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HOME HEALTH BULLETIN

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The MO HealthNet Division (MHD) has developed the following policy regarding supplies. This policy will be effective for dates of service on and after June 1, 2015, per 13 CSR 70-90.010 of the Missouri Code of State Regulations. Providers may resubmit their claims for affected dates of service as necessary.

DEFINITION OF ROUTINE AND NON-ROUTINE MEDICAL SUPPLIES

Medical supplies are items that, due to their therapeutic or diagnostic characteristics, are essential in enabling Home Health Agency (HHA) personnel to conduct home visits or to carry out effectively the care the physician has ordered for the treatment or diagnosis of the patient's illness or injury. Medical supplies are classified as:

- **Routine** – medical supplies used in small quantities for patients during the usual course of most home visits; or
- **Non-routine** – medical supplies needed to treat a patient's specific illness or injury in accordance with the physician's plan of care and meet further conditions discussed in more detail below.

All HHAs are expected to separately identify in their accounting records the cost of medical supplies that are not routinely furnished in conjunction with patient care visits. The use of medical supplies should be identifiable to each individual patient.

The HHA is responsible for the routine medical supplies ordered by the physician and included in the plan of care and used while the patient is under a home health plan of care. Routine medical supplies must not be billed to MHD.

Parenteral and enteral nutrition, prosthetics, orthotics and supplies required for operation of medical equipment are not considered medical supplies for the purpose of this policy; therefore, are not required to be supplied by the HHA. However, specifically excluded from the term "orthotics and prosthetics" are medical supplies that include catheters, catheter supplies, ostomy bags and supplies related to ostomy care. These medical supplies should be furnished by an

HHA if such non-routine medical supplies are included in the plan of care and used by the nurse during the course of a visit.

MEDICAL SUPPLIES PURCHASED BY THE PATIENT PRIOR TO THE START OF CARE

A patient may use his or her own medical supplies as long as the supplies are part of the HHA's plan of care and clinically appropriate. The HHA is not required to duplicate the medical supplies if the patient elects to use his or her own supplies. However, if the patient prefers to have the HHA provide medical supplies that are included in the patient's home health plan of care, then the HHA **must** provide the medical supplies. The HHA may not bill MO HealthNet for non-routine medical supplies not provided to the patient by the HHA.

Given the possibility of subsequent misunderstandings arising between the HHA and the patient on this issue, the HHA should clearly document the patient's decision to decline HHA furnished medical supplies and use their own resources.

ROUTINE MEDICAL SUPPLIES (NOT BILLABLE)

Routine medical supplies are customarily used in small quantities during the course of most home care visits. They are usually included in the staff's supplies and not designated for a specific patient. These medical supplies are included in the cost per visit of home health care services and are not separately reimbursed. Routine medical supplies would not include those that are specifically ordered by the physician or are essential to HHA personnel in order to effectuate the plan of care.

Examples of medical supplies which are **usually** considered routine and therefore not billable include, but are not limited to:

A. Dressings and Skin Care

- Swabs, alcohol preps, and skin prep pads;
- Tape removal pads;
- Cotton balls;
- Adhesive and paper tape;
- Non-sterile applicators; and
- Non-sterile 4 x 4's.

B. Infection Control Protection

- Non-sterile gloves;
- Aprons;
- Masks; and
- Gowns.

C. Incontinence Supplies

- Incontinence briefs and Chux covered in the normal course of a visit. For example, if a home health aide in the course of a bathing visit determines the patient requires an incontinence brief change, the incontinence brief in this example would be covered as a routine medical supply.

D. Other

- Thermometers;
- Tongue depressors; and
- Specimen containers.

Note: There are occasions when the above medical supplies would be considered non-routine and thus would be considered billable. For example, if they are required in large quantities, for recurring need, and are included in the physician-approved plan of care. Examples include, but are not limited to: tape and 4x4s for dressings.

NON-ROUTINE MEDICAL SUPPLIES (BILLABLE)

Billable non-routine medical supplies are identified by the following terms:

1. The HHA follows a consistent charging practice for MHD, Medicare and other patients receiving the item;
2. The item is directly identifiable to an individual patient;
3. The cost of the item can be identified and accumulated in a separate cost center; and
4. The item is furnished at the direction of the patient's physician and is specifically identified in the plan of care.

All non-routine medical supplies must be specifically ordered by the physician. **-Or-** The physician's order for services must require the use of the specific non-routine medical supplies in order to effectively furnish the services.

The charge for non-routine medical supplies is excluded from the per visit costs.

Examples of medical supplies that can be considered non-routine include, but are not limited to:

A. Dressings/Wound Care

- Sterile dressings;
- Sterile gauze and toppers;
- Kling and Kerlix rolls;
- Telfa pads;
- Eye pads;
- Sterile solutions, ointments;
- Sterile applicators; and
- Sterile gloves.

B. Intravenous Supplies

- Dressing change kit;
- Extension set;
- Administration set;
- Statlock;
- Saline flush;
- Clave micro connector;
- Huber needles;
- Central line dressing;
- Dial-a-flow/stat master or other flow monitor manager; and
- IV tubing.

C. Ostomy Supplies**D. Catheters and Catheter Supplies**

- Foley catheters; and
- Drainage bags, irrigation trays.

E. Enemas and Douches**F. Syringes and Needles****G. Home Testing**

- Blood glucose monitoring strips;
- Urine monitoring strips; and
- PT/INR test strips.

OTHER BILLABLE MEDICAL SUPPLIES

Other items that are often used by persons who are not ill or injured will be considered medical supplies only where:

- The item is recognized as having the capacity to serve a therapeutic or diagnostic purpose in a specific situation; and
- The item is required as a part of the actual physician-prescribed plan of care for a patient's existing illness or injury.

For example, items that generally serve a routine hygienic purpose, e.g., soaps, shampoo, and items that generally serve as skin conditioners, such as lotions, baby oil, skin softeners, and powders are not considered medical supplies unless the particular item is recognized as serving a specific therapeutic purpose in the physician's prescribed plan of care for the patient's existing skin (scalp) disease or injury.

Limited amounts of medical supplies may be left in the home between visits where repeated applications are required and rendered by the patient or other caregivers. These items must be part of the plan of care in which the home health staff is actively involved. For example, the patient's family has been taught how to change the wound dressings daily, but the nurse visits only twice a week to observe and measure the wound for healing or signs and symptoms of infections. The wound dressings/irrigation solution may be left in the home between visits.

Medical supplies such as needles, syringes, and catheters that require administration by a nurse should not be left in the home between visits. If the medical supplies do not require administration by a nurse, the items can be left in the home between visits.

REIMBURSEMENT OF MEDICAL SUPPLIES

MHD's maximum reimbursement for medical supplies is the lower of the provider's billed charges or the medical supply cost. The medical supply cost is defined as the invoiced acquisition cost of the supply, multiplied by 2 which cover the cost of the overhead (including taxes and shipping). The invoiced acquisition cost is defined as the amount shown on the invoice received for purchase of the medical supply. This amount must include any reduction in cost the provider receives (i.e., discounts, allowances) and does not include shipping or sales tax. The overhead percentage may be reviewed annually by MHD to determine if adjustments are needed.

The state may obtain cost data from the most current Medicare home health cost reports (both freestanding and hospital-based) from an industry accepted source. The data will be used to assess any changes in the relationship and/or amount of indirect/overhead costs to the direct costs for home health. Indirect/overhead costs include both administrative and capital costs. If the indirect/overhead cost factor increases or decreases in relation to direct costs, the state may adjust the indirect/overhead cost factor to reflect the HHA's change in indirect/overhead cost.

DOCUMENTATION OF MEDICAL SUPPLIES

All medical supplies provided to a participant and reimbursed by MHD must be adequately documented in the HHA's participant medical record as indicated in Section 2.3.A of the Home Health Provider Manual.

DOCUMENTATION OF NON-ROUTINE (BILLABLE) MEDICAL SUPPLY CHARGES

The HHA must maintain adequate documentation of all non-routine medical supply costs. Adequate documentation means the amount of reimbursement received by a provider can be readily discerned and verified with reasonable certainty. Costs (i.e. an invoice) for medical supplies are not required to be documented in the individual participant medical record. The HHA may maintain a separate file of appropriate invoices for audit purposes. The documentation in the HHA's participant medical record must then clearly identify the product or supply that matches to an invoice. The following is an example of how an HHA may maintain adequate documentation of non-routine medical supply charges:

1. The HHA maintains a file of the most current invoices for each non-routine medical supply effective the first day of the HHA's fiscal year.
2. The HHA produces a list of all non-routine medical supplies used by their agency and the most current invoice of cost effective the first day of the HHA's fiscal year.
3. The HHA updates the file of invoices and the list indicated in numbers 1 and 2 above annually for the new fiscal year.

Should the HHA be required to add a new non-routine medical supply during the course of a fiscal year, the invoice for the new non-routine medical supply should be added to the file, and the non-routine supply list updated including an effective date.

Provider Bulletins are available on the MO HealthNet Division (MHD) (Formerly the Division of Medical Services) Web site at <http://dss.mo.gov/mhd/providers/pages/bulletins.htm>. Bulletins will remain on the Provider Bulletins page only until incorporated into the [provider manuals](#) as appropriate, then moved to the Archived Bulletin page.

MO HealthNet News: Providers and other interested parties are urged to go to the MHD Web site at <http://dss.mo.gov/mhd/global/pages/mednewssubscribe.htm> to subscribe to the electronic mailing list to receive automatic notifications of provider bulletins, provider manual updates, and other official MO HealthNet communications via E-mail.

MO HealthNet Managed Care: The information contained in this bulletin applies to coverage for:

- MO HealthNet Fee-for-Service
- Services not included in MO HealthNet Managed Care

Questions regarding MO HealthNet Managed Care benefits should be directed to the patient's MO HealthNet Managed Care health plan. Before delivering a service, please check the patient's eligibility status by swiping the MO HealthNet card or by calling the Provider Communications Interactive Voice Response (IVR) System at 573-751-2896 and using Option One for the red or white card.

Provider Communications Hotline
573-751-2896