SECTION II - PROSTHETICS
CONTENTS

212.212 (DME) Specialized Rehabilitative Equipment, Two (2) Years of Age and Older 1-1-23

Arkansas Medicaid covers specialized rehabilitative equipment for Medicaid-eligible beneficiaries two (2) years of age and older.

Some items of specialized equipment require prior authorization from DHS or its designated vendor. **View or print form DMS-679A and instructions for completion.** **View or print contact information for how to submit the request**.

212.213 (DME) Specialized Wheelchairs and Wheelchair Seating Systems for Individuals Two (2) Years of Age and Older 1-1-23

Arkansas Medicaid covers specialized wheelchairs and wheelchair seating systems for individuals two (2) years of age and older.

Some items of specialized equipment require prior authorization from DHS or its designated vendor. **View or print form DMS-679 and instructions for completion.** **View or print contact information for how to submit the request**.

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye, or by an optometrist (Continued)

c. Prosthetic Devices (continued)

(6) Orthotic Appliances and Prosthetic Devices

Reimbursement is based on the lesser of the amount billed or the Title XIX (Medicaid) maximum charge allowed. State developed fee schedule rates are the same for both public and private providers of orthotic appliances and prosthetic devices.

Effective for dates of service occurring on and after September 1, 2006, reimbursement rate maximums for Medicaid covered orthotic appliances and prosthetic devises are based on one hundred percent (100%) of the 2006 DMEPOS Medicare rates.

For the following procedure codes not reflecting a rate on the 2006 DMEPOS Medicare fee schedule, reimbursement rate maximums for dates of service occurring September 1, 2006, and after, will be based on one hundred percent (100%) of the 2006 Arkansas Blue Cross/Blue Shield rate:

A5510 = $30.28, L0452 = $263.81, L3202 = $51.21, L3204 = $50.12, L3206 = $51.93, L3207 = $52.67, L3208 = $28.58, L3209 = $39.53, L3211 = $42.11, L3215 = $93.94, L3216 = $113.29, L3219 = $105.26, L3221 = $126.00, L3222 = $139.22, L3230 = $163.33, L3250 = $331.47, L3253 = $44.64, L3257 = $32.95, L3265 = $20.54, L3902 = $1,980.19, L4205 = $35.00, L4210 = $28.27, L7500 = $67.55, L7520 = $15.00

Effective for dates of service on or after January 1, 2023, reimbursement rate maximums for orthotic appliances and prosthetic devices will be set at ninety percent (90%) of the January 1, 2022 Medicare non-rural rate for the State of Arkansas. For orthotic and prosthetic codes not listed on the Medicare fee schedule, reimbursement rate maximums for dates of service on or after January 1, 2023, will be set at eighty percent (80%) of the January 1, 2022, Arkansas Blue Cross/Blue Shield rate. For orthotic and prosthetic codes not listed on the Medicare fee schedule or the Arkansas Blue Cross/Blue Shield fee schedule, the reimbursement rate will be calculated using the manufacturer's invoice price plus ten percent (10%).

All rates are published on the agency's website Fee Schedules - Arkansas Department of Human Services **. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers.**

Please provide their position (for or against) if known. Unknown

FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Human Services

DIVISION Medical Services

PERSON COMPLETING THIS STATEMENT Jason Callan

TELEPHONE 501-320-6540 **FAX** _____ **EMAIL:** Jason.Callan@dhs.arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Prosthetics Rate Review – State Plan Amendment (SPA) and Prosthetics Provider Manual

1. Does this proposed, amended, or repealed rule have a financial impact? Yes ☒ No ☐

2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule? Yes ☒ No ☐

3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes ☒ No ☐

   If an agency is proposing a more costly rule, please state the following:

   (a) How the additional benefits of the more costly rule justify its additional cost;

   _____

   (b) The reason for adoption of the more costly rule;

   _____

   (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and;

   _____

   (d) Whether the reason is within the scope of the agency's statutory authority; and if so, please explain.

   _____

4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:

   (a) What is the cost to implement the federal rule or regulation?

Current Fiscal Year		**Next Fiscal Year**	
General Revenue	_____	General Revenue	_____
Federal Funds	_____	Federal Funds	_____
Cash Funds	_____	Cash Funds	_____
Special Revenue	_____	Special Revenue	_____

Other (Identify)		Other (Identify)	
Total		Total	

(b) What is the additional cost of the state rule?

Current Fiscal Year		**Next Fiscal Year**	
General Revenue	$350,493	General Revenue	$700,986
Federal Funds	$884,507	Federal Funds	$1,769,014
Cash Funds		Cash Funds	
Special Revenue		Special Revenue	
Other (Identify)		Other (Identify)	
Total	$1,235,000	Total	$2,470,000

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year
$

Next Fiscal Year
$

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6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year
$ 350,493

Next Fiscal Year
$ 700,986

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7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars ($100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes ☒ No ☐

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously with the financial impact statement and shall include, without limitation, the following:

(1) a statement of the rule's basis and purpose;

The purpose of the revisions to the Prosthetics Provider Manual and the State Plan Amendment (SPA) is to improve alignment of Prosthetic/Orthotic supplies with current Medicare codes and rates for reimbursement. The changes will allow an update of rates and align with Medicare codes to assist and improve Medicare crossover billing.

(2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute**;**

Current procedure code and rate review were requested by the Division of Medical Services (DMS). The review reflected outdated procedure codes and rates for reimbursement. The purpose of the revisions to the Prosthetics Provider Manual and the State Plan Amendment (SPA) is to improve alignment of Prosthetic/Orthotic supplies with current Medicare codes and rates for reimbursement.

(3) a description of the factual evidence that:

(a) justifies the agency's need for the proposed rule; and

(b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;

Current procedure code and rate review were requested by the Division of Medical Services (DMS). The review reflected outdated procedure codes and rates for reimbursement. The purpose of the revisions to the Prosthetics Provider Manual and the State Plan Amendment (SPA) is to improve alignment of Prosthetic/Orthotic supplies with current Medicare codes and rates for reimbursement. Medicaid will reimburse ninety (90) percent of the current Arkansas Medicare non-rural rate. A rural rate will not be applied. Codes that do not have a Medicare comparable code or rate will be reimbursed at eighty (80) percent of the Arkansas Blue Cross/Blue Shield (BCBS) rate unless manual pricing is otherwise documented using the provider invoice. The changes will allow an update of rates and align with Medicare codes to assist and improve Medicare crossover billing.

(4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

There are no less costly alternatives.

(5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;

N/A

(6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and

N/A

(7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:

(a) the rule is achieving the statutory objectives;

(b) the benefits of the rule continue to justify its costs; and

(c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

The Agency monitors State and Federal rules and policies for opportunities to reduce and control costs.