



STATE OF ALASKA

HEALTH & SOCIAL SERVICES

WORK DRAFT REVIEW

Please note: The Department of Health and Social Services strives to provide timely programmatic input on proposed work drafts to assist with an efficient flow of legislation through the committee process. Nothing in this document should be construed as support or opposition for the proposal. A full review is still under way.

Table with 3 columns: DIVISIONS IMPACTED (Health Care Services), BILL NUMBER ([Bill Version]LS636[Committee]), SPONSOR (Gattis), SUBJECT (Durable Medical Equipment), DEPT CONTACT (Margaret C. Brodie, Director of Health Care Services), DATE (3/18/2015)

SUMMARY

PRELIMINARY COMMENTS ABOUT BILL/PROGRAM EFFECTS
This proposed bill adds a subsection to Alaska Statute 47.07.030, to require the recipient of medical assistance services to purchase used or refurbished durable medical equipment, under certain conditions. Alaska Statute 47.07.030, the statute to which the new subsection was added, establishes the mandatory services offered by the Department of Health & Social Services.
Notable effect in this proposed bill is the requirement for a Medicaid recipient to purchase used or refurbished durable medical equipment. Currently, the department only purchases new medical equipment.
Regulations proposed by the Department of Health & Social Services, and posted for public comment November, 2014, proposed revising 7 AAC 120.215 to add subsections allowing the rental and purchase of used equipment. These regulations were withdrawn from public comment to allow for revisions to other, unrelated provisions. This proposed bill is almost duplicative of used equipment portion of those proposed regulations, with the difference that this proposed bill requires (rather than allows) purchase of used or refurbished durable medical equipment when it meets specified conditions.

AMENDMENTS PROPOSED
Propose that the bill "allow" rather than "require."

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS.

This bill may not be necessary for the Department of Health & Social Services to reintroduce the proposed regulations and implement the changes.

Text of proposed regulation revision:

7 AAC 120.215 is amended by adding new subsections to read:

(c) Rental of durable medical equipment, medical supplies, prosthetics, orthotics, and non-customized-fabricated orthotics identified as capped rental items on the department's Durable Medical Equipment Fee Schedule, adopted by reference in 7 AAC 160.900, are purchased by the department after 10 months of continuous rental and ownership information, including warranties and title, must be transferred to the recipient on the first day after 10 months of continuous rental.

(d) The 10 months of continuous rental begins when the recipient first receives the rental item and does not include temporary interruptions of less than 60 consecutive days, plus the days remaining in the rental month in which the use ceases. Unreimbursed months of temporary interruptions in rental do not count towards the 10 months of continuous rental or begin a new rental period.

(e) Interruptions of greater than 60 consecutive days, plus the days remaining in the rental month in which the use ceases, will begin a new rental period and the provider must obtain a new prescription order and submit a new prior authorization request for the new rental period.

(f) Modification of the existing rental equipment due to a change in the recipient's medical needs during a 10 month continuous rental period does not begin a new rental period. The rental period for the existing equipment will continue and a new rental period for the added equipment will begin, if applicable.

(g) Rental equipment that is replaced with different, but similar, equipment during the 10 month continuous rental period will not begin a new rental period.

(h) A temporary or permanent change in the recipient's residence during the 10 month continuous rental period will not begin a new rental period.

(i) The department may pay durable medical equipment or prosthetic and orthotics providers for used or refurbished equipment at a rate of no more than 60 percent of the current established DMEPOS Fee Schedule, according to 7 AAC 145.420, for rental or purchased items as long as the following criteria are met:

- (1) the provider must have the recipient acknowledge in writing that they are receiving used equipment;
- (2) the provider must bill with the appropriate modifier that distinguishes used equipment from new equipment;
- (3) the used or refurbished equipment must be cleaned and sanitized; and
- (4) the used or refurbished equipment supplied must meet the current needs of the recipient, must be close to the manufacturer's suggested specifications for a newly purchased piece of equipment and be able to withstand at least 3 years of use; if the equipment supplied does not meet current replacement standards of three years of use and the item needs to be replaced before the standard replacement limit has been met, then the provider must replace the item with a new or used piece of equipment at no charge to the department or the recipient.