

March 9, 2023

<Provider Name>  
<Provider Address 1>  
<Provider Address 2>  
<City> <State> zipcode5-zipcode4

Dear Medical Supplier and Pharmacy Providers:

**RE:** Medicaid and Children's Special Health Care Services (CSHCS) Coverage of Disposable External Ambulatory Insulin Delivery System (e.g., Omnipod)

The Michigan Department of Health and Human Services (MDHHS) is issuing this letter to provide clarification regarding Medicaid Fee-for-Service (FFS) and Children's Special Health Care Services (CSHCS) coverage of disposable external ambulatory insulin pumps (Healthcare Common Procedure Coding System [HCPCS] code A9274). This letter further informs providers of changes to the Omnipod system manufactured by the Insulet Corporation.

Medicaid FFS and CSHCS cover the disposable external ambulatory insulin pump (A9274) under the medical supplier benefit. It is billed electronically on the ASC X12N 837 5010 professional claim or the CHAMPS direct data entry, and not the National Council for Prescription Drug Programs (NCPDP) point of sale claim transaction. For beneficiaries enrolled in a Medicaid Health Plan (MHP) or an Integrated Care Organization (ICO), the provider must refer to the beneficiary's MHP or ICO for billing and prior authorization (PA) requirements.

**Insulet Corporation changes to the Omnipod System:**

The Insulet Corporation has informed MDHHS the company will cease manufacturing the Omnipod EROS system in early 2023 and will transition to two new Omnipod systems (Omnipod5 and Omnipod DASH). As part of the product change, Insulet Corporation will provide the controller (currently referred to as the personal diabetes manager) free of charge. Providers should not bill the controller to Michigan Medicaid. MDHHS encourages providers to contact Insulet for further information regarding the company's Omnipod transition plan. Refer to the Insulet website: <https://www.omnipod.com/contact-us>.

**Claims and/or PA (if applicable) on and after April 1, 2023:**

The HCPCS Level II code A9274 is defined as: External ambulatory insulin delivery system, disposable, each, includes all supplies and accessories.

Code	Required Modifier	Units	Rate	Note
A9274	KH	Initial Kit= 1 controller (free) +11 pods (one pod is a training pod)	\$553.00	For initial use providers must append the KH modifier to A9274. Providers may not bill separately for the controller or for the training pod.
A9274		10 per month (pods only)	\$55.30 (per pod)	10 units = 10 pods

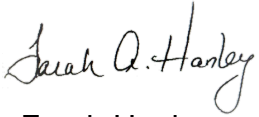
**Pharmacies billing Medicaid FFS/CSHCS:**

Pharmacy providers may bill for insulin pumps if enrolled with Medicaid FFS as a medical supplier. Claims for insulin pumps are submitted through the medical supplier benefit. This applies regardless of whether a beneficiary has a primary insurance that covers insulin pumps under the pharmacy benefit. If the beneficiary has a primary insurance that covers the insulin pump under the pharmacy benefit and makes payment and the pharmacy is billing Medicaid for the coinsurance or deductible, PA is not required. Prior to submitting a claim to Medicaid for the coinsurance/deductible the pharmacy should contact their software vendor to apply an override to allow for the pharmacy to bill on the electronic ASC X12N 837 5010 professional claim or the pharmacy may submit a direct data entry claim in the CHAMPS subsystem. Pharmacies are reminded to include the primary insurer's claim adjustment reason code(s) (CARC) on the claim. Providers with questions may contact Provider Support by telephone: 1-800-292-2550 or by email: [providersupport@michigan.gov](mailto:providersupport@michigan.gov).

All policy standards of coverage, documentation, and PA requirements remain unchanged. Refer to the Medical Supplier chapter of the Medicaid Provider Manual: [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >> Policy, Letters & Forms >> Medicaid Provider Manual. HCPCS code parameters are further indicated in the CHAMPS Medicaid Code Rate and Reference tool. This is not a policy change therefore MDHHS suggests providers retain this letter until notified otherwise.

An electronic version of this document is available at [www.michigan.gov/medicaidproviders](http://www.michigan.gov/medicaidproviders) >>  
Policy, Letters & Forms.

Sincerely,

A handwritten signature in cursive script that reads "Farah A. Hanley".

Farah Hanley  
Chief Deputy Director for Health