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Department of Health Care Services
Children's Medical Services Network
(CMS Net) - Information Bulletin #267

Provider Billing For Medical Supplies And Low Cost Durable Medical Equipment (DME) Revised

Effective for dates of service on or after September 1, 2008, providers will be able to bill for medical supplies using specific product codes (codes 9900A – 9999Z with the exception of miscellaneous codes 9999A and 9999B), and/or low cost DME **without using a product specific SAR**, if:

- *the medical supplies requested do not exceed the billing limits set by Medi-Cal as referenced in the Medi-Cal Provider Manual, Allied Health, Part 2, Durable Medical Equipment and Medical Supplies, pertaining to each medical supply category (e.g., incontinence, ostomy, urologicals, wound); and/or
- the DME requested does not exceed the thresholds for authorization as referenced in the Medi-Cal Provider Manual, Allied Health, Part 2, Durable Medical Equipment and Medical Supplies, *Durable Medical Equipment: An Overview;* and
- the provider prescribing the medical supplies and/or DME has a Service Code Grouping (SCG) SAR for either SCG 01, 02, 03, 07, 10, or 12 authorized with dates of service that include the dates of service on which the medical supplies and/or DME are dispensed.

†Effective for dates of service on or after April 1, 2009 providers can bill for medical supplies using HCPCS Level II codes and effective July 1, 2009 providers must bill for medical supplies using HCPCS Level II codes. Refer to "This Computes! #294" for more information. A product specific SAR will not be required if the above bulleted items apply for medical supplies or DME.
A separate, product specific SAR is required for providers of medical supplies and/or low cost DME if:

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✓Revised 8/25/2009
+Revised 1/27/2010
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- the billing limits of the medical supplies (for example, quantity) are exceeded, in accordance with Medi-Cal policy; or
- there is no specific code for the medical supply (i.e., a miscellaneous code is needed for billing); or
- Medi-Cal always requires a TAR for the medical supply/DME; or
- the medical supplies are authorized using an NDC (e.g., lancets and test strips); or
- the DME exceeds the Medi-Cal thresholds.

✓Refer to the Medical Supply Tool http://www.dhcs.ca.gov/services/ccs/cmsnet/Pages/SARTools.aspx#msg for a listing of medical supplies that require a Product Specific SAR. This list may not be complete; current medical supplies requiring a TAR (and therefore a Product Specific SAR) can be found in the Medi-Cal Manual under each category of medical supplies.

∆Refer to the Medi-Cal Manual for DME requiring a TAR/product specific SAR http://files.medi-cal.ca.gov/pubsdoco/publications/masters-mtp/part2/duracd_a04a06a08p00.doc. +Note that a TAR and therefore a product specific SAR is required when the **cumulative cost of related items within a group** for purchase, rental, or repair/maintenance within a calendar month exceeds Medi-Cal thresholds. Groups are identified in the Medi-Cal Manual (e.g., ambulation devices, hospital beds and accessories, infusion equipment and supplies, and miscellaneous).

+When the providers of medical supplies and/or low cost DME submit their claims, the EDS claims payment system will "look for" an SCG SAR. If there is an SCG SAR with dates of service that include the dates of service the medical supplies and/or low cost DME were dispensed, and the Medi-Cal limits or thresholds have not been exceeded, the claim will pay. If the provider knows that Medi-Cal limits/thresholds will be exceeded, the provider must request a product specific SAR for the full amount of the product to be rendered.

*Note: There is one exception whereby we do not follow Medi-Cal's limits for medical supplies and that is for the age restrictions for incontinence medical supplies. The age restrictions set by Medi-Cal for incontinence supplies do not apply if there is a CCS SAR.

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