This Computes!

Department of Health Care Services
Children's Medical Services Network
(CMS Net) - Information Bulletin #328

New Guidance for Medical Supplies and Low-Cost DME Revised

Effective September 1, 2008, providers were able to bill for medical supplies and low-cost DME without a product specific SAR if certain criteria were met similar to Medi-Cal's criteria for not requiring a TAR. Please refer to "This Computes! #267" for the details regarding when a provider can use a SCG SAR and when a product specific SAR is required.

"This Computes! #267" was revised March 19, 2009 to add the following language: "The expectation is that the provider will claim up to the Medi-Cal limits using a physician or Special Care Center SCG SAR number, then request a product specific SAR for anything over the limit. Providers should proactively request a product specific SAR for medical supplies and/or low cost DME that exceeds Medi-Cal limits or thresholds."

This process, in conjunction with subsequent changes in the payment system, has resulted in claims denying for providers (who have exceeded Medi-Cal limits and need a second product specific SAR) because the second claim is "seen" as a duplicate by the payment system. Therefore, the advice in "This Computes! #267" is revised to provide the following new guidance on SARs for medical supplies and low-cost DME: 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. There should no longer be a SCG SAR for the product up to the limit **and** a second product specific SAR for the overage when the threshold is exceeded. Existing SARs authorized for the overage amount may be modified to increase the units to the total amount.

+This guidance applies retroactively to June 2009 as well as going forward. If a provider requests product specific SARs for replacement of overage SARs that were authorized for services anytime from June 2009 to the present, product specific SARs must be authorized for those dates of service.

+Revised 4/1/10
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