For diabetics only, multiple density insert, direct formed, molded to foot after external heat source of 230 degrees Fahrenheit or higher, total contact with patient’s foot, including arch, base layer minimum of 1/4 inch material of shore a 35 durometer or 3/16 inch material of shore a 40 durometer (or higher), prefabricated, each</td>
<td>RT, LT</td>
<td>N/$23.03</td>
<td>3 per year</td>
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<td>A5513</td>
<td>For diabetics only, multiple density insert, custom molded from model of patient's foot, total contact with patient's foot, including arch, base layer minimum of 3/16 inch material of shore a 35 durometer (or higher), includes arch filler and other shaping material, custom fabricated, each</td>
<td>RT, LT</td>
<td>N/$25.58</td>
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<td>Indian Health Service Free-standing Facility</td>
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<td>Skilled Nursing Facility</td>
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<td>Indian Health Service Provider-based Facility</td>
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<td>Tribal 638 Free-standing Facility</td>
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<td>Tribal 638 Provider-based Facility</td>
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<td>Independent Clinic</td>
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