

1 AN ACT relating to durable medical equipment covered benefits and  
2 reimbursement under Medicaid.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO  
5 READ AS FOLLOWS:

6 *(1) (a) As used in this section, "durable medical equipment" means equipment,*  
7 *including repair and replacement parts for that equipment, which:*

8 *1. Can withstand repeated use;*

9 *2. Is primarily and customarily used to serve a medical purpose;*

10 *3. Generally is not useful to a person in the absence of an illness or*  
11 *injury; and*

12 *4. Is appropriate for use in the home.*

13 *(b) As used in this subsection, "repair and replacement parts" includes all*  
14 *components or attachments used in connection with durable medical*  
15 *equipment.*

16 *(2) The Department for Medicaid Services shall reimburse a supplier of durable*  
17 *medical equipment, prosthetics, orthotics, and supplies at no less than one*  
18 *hundred percent (100%) of the state Medicaid program durable medical*  
19 *equipment fee schedule and shall require Medicaid managed care organizations*  
20 *to reimburse the same amount as the Department for Medicaid Services*  
21 *reimburses for the same service or item of durable medical equipment,*  
22 *prosthetics, orthotics, and supplies.*

23 *(3) For any claims in which the department or Medicaid managed care organization*  
24 *has given prior authorization, prepayment or postpayment review or recoupment*  
25 *shall not include review for medical necessity for the previously approved*  
26 *equipment, supplies, and services.*

27 *(4) The department shall promulgate an administrative regulation to ensure that*

- 1 once prior service authorization is granted by a Medicaid managed care  
2 organization or fee for service plan, continued authorization of the equipment,  
3 supplies, or services continues at a minimum for the same amount, duration, and  
4 scope until the end of the authorization period as previously granted by either  
5 another Medicaid managed care organization or fee for service plan.
- 6 (5) The department shall require Medicaid managed care organizations to reimburse  
7 suppliers of durable medical equipment, prosthetics, orthotics, and supplies for  
8 manually priced items in the Medicaid program durable medical equipment fee  
9 schedule at the manufacturer's suggested retail price minus fifteen percent (15%)  
10 pricing where there is a manufacturer's suggested retail price, and at invoice  
11 price plus twenty percent (20%) for miscellaneous Healthcare Common  
12 Procedure Coding System codes where there is no manufacturer's suggested  
13 retail price.
- 14 (6) The department shall require Medicaid managed care organizations to cover, at a  
15 minimum, the same Healthcare Common Procedure Coding System codes and  
16 the same quantities of medical supplies, equipment, or services as are established  
17 on the Kentucky Medicaid program durable medical equipment fee schedule or  
18 Kentucky Medicaid medical policy.
- 19 (7) The department shall ensure that the allowable timeframe for claim submissions  
20 by suppliers of durable medical equipment, prosthetics, orthotics, and supplies  
21 shall equal the timeframe allowed for any discrepancy during the Medicaid  
22 managed care organization audit or recoupment process for that claim.
- 23 (8) Medical necessity criteria shall be made available to suppliers of durable medical  
24 equipment, prosthetics, orthotics, and supplies at no cost.