May 21, 2013

Kay Ghahremani
State Medicaid Director
Texas Health and Human Services Commission
Brown-Heatly Building
4900 N. Lamar Blvd.
Austin, TX 78751-2316

Dear Ms. Ghahremani:

The Centers for Medicare & Medicaid Services (CMS) is writing to clarify our policy on the medical supplies, equipment and appliances (often referred to as Durable Medical Equipment, or DME) that will receive Federal reimbursement.

DME is a component of the home health benefit, which is a mandatory service within the Medicaid program. As such, items of DME meeting the state’s definition of such coverage is to be provided to individuals (of any age) meeting the State’s medical necessity criteria. In addition, CMS issued a letter to State Medicaid Directors on September 4, 1998 (see attached) interpreting state responsibilities in providing medical equipment in response to the DeSario court decision. This guidance requires states to have a reasonable process for beneficiaries to request items of DME not on a pre-approved list, and the ability for a beneficiary to request a fair hearing to appeal negative determinations.

We understand that the State of Texas is not approving requests for ceiling lifts provided to adult Medicaid beneficiaries, due to prior CMS guidance indicating that Federal reimbursement is not available. We are clarifying here, in a way that supersedes prior CMS guidance on this topic, that coverage of ceiling lifts under the medical equipment benefit is an issue that states must determine consistent with the process described in the September 4, 1998 guidance, and that federal reimbursement is available to the state to the extent that the item is determined to be covered. This means that medically necessary ceiling lifts will be reimbursed by CMS as part of the Texas home health benefit if these lifts meet the state’s definition of DME.

In addition, we would like to make sure you’re aware of a Notice of Proposed Rulemaking issued July 12, 2011. That regulation proposed changes to the home health benefit to not only codify face-to-face encounters required at section 6407 of the Affordable Care Act, but to also propose definitions of a medical supply, equipment and appliance. Also included was a proposal that any item meeting any of those definitions must be covered under the state plan, and may not be reserved for coverage under a 1915 (c) home and community based services waiver. We are working now to issue a final regulation. We encourage you to familiarize yourself with the provisions of that proposed rule.
We hope this alleviates any confusion. Don’t hesitate to contact me with any questions.

Sincerely,

/s/

Melissa Harris
Director
Division of Benefits and Coverage

Cc: Billy Bob Farrell, Dallas Regional Office