

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
HEALTH AND RECOVERY SERVICES ADMINISTRATION  
Olympia, Washington**

**To:** Durable Medical Equipment (DME)      **Memo # : 09-48**  
Providers      **Issued:** June 24, 2009  
Pharmacists  
Home Infusion Therapy Providers  
Parenteral Nutrition Therapy  
Managed Care Organizations

**From:** Douglas Porter, Assistant Secretary      **For information contact**  
Health and Recovery Services      1-800-562-3022, option 2, or go to:  
Administration (HRSA)      <http://hrsa.dshs.wa.gov/contact/prucontact.asp>

**Subject:**    **Nondurable MSE: Fee Schedule Changes, Reminder of Billing Requirement for Destination-Based Sales Tax, and Change in Billing Timelines**

**Effective for dates of service on and after July 1, 2009**, the Department of Social & Health Services (DSHS) will implement:

- The updated Medical Supplies and Equipment Fee Schedule and Home Infusion Therapy/Parenteral Nutrition Fee Schedule with new maximum allowable fees;
- A decrease of 9.5% in rates for incontinence products;
- A decrease of 9.5% in rates for non-sterile and sterile gloves; and
- New timelines for resubmitting, modifying, or adjusting initial claims.

### **Maximum Allowable Fees**

**Effective for dates of service on and after July 1, 2009**, DSHS will update the Medical Supplies and Equipment Fee Schedule and the Home Infusion Therapy/Parenteral Nutrition Fee Schedule with new maximum allowable fees. These updates will include a rate decrease of 9.5% for incontinence products, nonsterile gloves, and sterile gloves. The rate adjustment is in accordance with the final operating budget for medical assistance payments for fiscal years 2010 and 2011, as enacted by the Legislature. This operating budget is summarized on pages 134 and 135 in the government document “Statewide Summary and Agency Detail.” You may access this document online at: [http://leap.leg.wa.gov/leap/budget/detail/2009/so0911agydetailfinal\\_0501.pdf](http://leap.leg.wa.gov/leap/budget/detail/2009/so0911agydetailfinal_0501.pdf).

Rates for the following codes will be decreased by 9.5%:

<b>Procedure Code</b>	<b>Brief Description</b>
A4335	Incontinence supply
A4927	Non-sterile gloves
A4930	Sterile, gloves per pair
T4521	Adult size brief/diaper sm
T4522	Adult size brief/diaper med

Procedure Code	Brief Description
T4523	Adult size brief/diaper lg
T4524	Adult size brief/diaper xl
T4525	Adult size pull-on sm
T4526	Adult size pull-on med
T4527	Adult size pull-on lg
T4528	Adult size pull-on xl
T4529	Ped size brief/diaper sm/med
T4530	Ped size brief/diaper lg
T4531	Ped size pull-on sm/med
T4532	Ped size pull-on lg
T4533	Youth size brief/diaper
T4534	Youth size pull-on
T4535	Disposable liner/shield/pad
T4536	Reusable pull-on any size
T4537	Reusable underpad bed size
T4538	Diaper serv reusable diaper
T4539	Reuse diaper/brief any size
T4541	Large disposable underpad
T4543	Disp bariatric brief/diaper

Visit the DSHS/HRSA web site at: <http://hrsa.dshs.wa.gov/RBRVS/Index.html#N> to view the new fee schedule, effective July 1, 2009.

## Reminder on New Billing Requirement for Destination-Based Sales Tax

**Beginning July 1, 2008**, Substitute Senate Bill 5089 (also known as “Streamlined Sales Tax”) has required retailers to report taxable items delivered to locations within Washington State.

**Effective for dates of service on and after July 1, 2008**, DSHS began requiring providers to bill with a UD modifier for any taxable item delivered within Washington State. **The UD modifier must be placed after all other applicable modifiers** and must be reported with each procedure code that is taxable and delivered to a client’s residence within Washington State.

**Example:** A new taxable product delivered to a client’s home should be billed as follows: XXXXX NU UD.

DSHS will generate a mass adjustment and reimburse according to the client’s delivery location on file for delivered, taxable items following the successful implementation of ProviderOne.

DSHS will base adjustments on whether:

- The item is taxable;
- The taxable item has been reported on the claim with a UD modifier; and
- The taxable item was delivered to a location within Washington State.

DSHS will base the sales tax reimbursement adjustment upon the client's address on file with DSHS.

## **Change in Billing Timelines [Refer to WAC 388-502-0150]**

### *Resubmitting, Modifying, or Adjusting Initial Claims*

**Effective for claims with a date of service or admission on or after July 1, 2009:**

- Within 24 months of the date the service was provided to the client, a provider may resubmit, modify, or adjust an initial claim, **other than a prescription drug claim or a claim for major trauma services.**
- After 24 months from the date the service was provided to the client, DSHS does not accept any claim for resubmission, modification, or adjustment. **This 24-month period does not apply to overpayments that a provider must refund to DSHS by a negotiable financial instrument, such as a bank check.**

**Note:** The billing timelines for pharmacy and trauma are not changing. For your reference, below are the billing timelines for pharmacy and trauma.

### *Prescription Drug Claims*

- DSHS allows providers to resubmit, modify, or adjust any prescription drug claim with a timely internal control number (ICN) within 15 months of the date the service was provided to the client. After 15 months, DSHS does not accept any prescription drug claim for resubmission, modification or adjustment.
- The 15-month period described above does not apply to overpayments that a prescription drug provider must refund to DSHS. After 15 months, a provider must refund overpayments by a negotiable financial instrument, such as a bank check.

### *Major Trauma Claims*

- DSHS allows a provider of trauma care services to resubmit, modify, or adjust, within 365 calendar days of the date of service, any trauma claim that meets the criteria specified in WAC 388-531-2000 (for physician claims) or WAC 388-550-5450 (for hospital claims) for the purpose of receiving payment from the trauma care fund (TCF).
  - ✓ No increased payment from the TCF is allowed for an otherwise qualifying trauma claim that is resubmitted after 365 calendar days from the date of service.
  - ✓ Resubmission of or any adjustments to a trauma claim for purposes other than receiving TCF payments are subject to the provisions of WAC 388-502-0150.
- The 365-day period described above does not apply to overpayments from the TCF that a trauma care provider must refund to DSHS. A provider must refund an overpayment for a trauma claim that received payment from TCF using a method specified by DSHS.

**Note:** If a provider fails to bill a claim according to these requirements and DSHS denies payment of the claim, the provider or any provider's agent cannot bill the client or the client's estate. The client is not responsible for the payment.

**Note:** DSHS still requires providers to bill within 365 days in order to establish initial timeliness standards when any of the following apply:

- The date the provider furnishes the service to the eligible client;
- The date a final fair hearing decision is entered that impacts the particular claim;
- The date a court orders DSHS to cover the services;
- The date DSHS certifies a client eligible under delayed certification criteria; or
- The date a DSHS managed plan or Basic Health Plus client's premium has been recouped by DSHS.

### **How Do I Conduct Business Electronically With DSHS?**

You may conduct business electronically with DSHS by accessing the WAMedWeb at <http://wamedweb.acs-inc.com>.

**Later in 2009**, DSHS will replace its current Medicaid Management Information System with a new payment processing system named ProviderOne. When fully operational, ProviderOne will pay about 100,000 providers who serve the one million people qualifying for DSHS services each year. Please visit <http://hrsa.dshs.wa.gov/ProviderOne> for more information.

## **How Can I Get DSHS/HRSA Provider Documents?**

To obtain DSHS/HRSA provider numbered memos and billing instructions, go to the DSHS/HRSA website at <http://hrsa.dshs.wa.gov> (click the *Billing Instructions and Numbered Memorandum* link). These documents may be downloaded and printed.