

# MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Lisa Trumbell

**Phone Number:**

Initial

Public Comment

Final

**Brief description of policy:**

This policy provides billing instructions for medical suppliers when delivering durable medical equipment (DME) and medical supplies to a beneficiary being discharged from a nursing facility to their home. In addition, this bulletin reiterates current policy indicating that the nursing facility must report the date of discharge in the Community Health Automated Medicaid Processing System (CHAMPS) admission record.

**Reason for policy (problem being addressed):**

Most DME and medical supplies are included in the nursing facility per diem when a beneficiary resides in a nursing facility and are not separately billed by the medical supplier. To ensure the beneficiary receives these items for use in their home and community without interruption, current policy allows the medical supplier to deliver these items on the facility date of discharge. Medical suppliers have been experiencing claim denials for "item(s) included in the facility per diem." This policy provides correct billing instructions for medical suppliers when the date of delivery is the same day as the date of discharge.

**Budget implication:**

- budget neutral
- will cost MDHHS \$ \_\_\_\_\_, and (select one) budgeted in current appropriation
- will save MDHHS \$ \_\_\_\_\_

**Is this policy change mandated per federal requirements?**

No

**Does policy have operational implications on other parts of MDHHS?**

No

**Does policy have operational implications on other departments?**

No

**Summary of input:**

- controversial
- acceptable to most/all groups
- limited public interest/comment

**Supporting Documentation:**

State Plan Amendment Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Public Notice Required: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes, please provide status: <input type="checkbox"/> Approved <input type="checkbox"/> Pending <input type="checkbox"/> Denied	If yes, Submission Date:
Date:                      Approval                      Date:	

**DRAFT FOR PUBLIC COMMENT**

**Michigan Department of Health and Human Services**

**Project Number:** 2123-DMEPOS

**Date:** June 1, 2021

**Comments Due:** July 6, 2021

**Proposed Effective Date:** September 1, 2021

**Direct Comments To:** Lisa Trumbell

**Address:**

**E-Mail Address:** [trumbell@michigan.gov](mailto:trumbell@michigan.gov)

**Phone:**

**Fax:**

**Policy Subject:** Billing Durable Medical Equipment (DME) and Medical Supplies Delivered to Beneficiaries on the Day of Discharge from the Nursing Facility

**Affected Programs:** Medicaid, Healthy Michigan Plan, Children's Special Health Care Services (CSHCS)

**Distribution:** Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Providers, Nursing Facilities, Medicaid Health Plans (MHPs), Integrated Care Organizations (ICOs)

**Summary:** This policy provides billing instructions for medical suppliers when delivering DME and medical supplies to a beneficiary being discharged from a nursing facility to their home. In addition, this bulletin reiterates current policy indicating that the nursing facility must report the date of discharge in the Community Health Automated Medicaid Processing System (CHAMPS) admission record.

**Purpose:** Most DME and medical supplies are included in the nursing facility per diem when a beneficiary resides in a nursing facility and are not separately billed by the medical supplier. To ensure the beneficiary receives these items for use in their home and community without interruption, current policy allows the medical supplier to deliver these items on the facility date of discharge. Medical suppliers have been experiencing claim denials for "item(s) included in the facility per diem." This policy provides correct billing instructions for medical suppliers when the date of delivery is the same day as the date of discharge.

**Cost Implications:** Budget neutral

**Potential Hearings & Appeal Issues:** None.

**State Plan Amendment Required:** Yes  No   
**If yes, date submitted:**

**Public Notice Required:** Yes  No   
**Submitted date:**

**Tribal Notification:** Yes  No  - **Date:**

**THIS SECTION COMPLETED BY RECEIVER**

<input type="checkbox"/> <b>Approved</b>	<input type="checkbox"/> <b>No Comments</b>
<input type="checkbox"/> <b>Disapproved</b>	<input type="checkbox"/> <b>See Comments Below</b>
	<input type="checkbox"/> <b>See Comments in Text</b>
<b>Signature:</b>	<b>Phone Number</b>
<b>Signature Printed:</b>	
<b>Bureau/Administration</b> <i>(please print)</i>	<b>Date</b>

Comment001

Revised 6/16

# Proposed Policy Draft

Michigan Department of Health and Human Services  
Medical Services Administration

**Distribution:** Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Providers, Nursing Facilities, Medicaid Health Plans (MHPs), Integrated Care Organizations (ICOs)

**Issued:** August 1, 2021 (Proposed)

**Subject:** Billing Durable Medical Equipment (DME) and Medical Supplies Delivered to Beneficiaries on the Day of Discharge from a Nursing Facility

**Effective:** September 1, 2021 (Proposed)

**Programs Affected:** Medicaid, Healthy Michigan Plan, Children's Special Health Care Services (CSHCS)

This policy applies to Medicaid Fee-for-Service (FFS). For beneficiaries enrolled in an MHP or ICO, refer to the Medicaid Health Plan and MI Health Link chapters of the Medicaid Provider Manual for policy specific to nursing facility coverage. Providers must refer to the beneficiary's MHP or ICO for billing policy.

This policy announces billing instructions for DME and medical supply providers when delivering these items to a beneficiary on the day of discharge from a skilled nursing facility (SNF) or nursing facility (NF). For the purposes of this policy, the term "facility" refers to an SNF or NF. The Michigan Department of Health and Human Services (MDHHS) is issuing these billing instructions effective for claims billed on and after September 1, 2021.

For beneficiaries residing in a facility most DME and medical supplies are included in the facility per diem rate and may not be separately billed by the medical supplier. However, in cases where the medical supplier delivers the DME or medical supplies on the facility date of discharge for the beneficiary to use in the home and community, the medical supplier must report the facility date of discharge in the relevant dates section of the electronic ASC X12N 837 5010 professional claim or the Community Health Automated Medicaid Processing System (CHAMPS) direct data entry claim. For electronic ASC X12N 837 5010 professional claim format the medical supplier must report the discharge date in loop 2300 DTP segment.

Facilities are required to enter beneficiary discharge dates in the CHAMPS admission record. (Refer to the Beneficiary Eligibility Chapter of the [MDHHS Medicaid Provider Manual](#) for additional information). Failure to enter the discharge date in the admission record could create access to care issues for the beneficiary and denied claims for medical suppliers. MDHHS recommends the facility and medical supplier coordinate the discharge date and

delivery date to ensure the facility enters the date of discharge in the admission record and that the DME/medical supplies are not delivered prior to the facility discharge date. All other billing and policy requirements remain unchanged.