

# HOUSE RESEARCH

## Bill Summary

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**Subject:** Payment Rates for Durable Medical Equipment and Other Supplies

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### Overview

This bill changes the method by which an increase in MA payment rates for durable medical equipment, prosthetics, orthotics, or supplies, provided by the 2015 Legislature, is to be implemented. The 2015 Legislature required payments for these items to be based on the 2008 MA fee schedule. For technical reasons, payments based on the 2008 fee schedule were not implemented. This bill establishes an alternative method for providing this rate increase.

#### Section

**1 Reimbursement for basic care services.** Amends § 256B.766. The amendment to paragraph (i) strikes language requiring the MA payment rate for durable medical equipment, prosthetics, orthotics, or supplies to be restored to the January 1, 2008, MA fee schedule. Also prohibits the commissioner from applying any MA payment reductions to durable medical equipment as a result of Medicare competitive bidding.

A new paragraph (j) increases the MA payment rate durable medical equipment, prosthetics, orthotics, or supplies that were subject to the Medicare 2008 competitive bid by 9.5 percent effective July 1, 2015. Further increases payment rates for durable medical equipment, prosthetics, orthotics, or supplies on the MA fee schedule, whether or not they were subject to the Medicare 2008 competitive bid, by 2.94 percent. Exempts the following from this paragraph: items subject to volume purchase, products subject to the preferred diabetic testing supply program, certain items provided to dually eligible recipients, and individually priced items. States that managed care and county-based purchasing plan payments shall not be increased to reflect the rate increases in this paragraph.