

Distribution: All Provider 04-15

Issued: October 1, 2004

Subject: FY 2004-2005 Coverage and Reimbursement Changes

Effective: As Indicated

Programs Affected: Medicaid

The Michigan Department of Community Health (MDCH) budget appropriation for FY 2004-2005 includes changes impacting the coverage and/or reimbursement for specific Medicaid services. This bulletin provides the details regarding some of those changes.

FY 2004-2005 Reductions

Effective November 1, 2004, the dispensing fee for LTC pharmacies will be \$2.75. For all other pharmacies, the dispensing fee will be \$2.50.

Also effective November 1, 2004, the beneficiary co-pay for brand-name drugs where a generic is available will be increased from \$1.00 to \$3.00. The current exceptions to the co-pay requirements, as described in the Pharmacy Chapter of the Medicaid Provider Manual, still apply.

Continued Limitations/Reductions

Dental

The limitations currently imposed on dental services for beneficiaries age 21 and older remain in effect for FY 2004-2005.

Home Health

The 1.85% reduction in Home Health services fees, as outlined in MSA Bulletin Home Health Agencies 03-01 issued February 12, 2003 will continue in FY 2004-2005.

Hospital

The hospital reductions implemented in the Governor's Executive Orders 2001-09 and 2002-22 will continue in FY 2004-2005.

Nursing Facilities

The 1.85% rate reduction for nursing facilities outlined in MSA Bulletin Nursing Facilities 03-01 issued February 7, 2003 will continue in FY 2004-2005.

Reinstated Coverage

Coverage of the following services will be reinstated effective for dates of service on and after October 1, 2004 for beneficiaries age 21 and older:

- Chiropractic Services (Provider Type 14)
- Hearing Aid Dealers (Provider Type 90). Prior authorization requests for hearing aids must be submitted in accordance with current Medicaid policies.
- Podiatrists (Provider Type 13)

Manual Maintenance

Retain this bulletin for future reference.

Questions

Any questions regarding this bulletin should be directed to Provider Support, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Paul Reinhart, Director
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