

Bulletin Number: MSA 07-27

Distribution: Medical Suppliers

Issued: May 15, 2007

Subject: Automatic Refills of Medical Supplies

Effective: Upon Receipt

Programs Affected: Medicaid, Children's Special Health Care Services

This bulletin clarifies Medicaid policy regarding automatic refills of medical supplies. Some medical suppliers automatically refill and ship medical supplies directly to beneficiaries each month without receiving prior customer approval or a request for a refill.

Automatically issuing refills of medical supplies to beneficiaries results in unnecessary expenditures and/or unused products. Automatic refills of medical supplies without receiving prior customer approval or a request for a refill are considered program abuse. Federal regulation 42 CFR 455.2 clearly defines program abuse:

“Abuse means provider practices that are inconsistent with sound fiscal business or medical practices, and result in an unnecessary cost to the Medicaid Program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes recipient practices that result in an unnecessary cost to the Medicaid Program.”

The standard physician order for medical supplies is written for monthly refills. The beneficiary or his/her representative must verify that the refill is necessary and confirm any changes/modifications at the time the monthly refill is ordered. For audit purposes, provider records should document this contact for products shipped to the beneficiary's home. Subsequent refills should not be confirmed or issued any earlier than five to seven days prior to the end of the last monthly order.

Incontinent supplies provided through the Medicaid contractor are subject to the delivery requirements established in that contract.

Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, 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

A handwritten signature in black ink that reads "Paul Reinhart". The signature is written in a cursive style with a large initial "P" and a long, sweeping underline.

Paul Reinhart, Director
Medical Services Administration