

## MEDICAID POLICY INFORMATION SHEET

**Policy Analyst:** Lisa Trumbell

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Initial ☐

Public Comment ☒

Final ☐

### Brief description of policy:

This policy expands coverage of upper extremity prosthetics to include passive and myoelectric prosthetics.

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

Although the Michigan Department of Health and Human Services (MDHHS) covers some body-powered upper limb prosthetics, there is no established policy. This policy also expands coverage to passive and myoelectric prostheses.

### Budget implication:

☐ budget neutral

☒ will cost MDHHS \$ 150,000- \$200,000, and is not 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 (Explain)

☒ 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:			If yes, Submission Date:	
<input type="checkbox"/> Approved	<input type="checkbox"/> Pending	<input type="checkbox"/> Denied		
Date:	Approval	Date:		

<b>DRAFT FOR PUBLIC COMMENT</b>  <b>Michigan Department of Health and Human Services</b>		
	<b>Project Number:</b> 2455-DMEPOS	<b>Date:</b> January 8, 2025

**Comments Due:** February 12, 2025  
**Proposed Effective Date:** April 1, 2025  
**Direct Comments To:** Lisa Trumbell  
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<b>Policy Subject:</b> Upper Extremity Prostheses  <b>Affected Programs:</b> Medicaid, Children's Special Health Care Services (CSHCS), Healthy Michigan Plan  <b>Distribution:</b> Prosthetists, Practitioners, Hospitals, Medicaid Health Plans (MHPs), Integrated Care Organizations (ICOs)  <b>Summary:</b> This policy expands coverage of upper extremity prosthetics to include coverage for passive and myoelectric prosthetics.  <b>Purpose:</b> Although the Michigan Department of Health and Human Services (MDHHS) covers some body-powered upper limb prosthetics, there is no established policy. This policy also expands coverage to passive and myoelectric prostheses.  <b>Cost Implications:</b> Between \$150,000-\$200,000 (dependent upon levels of amputations and types of prosthetics used).  <b>Potential Hearings &amp; Appeal Issues:</b> No
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<b>State Plan Amendment Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>If yes, date submitted:</b>	<b>Public Notice Required:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <b>Submitted date:</b>
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<b>Tribal Notification:</b> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> - <b>Date:</b>
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<b>THIS SECTION COMPLETED BY RECEIVER</b>
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<input type="checkbox"/> <b>Approved</b>	<input type="checkbox"/> <b>No Comments</b>
	<input type="checkbox"/> <b>See Comments Below</b>
<input type="checkbox"/> <b>Disapproved</b>	<input type="checkbox"/> <b>See Comments in Text</b>

<b>Signature:</b>	<b>Phone Number</b>
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<b>Signature Printed:</b>
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<b>Bureau/Administration</b> <i>(please print)</i>	<b>Date</b>
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# Proposed Policy Draft

Michigan Department of Health and Human Services  
Behavioral & Physical Health and Aging Services Administration

**Distribution:** Prosthetists, Practitioners, Hospitals, Medicaid Health Plans (MHPs), Integrated Care Organizations (ICOs)

**Issued:** February 28, 2025 (Proposed)

**Subject:** Upper Extremity Prostheses

**Effective:** April 1, 2025 (Proposed)

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

This policy applies to Medicaid Fee-for-Service (FFS). Medicaid Health Plans (MHPs) and Integrated Care Organizations (ICOs) must provide the full range of covered services described in this policy at a minimum and may choose to provide services over and above those specified. For beneficiaries enrolled in a MHP or ICO, the provider must check with the beneficiary's MHP/ICO for prior authorization requirements.

The purpose of this bulletin is to inform providers of Medicaid coverage of upper extremity (UE) prosthetic limbs. This policy includes expansion of coverage to include UE passive and myoelectric prostheses and is effective April 1, 2025.

## **Definitions**

UE prosthetics are devices used to artificially restore or replace missing, malfunctioning, or congenital limb deficiency/absence of the upper body. Types of UE prostheses include passive, body-powered, myoelectric, and hybrid. The terms prosthetic, prostheses, and prosthesis are used interchangeably throughout this policy.

Passive prosthetics cannot be actively moved, are lightweight, must be repositioned and locked into place (typically by the opposing limb) and are primarily cosmetic but can be used to steady objects.

Body-powered prosthetics use a cable, and a body harness system activated by the residual limb, shoulder, or opposite limb to activate the prosthetic to control extremity movement.

Myoelectric (electric) prosthetics use electrodes that are attached to the residual limb or body to detect electromyographic signals from the muscles, sending signals to a battery-powered controller to move the extremity.

Hybrid prosthetics utilize a combination of myoelectric and body-powered components to activate the prosthetic for functional movement. This type of prosthetic allows movement of two joints at one time. Hybrids are mainly used for amputations at or above the elbow.

### **Standards of Coverage**

UE prostheses may be covered for beneficiaries of all ages who are physically and cognitively able to utilize a prosthesis at a developmentally age-appropriate level to restore function to a missing or partially missing limb due to amputation or a congenital limb deficiency/absence.

### **Passive UE Prostheses**

A passive UE prosthesis may be covered when the following are met:

- The beneficiary has had an amputation or has a congenital limb deficiency or absence of limb.
- The beneficiary is physically, developmentally, or cognitively unable or unwilling to use a more advanced (e.g., body- powered) prosthetic and is able and willing to use the passive prosthetic.
- The beneficiary can lock the prosthesis in place or, if a child, with the assistance of a parent/caregiver.
- For infants (typically between four to six months of age) when developmentally learning to prop sit.
- The beneficiary has been evaluated by a clinical team comprised of a physician/non-physician practitioner, prosthetist, occupational therapist (OT) or physical therapist (PT).
- The device is the least costly alternative that meets the beneficiary's medical/functional need.

### **Body-powered UE Prostheses**

A body-powered UE prosthesis may be covered when the following are met:

- The beneficiary has the cognitive and musculoskeletal ability to perform activities of daily living (ADLs) using the prosthetic.
- The beneficiary has had an evaluation by a clinical team and will achieve anticipated functional goals using the prosthesis to accomplish daily living tasks (appropriate to their chronological, developmental, or medical/functional status) in a reasonable time period as identified in the clinical team's (physician/non-physician practitioner, prosthetist, and OT or PT) evaluation and treatment plan.
- The beneficiary does not have a comorbidity that may interfere with functional use of the prosthetic.
- The device is the least costly alternative that meets the beneficiary's medical/functional need.

## **Myoelectric or Hybrid UE Prostheses**

A myoelectric or hybrid UE prosthetic may be covered when all the above passive and body-powered standards are met, and all the following are met:

- A passive or traditional body-powered prosthetic does not meet the beneficiary's functional need to perform ADLs.
- The muscle to which the electrode is attached can generate sufficient microvoltage to functionally operate the prosthesis.
- The beneficiary has the endurance to achieve the anticipated functional goals using the prosthesis.
- The beneficiary has been evaluated by a clinical team comprised of a physician/non-physician practitioner, prosthetist, OT or PT.
- The beneficiary is willing and able to complete training with an OT/PT that specializes in myoelectric UE prostheses and componentry.
- Prior to recommending a myoelectric or hybrid prosthetic, the prosthetist must consider environmental factors (e.g., wet environments) a beneficiary may frequent that may be contraindicated for use of the system.

## **Electric Hand (L6880)**

An electric hand may be covered when all the standards for passive, body-powered, myoelectric and hybrid UE prosthesis are met; and all the following requirements are met:

- The prosthetist's documentation substantiates the beneficiary requires the electric hand to independently perform ADLs (including but not limited to dressing, personal hygiene, toileting, and feeding); and
- The beneficiary is willing and able to complete training with an OT/PT that specializes in myoelectric UE prostheses, componentry, and electric hands.

Up to two test sockets per limb are permitted prior to the terminal device being delivered. Submitted documentation must establish the medical reason for two test sockets.

The prosthetic must be guaranteed to fit for a period of 90 days after delivery of the device (any modifications to the terminal device or componentry within 90 days of delivery are part of the overall service and may not be separately billed).

## **Documentation**

Documentation must be less than 90 days old and include the following:

- Diagnosis/medical condition related to the need for the prosthesis.
- The clinical team's (physician/non-physician practitioner, prosthetist, and OT or PT) evaluation and treatment plan.
- If the beneficiary has a current prosthetic, documentation of why that prosthetic no longer meets the beneficiary's medical/functional need.

- Manufacturer warranty for the prosthetic and componentry (e.g., life of warranty, componentry included in warranty and include warranty number if the manufacturer issues warranty numbers).
- If requesting two test sockets (per limb) for the preparatory prosthesis, documentation must establish the medical reason for two sockets.

### **Prior Authorization (PA) Requirements**

PA is required for all UE prosthetics. The manufacturer's warranty must be exhausted prior to requesting repair.

### **Warranty**

The warranty period begins on the date the prosthetic is delivered to the beneficiary. The warranty information (include life of warranty, items included in the warranty, and warranty number if the manufacturer issues a warranty) must be kept in the beneficiary file and available upon request.

### **Noncovered**

The following are not covered:

- Back-up or a second prosthetic.
- Devices used solely for recreational purposes.
- Upgrades to a myoelectric prosthetic when the beneficiary's current passive or body-powered prosthetic is in good repair, is under Medicaid frequency limits, and continues to meet the beneficiary's medical/functional need.
- Replacement of a UE prosthetic and componentry covered under the manufacturer warranty.
- Partial hand myoelectric prosthetics (e.g., L6026)
- More than two liners per year, per prosthesis.
- More than two socket inserts per prosthesis.

### **Payment Rules**

UE prosthetics are purchase only items. Coverage is provided for accessories or componentry integral to the operation of the device (e.g., hinges, harness, socket).

The following are included in the overall prosthetic service and not separately reimbursed: evaluation of the member, measurement and/or casting, fabrication, and fitting/adjustments of the prosthesis.

There is no separate payment if CAD-CAM technology is used to fabricate the prosthesis as this is included in the code allowance.