

MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

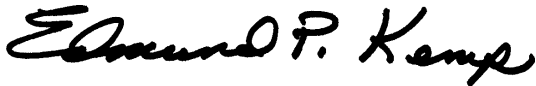
NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division  
Bureau of Medicaid Policy and Actuarial Services

<b>Project Number:</b>	0905-CWP	<b>Comments Due:</b>	March 31, 2009	<b>Proposed Effective Date:</b>	May 1, 2009
<b>Mail Comments to:</b>	Debbie Milhouse-Slaine, Children's Waiver Program Director Bureau of Community Mental Health Services Mental Health and Substance Abuse Administration 320 S. Walnut Lansing, Michigan 48913				
<b>Telephone Number:</b>	(517) 241-5757		<b>Fax Number:</b>	(517) 241-5777	
			<b>E-mail Address:</b>	milhouse@michigan.gov	
<b>Policy Subject:</b>	Prior Authorization of Children's Waiver Services – Environmental Accessibility Adaptations and Specialized Medical Equipment and Supplies				
<b>Affected Programs:</b>	Children's Home and Community-Based Services Waiver Program (CWP)				
<b>Distribution:</b>	Prepaid Inpatient Health Plans (PIHP) / Community Mental Health Services Programs (CMHSP)				
<b>Policy Summary:</b>	This bulletin: 1) Revises requirements related to fencing; 2) Requires that certain equipment and supplies that previously could be locally authorized by CMHSPs be prior authorized by the Michigan Department of Community Health (MDCH) CWP Clinical Review Team; 3) Updates requirements and parameters regarding both local authorization and state-level prior authorization for each code billable by CMHSPs for CWP consumers; and 4) Adds a new subsection to describe the MDCH CWP prior authorization process.				
<b>Purpose:</b>	The purpose of this bulletin is to inform CMHSPs of policy revisions to the CWP Section (Section 14) of the Mental Health/Substance Abuse Chapter of the Michigan Medicaid Provider Manual for two waiver services currently approved by the Centers for Medicare & Medicaid Services (CMS) for the CWP.				

# *Proposed Policy Draft*

## Michigan Department of Community Health Medical Services Administration

**Distribution:** Prepaid Inpatient Health Plans (PIHP)/Community Mental Health Services Programs (CMHSP)

**Issued:** April 1, 2009 (proposed)

**Subject:** Prior Authorization of Children's Waiver Services – Environmental Accessibility Adaptations and Specialized Medical Equipment and Supplies

**Effective:** May 1, 2009 (proposed)

**Programs Affected:** Children's Home and Community-Based Services Waiver Program (CWP)

The purpose of this bulletin is to inform CMHSPs of policy revisions to the CWP section (Section 14) of the Mental Health/Substance Abuse Chapter of the Michigan Medicaid Provider Manual for two waiver services currently approved by the Centers for Medicare & Medicaid Services (CMS) for the CWP.

### **Revisions to the Mental Health/Substance Abuse Chapter, Section 14.3 Covered Waiver Services**

#### **“Environmental Accessibility Adaptations” to Include Requirements Related to Fencing**

The policy regarding fencing has not changed. The addition of the following paragraph adds relevant language taken from the “CWP Technical Assistance Manual”:

Fencing may be approved with documentation that it is essential to achieve the outcomes specified in the child's individual plan of services and necessary to meet a child's health and safety needs. Authorization for fencing is for a maximum of 200 feet of standard chain link fence and one gate. If it is determined that chain link fencing will not meet the child's health and safety needs, a standard stockade fence may be considered.

#### **“Specialized Medical Equipment and Supplies” to:**

- Require that certain services that previously could be locally authorized by CMHSPs be prior authorized by the Michigan Department of Community Health (MDCH) CWP Clinical Review Team; and
- Incorporate all requirements and parameters regarding both local authorization and state-level prior authorization for each code billable by CMHSPs for CWP beneficiaries.

The "Specialized Medical Equipment and Supplies" portion of Section 14.3 – Covered Waiver Services has been substantially re-written. It specifies which specialized medical equipment and supplies can be locally authorized by CMHSPs and which require prior authorization by the MDCH CWP Clinical Review Team, and it incorporates all requirements and parameters for both local authorization and state-level prior authorization. Three services available under this category that could be locally authorized by CMHSPs when under a specified cost now require prior authorization by the MDCH CWP Clinical Review Team. The three service categories are: Specialized Medical Equipment, Vehicle Modifications, and Durable Medical Equipment.

Because of the extensiveness of the re-write, the language is included here in its entirety:

Specialized medical equipment and supplies includes durable medical equipment, environmental safety and control devices, miscellaneous therapeutic items such as adaptive toys, activities of daily living (ADL) aids, and allergy control supplies that are specified in the child's individual plan of services. This service is intended to enable the child to increase his abilities to perform ADLs or to perceive, control, or communicate with the environment in which the child lives. Generators may be covered for a beneficiary who is ventilator-dependent or requires daily use of oxygen via a concentrator. The size of a generator will be limited to the wattage required to provide power to essential life-sustaining equipment. This service also includes vehicle modifications, van lifts and wheelchair tie-downs. Specialized medical equipment and supplies includes items necessary for life support, ancillary supplies and equipment necessary for the proper functioning of such items, and durable and non-durable medical equipment not covered by Medicaid or through other insurance. (Refer to the Medical Supplier Chapter for information regarding Medicaid-covered equipment and supplies.)

Equipment and supplies must be of direct medical or remedial benefit to the child. "Direct medical or remedial benefit" is a prescribed specialized treatment and its associated equipment or environmental accessibility adaptation that is essential to the implementation of the child's individual plan of services. The plan must include documentation that, as a result of the treatment and its associated equipment or adaptation, institutionalization of the child will be prevented.

A prescription is required and is valid for one year from the date of signature. All items must be determined to be essential to the health, safety, welfare, and independent functioning of the child as specified in the individual plan of services. There must be documented evidence that the item is the most cost-effective alternative to meet the child's need following value purchasing standards. All items must meet applicable standards of manufacture, design and installation. The CMHSP, or its contract agency, must maintain documentation to support that the best value in warranty coverage (e.g., the most coverage for the least cost, per industry standards) was obtained for the item at the time of purchase.

The following are examples of items not covered under this service:

- Items that are not of direct medical or remedial benefit or that are considered to be experimental. "Experimental" means that the validity of use of the item has not been supported in one or more studies in a preferred professional journal.
- Furniture, appliances, bedding, storage cabinets, whirlpool tubs, and other non-custom items that may routinely be found in a home.
- Items that would normally be available to any child and would ordinarily be provided by the family.
- Items that are considered family recreational choices (outdoor play equipment, swimming pools, pool decks and hot tubs).
- The purchase or lease of vehicles and any repairs or routine maintenance to the vehicle.
- Educational supplies and equipment expected to be provided by the school.

## 1. Local Authorization of Services

As defined below under the various Healthcare Common Procedure Coding System (HCPCS) codes, the CMHSP may locally authorize selected medical equipment and supplies covered under this service category. Medicaid payment will not be made for services that exceed quantity/frequency limits or established Medicaid fee screens as published in the MDCH CMHSP Children's Waiver Services Database in effect at the time the service is delivered.

- **Miscellaneous therapeutic items and supplies, retail purchases, not otherwise classified; identify product in "remarks" (HCPCS T1999)**

This code is used to bill Medicaid for age-appropriate adaptive toys identified in the child's individual plan of services to address the adaptive or therapeutic need for the item and the specific habilitative outcome.

Items that are typically available in a home and ordinarily provided by families, schools, etc. (e.g., crayons, coloring books, regular board games, educational or non-adaptive toys/software, CD/DVD players, camera, film, computers) are not covered.

- **Personal care item, not otherwise specified, each (HCPCS S5199)**

This code is used to bill Medicaid for ADL aids that enable the child to be as independent as possible in areas of self-care. The child's individual plan of services must describe the purpose and use of the ADL aid and any training that the child requires for its use. ADL aids must not be similar in function to items previously billed to Medicaid.

- **Specialized supply, not otherwise specified, waiver (HCPCS T2028)**

This code is used to bill Medicaid for allergy control supplies used for the on-going management of a diagnosed severe reaction to airborne irritants and must be specified in the child's individual plan of services. Household items routinely found in a home are not covered (e.g., bed linens, mattress, pillow, vacuum cleaner).

## 2. State-Level Prior Authorization of Services

All other items and services covered under this service category must be prior authorized by the MDCH CWP Clinical Review Team following denial by all applicable insurance sources, e.g., private insurance, CSHCS, Medicaid. (Refer to the MDCH CWP Prior Authorization subsection for details regarding the prior authorization process.) Prior authorization will not be given for items that exceed quantity/frequency limits as published in the MDCH CMHSP Children's Waiver Services Database in effect at the time the service is delivered. Pursuant to prior authorization by the MDCH CWP Clinical Review Team and provision of the service, Medicaid payment will be at the rate prior authorized.

- **Specialized medical equipment, not otherwise specified, waiver (HCPCS T2029)**

This code is used to bill Medicaid for environmental safety and control devices that enable the child to be as independent as possible. These devices may assist in controlling the environment or assuring safety in conjunction with programs designed to teach safety awareness or skills. The child's individual plan of services must address the use of the device and include any training that the child requires for its use. Environmental safety and control devices do not include items of general utility such as standard smoke detectors, fire extinguishers, home security systems, and storage cabinets.

This service is limited to five environmental safety and control devices or sets of devices per quarter. A set is considered a group of like items that must be purchased in a quantity to meet the child's needs, e.g. outlet plug covers.

- **Repair or nonroutine service for durable medical equipment requiring the skill of a technician, labor component, per 15 minutes (HCPCS E1340)**

This code is used to bill Medicaid for repairs to specialized medical equipment that are not covered benefits through other insurances. There must be documentation in the child's individual plan of services that the specialized medical equipment continues to be of direct medical or remedial benefit to the child. All applicable warranty and insurance coverage must be sought and denied before requesting funding for repairs through the CWP. The CMHSP must document that the repair is the most cost-effective solution when compared with replacement or purchase of a new item. If the equipment requires repairs due to misuse or abuse, the CMHSP must provide evidence of training in the use of the equipment to prevent future incidents.

- **Vehicle modifications, waiver; per service (HCPCS T2039)**

This code is used to bill Medicaid for modifications to full-size vans, van lifts and wheelchair tie-down systems. Modifications to the family-owned van must be necessary to ensure the accessibility of the child with mobility impairments, and the vehicle must be the child's primary means of transportation. The individual plan of services must specify the child's accessibility needs that will be addressed by these modifications.

Prior authorization for a van lift will be considered no more frequently than once every five years, which is the minimum life expectancy of a lift.

When purchasing new vehicles, many automobile manufacturers offer a rebate of up to \$1,000 to reimburse documented expenditures for modification of a vehicle for accessibility. The CMHSP must request that the family purchasing the vehicle obtain information regarding any rebate programs and apply the rebate toward the cost of the modifications.

Other modifications to a full-size van, such as raised doors, which are necessary to meet the child's accessibility needs will be considered. It is expected that the CMHSP will use prudence in considering and processing beneficiary requests for modifications to newly purchased vehicles (e.g., providing evidence that the child's needs were considered in purchasing a full-size van; purchasing a vehicle that has a raised roof). Conversions to mini-vans are limited to the same modification and would not include additional costs required to modify the frame (e.g., lower the floor) to accommodate a lift. Excluded are items such as automatic door openers, remote car starters, custom interiors, etc. The purchase of a vehicle or maintenance to the vehicle is the family's responsibility.

If the vehicle is stolen or damaged beyond repair within five years of the purchase, replacement would only be considered with documentation that the existing lift cannot be transferred to a new van and that no other funding source (e.g., automobile insurance, home owner's insurance, personal liability, judgment settlement, etc.) is available to cover the replacement.

- **Durable medical equipment, miscellaneous (HCPCS E1399)**

This code is used to bill Medicaid for specialized medical equipment as described below:

- Window air-conditioning unit for the room where the child spends the majority of his time (e.g., sleeping area). The child must have a documented medical diagnosis of one of the following specific medical diagnoses or conditions:
  - temperature regulation dysfunction due to brain injury or other medical diagnosis;
  - severe respiratory distress secondary to asthma, permanent lung damage, or other medical conditions which are exacerbated by heat and humidity;
  - severe dehydration resulting from a medical diagnosis (e.g., diabetes insipidus) which may result in hospitalization; or

- severe cardiac problems which may result in hospitalization unless the environmental temperature is carefully controlled.
- Generator for a child who is ventilator-dependent or requires daily use of oxygen via a concentrator. The size of a generator will be limited to the wattage required to provide power to essential life-sustaining equipment (typically 5,000 watts) and is not intended to provide power for the entire home. The request for prior approval of a generator must include a documented history of power outages, including frequency and duration. The local power company must be notified in writing of the need to restore power on a priority basis due to the child's needs.
- Therapeutic items, assistive technology, and other durable medical equipment for a child who has sensory, communication, or mobility needs when the item is reasonably expected to enable the child to perceive, control or communicate with the environment in which the child lives, to have a greater degree of independence than would be possible without the item or device, or to benefit maximally from a program designed to meet physical or behavioral needs.

#### **Addition of MDCH CWP Prior Authorization Subsection**

The MDCH CWP prior authorization process has not changed. The following new subsection adds relevant language taken from the "CWP Technical Assistance Manual".

To determine if a specific service requires MDCH CWP prior authorization, refer to the Covered Waiver Services subsection above. The CMHSP must complete and submit to the MDCH CWP an original Prior Review and Approval Request (PRAR) form and the following documentation for each prior authorization request:

- Original current (within 365 days) prescription signed by a physician.
- Narrative justification of need completed by an appropriate professional.
- Documentation that the requested item, device, or modification is essential to the implementation of the child's individual plan of services and is of direct medical or remedial benefit to the child.
- A copy of the habilitation program (i.e., goals, objectives and methodologies) as related to the request and identified in the individual plan of services.
- Written denial of funding from other sources, including private insurance, Medicaid or CSHCS when applicable, charitable or community organizations, and housing grant programs. If the private insurance carrier requires prior authorization to determine coverage, a request for prior authorization must be submitted to the carrier before submitting the PRAR to the MDCH CWP.
- Three similar bids for requests costing equal to or more than \$1,000; only one bid is required for requests costing less than \$1,000. If fewer than three bids are obtained for requests costing equal to or more than \$1,000, documentation must describe what efforts were made to secure the bids, and why fewer than three bids were obtained.

The completed PRAR and supporting documentation must be submitted to the MDCH Children's Waiver Program:

Children's Waiver Program  
Mental Health Services to Children and Families  
Michigan Department of Community Health  
Lewis Cass Building – 5<sup>th</sup> floor  
320 S. Walnut  
Lansing, Michigan 48913