



Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
www.mass.gov/masshealth



MassHealth
Transmittal Letter PRT-26
December 2017

TO: Prosthetics Providers Participating in MassHealth
FROM: Daniel Tsai, Assistant Secretary for MassHealth
RE: *Prosthetics Manual (Payment Care and Delivery Innovations)*

MassHealth is amending its prosthetic regulations at 130 CMR 428.000, to comply with Executive Order 562 (March 31, 2015), which required all Massachusetts agencies to conduct a complete assessment of their regulations. As a result of a review of this regulation, several incorrect citations were identified and corrected. In addition, technical changes update references to agencies to current agency names.

These regulations are effective December 15, 2017.

MassHealth Website

This transmittal letter and attached pages are available on the MassHealth website at www.mass.gov/masshealth.

Questions

If you have any questions about the information in this transmittal letter, please contact the MassHealth Customer Service Center at 1-800-841-2900, email your inquiry to providersupport@mahealth.net, or fax your inquiry to 617-988-8974.

NEW MATERIAL

(The pages listed here contain new or revised language.)

Prosthetics Manual

Pages iv and 4-5 through 4-10

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

Prosthetics Manual

Page iv — transmitted by Transmittal Letter PRT-18
Pages 4-5, 4-6, 4-9, and 4-10 — transmitted by Transmittal Letter PRT-14
Pages 4-7 and 4-8 — transmitted by Transmittal Letter PRT-24

Commonwealth of Massachusetts MassHealth Provider Manual Series Prosthetics Manual	Subchapter Number and Title Table of Contents	Page iv
	Transmittal Letter PRT-26	Date 12/15/17

4. Program Regulations

428.401: Introduction	4-1
428.402: Definitions.....	4-1
428.403: Eligible Members	4-2
428.404: Provider Eligibility	4-3
428.405: Provider Responsibility	4-3
428.406: Covered Services.....	4-3
428.407: Service Limitations	4-4
428.408: Noncovered Services.....	4-4
428.409: Prescription Requirements	4-4
428.410: Prosthetic Equipment Provided to Institutionalized Members	4-5
428.411: Repairs of Prosthetic Equipment.....	4-5
428.412: Prior Authorization.....	4-5
428.413: Procedure for Requesting Prior Authorization	4-6
428.414: Medicare Coverage	4-7
428.415: Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services	4-7
(130 CMR 428.416 through 428.419 Reserved)	
428.420: Payment for Prosthetic Services	4-8
428.421: Individual Consideration	4-8
428.422: Adjusted Acquisition Cost	4-9
428.423: Recordkeeping Requirements	4-9

Commonwealth of Massachusetts MassHealth Provider Manual Series Prosthetics Manual	Subchapter Number and Title 4 Program Regulations (130 CMR 428.000)	Page 4-5
	Transmittal Letter PRT-26	Date 12/15/17

428.410: Prosthetic Equipment Provided to Institutionalized Members

- (A) Nursing Facilities. The MassHealth agency pays prosthetic providers for:
- (1) the purchase and repair of prosthetic equipment; and
 - (2) prosthetic supplies provided for the personal full-time use of a member residing in a nursing facility.
- (B) Institutions Licensed as Hospitals, Chronic Disease Hospitals, and Rehabilitation Hospitals. The MassHealth agency does not pay prosthetic providers for the purchase or repair of prosthetic equipment or for supplies provided to a hospitalized member, except for prosthetic equipment that is prescribed for home use after discharge. The hospital record must document the member's discharge plan and that the date of discharge was before the purchase or repair of the prescribed item.
- (C) Intermediate Care Facilities for the Mentally Retarded with 16 Beds or More (State Schools).
- (1) The MassHealth agency pays prosthetic providers for the purchase and repair of customized prosthetic equipment provided for the personal full-time use of a member residing in an ICF/MR with 16 beds or more (a state school) only if the customization precludes the use of the equipment by subsequent residents in that institution.
 - (2) The MassHealth agency does not pay prosthetic providers for noncustomized equipment or supplies provided to a member residing in a state school.
- (D) Rest Homes. The MassHealth agency pays prosthetic providers for the purchase and repair of prosthetic equipment and for associated supplies provided for the personal full-time use of a member residing in a rest home.

428.411: Repairs of Prosthetic Equipment

- (A) The MassHealth agency pays for all repair services on an individual-consideration basis as described in 130 CMR 428.421.
- (B) The provider of repair services is liable for the quality of the workmanship and parts, and for ensuring that repaired equipment is in proper working condition.
- (C) The provider of repair services must exhaust all manufacturer warranties before submitting claims for repairs to prosthetic equipment to the MassHealth agency.

428.412: Prior Authorization

- (A) Services that require prior authorization as a prerequisite for payment are identified in the MassHealth agency's regulations at 130 CMR 428.000 or are listed in Subchapter 6 of the *Prosthetics Manual* with the designation "(P.A.)" appearing after the service description. To determine if prior authorization is required, the provider should review both the regulations and Subchapter 6. Prior authorization determines only the medical necessity of the prescribed item or service and does not waive any other prerequisites to payment such as member eligibility or resort to health-insurance payment.

Commonwealth of Massachusetts MassHealth Provider Manual Series Prosthetics Manual	Subchapter Number and Title 4 Program Regulations (130 CMR 428.000)	Page 4-6
	Transmittal Letter PRT-26	Date 12/15/17

(B) The provider must request prior authorization in accordance with the billing instructions in Subchapter 5 of the *Prosthetics Manual*. Before determining the medical necessity of an item or service for which prior authorization is requested, the MassHealth agency may, at its discretion, require the prescriber to submit an assessment of the member's condition and the objectives of the requested service. The MassHealth agency may also, at its discretion, require an evaluation by a licensed prosthetist to determine whether the requested prosthetic service is useful to the member, given the member's physical condition and physical environment.

(C) (1) The MassHealth agency will send notification to the member and the provider of the following prior-authorization decisions:

- (a) approval;
- (b) modification; or
- (c) denial.

(2) If the MassHealth agency defers the prior-authorization decision because additional information is required to determine whether the requested service is medically necessary, the MassHealth agency will notify the provider.

(3) If the MassHealth agency denies or modifies a request, the notification will include the reason for the MassHealth agency's determination. The member may appeal the modification or denial of a prior-authorization request within 30 days after the date of the notice. Procedures for such an appeal are set forth in 130 CMR 610.000.

(D) The MassHealth agency will make a decision on the request within 15 days after the date of receipt of a fully completed prior-authorization request. The MassHealth agency will confirm the date of receipt and the date of action upon written request.

(E) The provider must keep the prior-authorization request on file for the period of time required by 130 CMR 450.205.

428.413: Procedure for Requesting Prior Authorization

(A) The provider must obtain prior authorization from the MassHealth agency before providing any service that requires prior authorization. The provider must submit the Request for Prior Authorization within 90 days of the date of service requested on the prescription.

(B) The Request for Prior Authorization must document the adjusted acquisition cost (see 130 CMR 428.422) and the medical necessity of the requested service. The Request for Prior Authorization must contain the following documentation:

- (1) a copy of the invoice or invoices from the manufacturer for the equipment, disclosing all discounts;
- (2) a copy of a current prescription that must not be older than 90 days from the requested date of service (see 130 CMR 428.409 for information that must be included in the prescription);
- (3) if requested by the MassHealth agency, a current prosthetic evaluation for the equipment, performed independently of the provider by a licensed physician or prosthetist;
- (4) the date or projected date of service;
- (5) the projected duration of need for the equipment; and
- (6) if replacing existing equipment, the date the existing equipment was purchased.

Commonwealth of Massachusetts MassHealth Provider Manual Series Prosthetics Manual	Subchapter Number and Title 4. Program Regulations (130 CMR 428.000)	Page 4-7
	Transmittal Letter PRT-26	Date 12/15/17

428.414: Medicare Coverage

- (A) For Medicare and third-party-liability coverage, see 130 CMR 450.316 through 450.318.
- (B) For Medicare-covered services that are provided to members who receive Medicare Part B benefits, the MassHealth agency does not require prior authorization.
- (C) When Medicare denies a claim for prosthetic services or considers the services uncovered, the MassHealth agency requires prior authorization for those services that would require prior authorization for members without Medicare.

428.415: Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Services

The MassHealth agency pays for all medically necessary prosthetics services for EPSDT-eligible members in accordance with 130 CMR 450.140 et seq., without regard to service limitations described in 130 CMR 428.000, and with prior authorization.

(130 CMR 428.416 through 428.419 Reserved)

Commonwealth of Massachusetts MassHealth Provider Manual Series Prosthetics Manual	Subchapter Number and Title 4. Program Regulations (130 CMR 428.000)	Page 4-8
	Transmittal Letter PRT-26	Date 12/15/17

428.420: Payment for Prosthetic Services

(A) Payment to a provider for prosthetic equipment and supplies is subject to the conditions and limitations in 130 CMR 428.000 and 450.000, and will be the lower of:

- (1) the provider's usual and customary charge to the general public; or
- (2) the fee set forth in the schedule of maximum allowable fees established by the Massachusetts Executive Office of Health and Human Services.

(B) Payment for the following services is included in the provider payment under 130 CMR 428.420(A). No separate payment is allowed for:

- (1) the fitting of the prosthesis;
- (2) instructing the member in the use of the prosthesis;
- (3) the cost of the component parts and accessory equipment;
- (4) repairs due to normal wear and tear within 90 days of the date of delivery; and
- (5) adjustments to the prosthesis and any prosthetic component made when fitting the prosthesis and for 90 days from the date of delivery, when the adjustments are not necessitated by changes in the member's functional abilities.

428.421: Individual Consideration

When the rate of payment for the purchase or repair of certain prosthetic equipment has not been established by the Executive Office of Health and Human Services, the MassHealth agency pays for the service based on individual consideration, subject to all other conditions of payment. Such items are identified in Subchapter 6 of the *Prosthetics Manual* by the designation "(I.C.)" next to the description of the item or service. The MassHealth agency determines the rate of payment for an individual-consideration item or service based on the provider's report of services and a current invoice that indicates the provider's adjusted acquisition cost as defined in 130 CMR 428.421 and 428.422. Payment for the fitting of a prosthesis is included in the adjusted acquisition cost. Providers must maintain adequate records to document the individual consideration claim and must provide these documents to the MassHealth agency and the Attorney General's Medicaid Fraud Control Unit upon demand (see 130 CMR 450.205). Payment to a provider for an individual consideration claim is the lower of:

(A) the provider's usual and customary charge to the general public; or

(B) the adjusted acquisition cost of the item plus a markup not to exceed:

- (1) 70 percent for any item whose adjusted acquisition cost is less than \$100;
- (2) 50 percent for any item whose adjusted acquisition cost is \$100 or greater and less than \$200;
- (3) 45 percent for any item whose adjusted acquisition cost is \$200 or greater and less than \$300; or
- (4) 40 percent for any item whose adjusted acquisition cost is \$300 or greater.

Commonwealth of Massachusetts MassHealth Provider Manual Series Prosthetics Manual	Subchapter Number and Title 4 Program Regulations (130 CMR 428.000)	Page 4-9
	Transmittal Letter PRT-26	Date 12/15/17

428.422: Adjusted Acquisition Cost

(A) The provider must disclose all discounts, as defined in 130 CMR 428.402, and must reflect such discounts in the provider's claim for payment pursuant to M.G.L. c. 118E, § 41, and U.S.C. § 1320a-7b(b)(3)(A). Any provider who fails to disclose and pass on any discounts to the MassHealth agency may be subject to civil and criminal penalties, including imprisonment, in accordance with state and federal laws.

(B) (1) Except where the manufacturer is the provider, the adjusted acquisition cost must not

exceed the manufacturer's current wholesale price and must be evidenced by the purchase price of the equipment or goods listed on a copy of the supplier's invoice.

(2) Where the manufacturer is the provider, the adjusted acquisition cost must not exceed the actual cost of manufacturing the items.

(C) Where the manufacturer is the provider of any item covered under 130 CMR 428.000, the manufacturer must submit documentation that demonstrates to the MassHealth agency's satisfaction the actual cost of manufacturing the item, as set forth in 130 CMR 428.422(B).

(D) The provider must maintain the actual receipted invoice in the member's record, and make it available to the MassHealth agency and the Attorney General's Medicaid Fraud Control Unit pursuant to 130 CMR 428.423 and 450.205.

(E) The provider may group together low-cost items (those with an adjusted acquisition cost of less than \$5 each) to equal \$5 or less, and bill the total adjusted acquisition cost plus the allowable markup listed in 130 CMR 428.421(B).

428.423: Recordkeeping Requirements

The provider must keep a record of all prosthetic services, nursing facility visits, and the medical necessity of such services provided to a member for the period of time required by 130 CMR 450.205. This record must include the following:

(A) a prescription for all purchases;

(B) a copy of the approved prior-authorization request for all prosthetic services requiring prior authorization;

(C) an acknowledgment of receipt, signed by the member or the member's representative, of prescribed equipment or supplies, including:

(1) the date of receipt of equipment or supplies;

(2) the condition of the equipment or supplies (for example, whether it is in proper working order or is damaged);

(3) the manufacturer, brand name, model number, and serial number of the equipment or supplies;

Commonwealth of Massachusetts MassHealth Provider Manual Series Prosthetics Manual	Subchapter Number and Title 4 Program Regulations (130 CMR 428.000)	Page 4-10
	Transmittal Letter PRT-26	Date 12/15/17

(4) for repair services, a complete description of the service, including the manufacturer, brand name, model number, and serial number of the repaired item; and
(5) next to the signature, an explanation of the representative's relationship to the member by the individual acknowledging receipt. This individual cannot be associated with either the provider or the delivery service.

(a) For routine delivery of supplies, the member must acknowledge receipt at least monthly.

(b) A signature stamp may be used by or on behalf of a MassHealth member whose disability inhibits the member's ability to write. A signature stamp may only be used by a member or the member's representative, provided that the stamp is used by the member in his or her normal course of conducting business. A signature stamp cannot be used by anyone associated with either the provider or the delivery service;

(D) the actual invoice showing the cost to the provider of the materials (if the provider is not the manufacturer of the materials);

(E) documentation demonstrating the cost of manufacturing the item provided (if the provider is the manufacturer);

(F) copies of written warranties; and

(G) documentation demonstrating efforts under 130 CMR 428.405(C) to purchase the item from the least costly reliable source.

REGULATORY AUTHORITY

130 CMR 428.000: M.G.L. c. 118E, §§ 7 and 12.