

September 8, 2014

<Provider Name>
<Provider Address1>
<Provider Address2>
<Provider City> <state> <zipcode5-zip4>

Dear Provider:

RE: Unnecessary Physician Orders and Medical Supplier Claims for Medical Supply Items Ordered During a Medicare or Medicaid Beneficiary Nursing Facility Stay

This letter is being sent in response to concerns identified by the Medical Services Administration in regards to medical supply items being ordered by the beneficiary's physician during a nursing facility stay. This nursing facility stay could involve either Medicare or Medicaid coverage of the stay.

Medical Supplies Ordered and Billed Under a Medicare Nursing Facility Stay

If **Medicare** is covering a nursing facility stay, most medical supply items and durable medical equipment are included in the nursing facility stay and are not separately reimbursable to a medical supplier. As such, nursing facilities, physicians, and medical suppliers need to be aware that there should be no orders written or medical supplier claims submitted to Medicare for medical supply items for this setting.

Awareness will help prevent unnecessary and duplicate payments.

Medical Supplies Ordered and Billed for a Medicare Eligible Resident During a Medicaid Nursing Facility Stay

If Medicaid is covering the nursing facility stay, most medical supply items, including standard durable medical equipment, are included in Medicaid's reimbursement to the nursing facility and are not separately reimbursable to the medical supplier. For example, tracheostomy inner cannulas, enteral infusions pumps, and ostomy pouches are included in the daily per diem rate that Michigan Medicaid reimburses the nursing facility. Because most medical supplies are included in Medicaid's reimbursement to the nursing facility, nursing facilities, physicians, and medical suppliers need to be aware that there should be no orders written or medical supplier claims submitted to Medicare or Medicaid for medical supply items for this setting.

We are reminding providers of these coverage policies to prevent unnecessary and duplicate payments.

A complete listing of medical supply items and durable medical equipment included in the Medicaid nursing facility per diem rate can be found at: www.michigan.gov/medicaidproviders >> Billing & Reimbursement >> Provider Specific Information >> Medical Suppliers >> Database.

Thank you for your continued participation in the Michigan Medicaid Program and your commitment to providing quality care to Michigan's citizens. If you have any questions please contact Provider Inquiry at 1-800-292-2550 or providersupport@michigan.gov.

Sincerely,



Stephen Fitton, Director
Medical Services Administration