
CHAPTER 18: DURABLE MEDICAL EQUIPMENT

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CLAIMS RELATED INFORMATION

DME services are billed to Medicaid on the most current CMS-1500 claim form. Providers are strongly encouraged to file claims via electronic data interchange (EDI). Electronic claims must be HIPAA compliant. The benefits of electronic submission include the following:

- Increased cash flow;
- Improved claim control;
- Decrease in time for receipt of payment;
- Improved claim reporting;
- Reduction of errors through pre-editing of claims information.

Hard copy claims may be mailed to the fiscal intermediary (FI). However, submitting claims electronically is the preferred method. (See Appendix E for contact information)

Refer to Appendixes B and C for sample claim forms, adjustment and void form and instructions as related to DME.

Mandatory items on the CMS-1500 are indicated by **underlining and/or an asterisk (*)**. Claims submitted with missing or invalid information in these fields will be returned unprocessed with a rejection letter listing the reason(s) the claims are being returned. Such claims cannot be processed until corrected and resubmitted. Completed and corrected DME claim forms should be mailed to the fiscal intermediary (FI). (See Appendix E for contact information).

Reimbursement

Louisiana Medicaid reimburses DME providers based on rates published in fee schedules. These rates are uniform statewide and by provider type. According to this type of reimbursement methodology, the provider is paid the lower of the billed charges or the Medicaid rate published in the applicable fee schedule.

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When services or products do not have an established reimbursement amount, the claim is manually reviewed to determine an appropriate reimbursement. DME and expendable supplies are subject to manual pricing at the documented manufacturer's suggested retail price (MSRP) less 18 percent or the provider's documented invoice cost. Nutritional products that require manual pricing are priced at 89.5 percent of the average wholesale price (AWP) or the provider's invoice cost.

When Louisiana Medicaid requires documentation of the physician's order, supporting documentation must accompany the claim in order to be considered for reimbursement.

Third Party Liability

Enrolled providers must determine if recipients are covered by a third party. If a recipient is covered by a third party, providers must bill the third party prior to billing Medicaid. Medicaid is payer of last resort. Refer to General Information and Administration, Chapter One for more information on third party liability (TPL).