



October 25, 2018

Web Announcement 1725

Attention Provider Type 33 (Durable Medical Equipment, Prosthetics, Orthotics and Supplies):

Reimbursement for Items with Zero Rates Assigned

Effective with dates of service on or after October 1, 2017, reimbursement for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) that have a zero rate assigned (\$0.00) is paid using the following methodology:

If there is no fee schedule available, reimbursement will be the lowest of:

- a) manufacturer's suggested retail price (MSRP) less 25%, verifiable with quote or manufacturer's invoice that clearly identifies MSRP;
- b) if there is no MSRP, reimbursement will be acquisition cost plus 20%, verifiable with manufacturer's invoice; or
- c) the actual charge submitted by the provider.

This methodology is applicable to all zero-rate items. Letters of agreement for any exceptions will not be renewed and providers will be required to follow the zero-rate methodology as stated in the State Plan.

Note: Altered invoices or quote sheets will not be accepted.

The changes may be found in the Nevada Medicaid State Plan, Attachment 4.19-B, Page 2. The State Plan may be found on the Division of Health Care Financing and Policy's (DHCFP's) website: <http://dhcfp.nv.gov/Resources/AdminSupport/Manuals/MSP/Sec4/MSPSec4Home/>

The Medicaid Services Manual (MSM) Chapter 1300-DME Disposable Supplies and Supplements was updated June 26, 2018. The update includes information regarding zero rate items, which are now to be paid following the above methodology. The MSM may be found at the following link: <http://dhcfp.nv.gov/Resources/AdminSupport/Manuals/MSM/C1300/Chapter1300/>