

Title: Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule Update

Issuance Date: June 1, 2023

(Must be reviewed annually)

Applicable Regulations, Guidelines, and AHS Policy:

Federal statute or rule:

CMS Federal Register

State Plan:

Vermont State Plan 4.19-B

Purpose:

Conduct an annual review to update reimbursement rates for the Durable Medical Equipment, Prosthetics, Orthotics & Supplies (DMEPOS) fee schedule that is aligned with Agency budgetary appropriations. Updating fee schedules at regular intervals enables DVHA to be a reliable and predictable payer of health care services.

Procedure:

1. DVHA Reimbursement (RU) initiates the annual DMEPOS fee schedule update by completing the following tasks:
 - a. Identifies most recently available Medicare DMEPOS fee schedule file.
 - b. Reviews Medicare file to determine if rates are available for VT Medicaid covered services that previously did not have a Medicare rate.
 - c. Reviews manually priced codes to determine if a set rate can be established.
 - d. Prepares rate model layout with each reimbursement methodology within the DMEPOS fee schedule separated on different tabs in the spreadsheet.
 - e. Identifies modeling scenarios.
2. DVHA RU sends the rate model layout and modeling scenarios to an outside consultant.. The consultant creates a rate model using claims utilization data, the Medicare fee schedule file identified by DVHA RU and the specific modeling scenarios.

3. DVHA RU performs a quality assurance review to ensure the rate model drafted by the consultant is accurate.
4. DVHA Director of Managed Care Operations reviews the rate model scenarios to determine which option is best aligned with the Agency’s budgetary appropriations. The proposed rate model is presented to external stakeholders for review and feedback.
5. DVHA Director of Managed Care Operations approves final rate model.
6. DVHA RU initiates the Policy, Budget, and Reimbursement (PBR) process outlining the fiscal impact associated with the change and any changes to reimbursement methodologies or policies.
7. Once the PBR is approved, DVHA RU assists in drafting updates to the State Plan and the Global Commitment Register (GCR) notification which is used for provider review and feedback.
8. DVHA RU prepares the final rate update file and performs a quality assurance review to ensure the file is without error.
9. DVHA RU sends the final DMEPOS fee schedule update to DVHA’s fiscal agent to implement the rate changes in the MMIS.
10. Once the rate updates have been entered in the MMIS, DVHA RU performs a quality assurance review to ensure the rate information in the MMIS is accurate.

Revision History:

Date	Summary of Revisions
03/02/2022	First draft
3/16/2022	OMU review, added appointing authority.
05/16/2023	Updated Purpose and Procedure

Table 1 Revision History