



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
Med-QUEST Division
Medical Standards Branch
P. O. Box 700190
Kapolei, Hawaii 96709-0190

September 22, 2004

MEMORANDUM

ACS M04-11
[Replaces M02-01 dated 01/11/02]

TO: Pharmacies and Providers of Durable Medical Equipment and Medical Supplies

FROM: Steven S. Kawada, Med-QUEST Division Assistant Administrator /s/ ap for sk

SUBJECT: OSTOMY SUPPLIES

There have been significant changes to HCFA Common Procedural Coding System (HCPCS) ostomy codes in the past two (2) years. Thus, this memorandum updates and replaces Memorandum M02-01 dated January 11, 2002, pertaining to the coding and Medicaid reimbursement of ostomy supplies.

The attached table lists current and deleted HCPCS ostomy codes. The Medicaid payment rates cited in the table are effective for service dates beginning August 1, 2004, and are based on the first quarter 2004 Medicare fee schedule. The Med-QUEST Division (MQD) will continue to reimburse the items on the list when coded with the modifier "22" at a rate higher than the item without a "22" modifier as these items have been identified by providers as having acquisition costs that exceed Medicare reimbursement. However, the code modified with a "22" must be currently active and Medicaid must be the patient's primary insurer.

The maximum units on the table are based on Medicare's maximums and that prior authorization is not required when quantities given to Medicaid patients are less than or equal to the limits. Please understand that patients must receive only the quantity of the supplies they need and that generally, most patients do not need the maximum quantities of the various covered ostomy supplies. However, if medically necessary, additional units can be obtained through the prior authorization process.

Ostomy supplies must be requested on a physician's prescription. We encourage you to advise Medicaid recipients to obtain their ostomy supplies from one provider. In addition, MQD advises that providers of ostomy products obtain a patient certification statement,

signed by the patient, attesting that he/she has not received ostomy products from other suppliers during the same period that he/she is asking for ostomy supplies from you. This certification is of special importance for patients new to the provider of ostomy products and will ensure that the provider will not be denied payment when the patient gives false information and receives more than the maximum supplies by using multiple ostomy providers. This certification should be kept in the ostomy provider's files. If the patient is known to the ostomy provider, the MQD expects that the provider will check its records to ensure that it has not provided more ostomy products than the maximum without obtaining prior authorization. Attached is a copy of a memorandum addressed to patients explaining the need for certification and a certification form that can be used for this purpose. Please feel free to photocopy this form or to use a certification that you develop.

Providers of ostomy products have told the MQD that Medicaid recipients on neighbor islands may have difficulty obtaining the ostomy supplies they need. To increase their access to ostomy products, the MQD will reimburse a maximum of \$12.00 per month to cover the mailing costs for providers located in one island who MAIL ostomy products to patients on another island. Only providers with no branch(es) on the neighbor island to which the item is mailed can be reimbursed for mailing costs. The code for shipping is A4388 HX.

If you need clarification or have questions concerning these changes, please call Lynette Honbo, M.D., MQD Medical Director, at 692-8106.

Attachments