



## MEMORANDUM

TO: **NH Medicaid and Healthy Kids Gold (Title XIX) Pharmacy and Durable Medical Equipment (DME) Providers**

FROM: **EDS and DHHS**

DATE: **December 2005**

SUBJECT: **Modification to Information Contained in the July 2005 Notice Regarding Disposable Diapers and Other Incontinence Items – Coding, Limits, Pricing**

We have become aware that the July 2005 notice regarding disposable diapers and other incontinence items was not received by all affected providers, and that some system changes occurred prior to that notification, resulting in provider billing problems. To resolve these problems, we are re-releasing relevant components of the July 2005 notice, changing the effective dates of the components, and including instructions regarding issues encountered to date. Key portions of this notice were also carried on the banner page of your November, 2005 remittance advices.

The intent of this notice is to provide information regarding changes in the codes for, limits on, and pricing of disposable diapers and related incontinence items that are effective January 1, 2006. These changes, made necessary by requirements of the Health Insurance Portability and Accountability Act (HIPAA), are also being implemented to clarify and ensure consistent applicability of coverage allowances across the provider community.

**Effective with dates of service beginning January 1, 2006, procedure codes A4554 and A4520 will no longer be accepted.** Although these codes were removed July 1, 2005, they have been reinstated until January 1, 2006, to allow providers to resubmit any previously denied claims under these codes, and to prevent further claims from denying.

**Codes, limits and prices effective with dates of service beginning January 1, 2006:**

<b>National Code</b>	<b>Description</b>	<b>Maximum # of Units Allowed Per Month</b>	<b>Price Per Unit</b>
T4533	Youth sized disposable incontinence product, brief/diaper	186	\$0.90 each
T4535	Disposable liner, shield, guard, pad, undergarment, for incontinence	93	\$0.45 each
T4541	Incontinence product, disposable underpad, e.g., Chux	62	\$0.30 each

Please be sure to utilize the appropriate code based upon the description given. **Note:** You may also begin utilizing the National T codes immediately, and we encourage you to do so. The maximum number of units for T4533 will remain at 217/month until January 1, 2006, allowing you to transition from the A4554 and A4520 codes to the national codes in advance of the required change date.

Please also be aware that the codes, limits, and prices that are effective January 1, 2006, more clearly reflect the coverage intention of the program than the previous codes which were sometimes being inappropriately utilized by providers. This is not intended to be a change, but rather, a clarification, in order to ensure consistency and to better describe what service is covered.

Please note that the scope of coverage has not changed. Disposable incontinence products continue to be non-covered for adults 21 years of age and over.

### **Additional Billing Information**

Effective with claims submitted after January 1, 2006, once the maximum monthly allowable units is reached for each code, claims will be denied with an EOB denial as follows:

T4533--EOB 694: monthly brief/diaper maximum exceeded

T4535--EOB 695: monthly disposable liner/shield/guard/pad undergarment maximum exceeded

T4541--EOB 696: monthly disposable underpad limit exceeded

If medical necessity can be substantiated, a prior authorization (PA) for additional units may be requested by submitting medical justification from the treating medical provider, along with a Form 272D (see June, 2005 quarterly bulletin). This form may be downloaded from the EDS web site at [www.nhmedicaid.com](http://www.nhmedicaid.com). If additional units are prior authorized, you must first submit claims up to the maximum amount. A separate claim must be submitted with the PA number in order to receive reimbursement for the additional units. Please note that some recipients that you serve may have received services from other vendors which will be counted toward the monthly maximums.

Below is a reprint of information from previous articles reflecting the general billing requirements for disposable diapers and other disposable incontinence products.

### **Billing Requirements**

Disposable diapers are considered to be a non-covered service by NH Title XIX. However, under the provisions of the Early and Periodic Screening, Diagnosis, and Treatment Program (EPSDT), also known as the Child Health Assurance Program (CHAP), disposable diapers can be considered for coverage under the medical necessity provisions for children under age 21. You may bill NH Title XIX for this service without requesting prior authorization **if** the following requirements are met:

You must have a letter of medical necessity (a prescription is not sufficient) on file, signed by a physician, physician assistant, or ARNP, which addresses the following and which supports the medical necessity of the disposable diapers:

- recipient diagnosis and whether a pre-existing or presenting conditions exists;
- medical need for the item prescribed;
- expected outcome and recommended timetable of the prescribed treatment;
- historical medical data, if applicable, of any treatment plans which may or may not have been successful to treat the current diagnosis;
- assurance that the prescribed service is the least restrictive, most cost effective service available to meet the child's needs;
- number of diapers required per day (limited to 6)
- the medical reason why reusable diapers cannot be used

Disposable diapers are **not** covered for children who would be in diapers regardless of medical condition (ages 0 to 3 years of age).

Disposable diapers are **not** covered for reasons of convenience (for example, if the parent does not own a washer and has to use the laundromat, or if the parent cannot keep up with washing cloth diapers).

Examples of medical necessity under which disposable diapers can be considered for coverage by NH Title XIX include (a) the situation in which a child attends school and the school will not allow cloth diapers due

to a threat of spread of a communicable disease, or (b) the child has tried cloth diapers in the past and has had an inability to use them for medical reasons.

Disposable diapers and other disposable incontinence products must be billed using the above procedure codes. The number of units billed must equal the number of items dispensed (e.g., 186 units, not 2 cases). This service is limited to 6 disposable diapers, 3 disposable liners, and 2 disposable underpads per day. The items are not interchangeable for purposes of staying within the limits. You may dispense and bill for no more than a month's supply at a time, which is a maximum of 186 disposable diapers. As always, these supplies should be billed at your usual and customary charge. The maximum amount which will be paid is noted above. Any billed service which does not meet the above criteria will be recouped by NH Title XIX.

If you have any questions about the contents of this notice, please contact the Communications Unit at 1-800-423-8303 (NH & VT only) or (603) 224-1747.