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8.324.8 PROSTHETICS AND ORTHOTICS

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TITLE 8 SOCIAL SERVICES
CHAPTER 324 ADJUNCT SERVICES
PART 8 PROSTHETICS AND ORTHOTICS

8.324.8.1 ISSUING AGENCY: New Mexico Human Services Department.
[2/1/95; 8.324.8.1 NMAC - Rn, 8 NMAC 4.MAD.000.1, 7/1/04]

8.324.8.2 SCOPE: The rule applies to the general public.
[2/1/95; 8.324.8.2 NMAC - Rn, 8 NMAC 4.MAD.000.2, 7/1/04]

8.324.8.3 STATUTORY AUTHORITY: The New Mexico medicaid program is administered pursuant to regulations promulgated by the federal department of health and human services under Title XIX of the Social Security Act, as amended and by the state human services department pursuant to state statute. See Section 27-2-12 et seq. NMSA 1978 (Repl. Pamp. 1991).
[2/1/95; 8.324.8.3 NMAC - Rn, 8 NMAC 4.MAD.000.3, 7/1/04]

8.324.8.4 DURATION: Permanent
[2/1/95; 8.324.8.4 NMAC - Rn, 8 NMAC 4.MAD.000.4, 7/1/04]

8.324.8.5 EFFECTIVE DATE: February 1, 1995, unless a later date is cited at the end of a section.
[2/1/95; 8.324.8.5 NMAC - Rn, 8 NMAC 4.MAD.000.5, 7/1/04; A, 7/1/05]

8.324.8.6 OBJECTIVE: The objective of these regulations is to provide policies for the service portion of the New Mexico medicaid program. These policies describe eligible providers, covered services, noncovered services, utilization review, and provider reimbursement.
[2/1/95; 8.324.8.6 NMAC - Rn, 8 NMAC 4.MAD.000.6, 7/1/04]

8.324.8.7 DEFINITIONS: [RESERVED]

8.324.8.8 MISSION STATEMENT: The mission of the New Mexico medical assistance division (MAD) is to maximize the health status of medicaid-eligible individuals by furnishing payment for quality health services at levels comparable to private health plans.
[2/1/95; 8.324.8.8 NMAC - Rn, 8 NMAC 4.MAD.002, 7/1/04]

8.324.8.9 PROSTHETICS AND ORTHOTICS: The New Mexico medicaid program (medicaid) pays for medically necessary health services furnished to eligible recipients, including covered prosthetic and orthotic services [42 CFR Section 440.120(c)]. This section describes eligible providers, covered services, service limitations, and general reimbursement methodology.
[2/1/95; 8.324.8.9 NMAC - Rn, 8 NMAC 4.MAD.757, 7/1/04]

8.324.8.10 ELIGIBLE PROVIDERS: Upon approval of New Mexico medical assistance program provider participation agreements by the New Mexico medical assistance division (MAD), suppliers of prosthetics and orthotics are eligible to be reimbursed for services furnished to medicaid recipients. Once enrolled, providers receive a packet of information, including medicaid program policies, billing instructions, utilization review instructions and other pertinent material from MAD. Providers are responsible for ensuring that they have received these materials and for updating them as new materials are received from MAD.
[2/1/95; 8.324.8.10 NMAC - Rn, 8 NMAC 4.MAD.757.1, 7/1/04]

8.324.8.11 PROVIDER RESPONSIBILITIES: Providers who furnish services to medicaid recipients must comply with all specified medicaid participation requirements. See 8.302.1 NMAC, *General Provider Policies*. Providers must verify that individuals are eligible for medicaid at the time services are furnished and determine if medicaid recipients have other health insurance. Providers must maintain records that are sufficient to fully disclose the extent and nature of the services furnished to recipients. See 8.302.1 NMAC, *General Provider Policies*
[2/1/95; 8.324.8.11 NMAC - Rn, 8 NMAC 4.MAD.757.2 & A, 7/1/04]

8.324.8.12 COVERED SERVICES AND SERVICE LIMITATIONS: Medicaid covers medically necessary prosthetics and orthotics supplied by providers only when specified requirements or conditions are satisfied. Prosthetic devices are replacements or substitutes for a body part or organ, such as an artificial limb or an eye prosthesis. Orthotic devices support or brace the body, such as trusses, compression custom-fabricated stockings and braces. **Conditions of coverage:** Medicaid covers prosthetics and orthotics only when all the following conditions are met:

A. the device has been ordered by a physician or other licensed practitioner and is medically necessary for recipient mobility, support or physical functioning;

B. the need for the device is not satisfied by the existing device the recipient currently has;

C. the device is covered by medicaid and any required prior approval requirements have been satisfied;

D. coverage of compression stockings for adults is limited to stockings that are custom-fabricated to meet the recipient's medical needs;

E. coverage of orthopedic shoes for adults is limited to the shoe that is attached to a leg brace;

F. replacement of items is limited to one item every three years, unless there are changes in medical necessity; and

G. therapeutic shoes furnished to diabetics limited to one of the following within one calendar year:

(1) no more than one pair of custom-molded shoes (including inserts provided with such shoes) and two additional pairs of inserts; and

(2) no more than one pair of depth shoes and three pairs of inserts (not including the non-customized removable inserts provided with such shoes).

[2/1/95; 3/1/99; 8.324.8.12 NMAC - Rn, 8 NMAC 4.MAD.757.3 & A, 7/1/04; A, 7/1/05]

8.324.8.13 NONCOVERED SERVICES: Prosthetic and orthotic services are subject to the limitations and coverage restrictions that exist for other medicaid services. See 8.301.3 NMAC, *General Noncovered Services* [MAD-602]. In addition to the services identified in 8.301.3 NMAC [MAD-602], *General Noncovered Services*, the following services are not covered:

A. orthotic supports for the arch or other supportive devices for the foot, unless they are integral parts of a leg brace or therapeutic shoes furnished to diabetics;

B. prosthetic devices or implants that are used primarily for cosmetic purposes.

[2/1/95; 3/1/99 8.324.8.13 NMAC - Rn, 8 NMAC 4.MAD.757.4 & A, 7/1/04; A, 7/1/05]

8.324.8.14 PRIOR AUTHORIZATION AND UTILIZATION REVIEW: All medicaid services are subject to utilization review for medical necessity and program compliance. Reviews can be performed before services are furnished, after services are furnished and before payment is made, or after payment is made. See 8.302.5 NMAC, *Prior Authorization and Utilization Review*. Once enrolled, providers receive instructions and documentation forms necessary for prior approval and claims processing.

A. **Prior authorization:** All prosthetic devices require prior authorization from MAD or its designee. The only exception to the prior authorization requirement is for prosthetic limbs attached immediately following surgery for traumatic injuries while the recipient is a hospital inpatient. Prior authorization is required for orthotic devices for the foot or for shoes. Services for which prior authorization was obtained remain subject to utilization review at any point in the payment process.

B. **Eligibility determination:** Prior authorization of services does not guarantee that individuals are eligible for medicaid. Providers must verify that individuals are eligible for medicaid at the time services are furnished and determine if medicaid recipients have other health insurance.

C. **Reconsideration:** Providers who disagree with prior authorization request denials or other review decisions can request a re-review and a reconsideration. See 8.350.2 NMAC, *Reconsideration of Utilization Review Decisions*, [MAD-953].

[2/1/95; 8.324.8.14 NMAC - Rn, 8 NMAC 4.MAD.757.5 & A, 7/1/04]

8.324.8.15 REIMBURSEMENT:

A. Prosthetic and orthotic service providers must submit claims for reimbursement on the HCFA-1500 claim form or its successor. See 8.302.2 NMAC, *Billing for Medicaid Services*. Once enrolled, providers receive instructions on documentation, billing and claims processing. Reimbursement to providers is made at the lesser of the following:

(1) the provider's billed charge; or

(2) the MAD fee schedule for the specific service or item.

B. The provider's billed charge must be their usual and customary charge for services.

C. "Usual and customary charge" refers to the amount that the individual provider charges the general public in the majority of cases for a specific item or service.

D. Reimbursement for repairs made by the provider is made at the actual repair cost plus fifty percent (50%). Repairs made by the manufacturer are reimbursed to the provider at the actual manufacturer's repair cost plus a handling fee of twenty dollars ($20.00). If complications in securing the manufacturer's repair cause the provider to incur handling costs exceeding the predetermined amount established by MAD, the billing provider can be reimbursed for actual handling costs incurred if these actual costs are adequately documented.

E. Reimbursement for additional accessories and supplies is made at the lower of the actual cost of the supply or accessory or the fee established by MAD for the particular item.

[2/1/95; 8.324.8.15 NMAC - Rn, 8 NMAC 4.MAD.757.6 & A, 7/1/04]

8.324.8.16 REIMBURSEMENT LIMITATIONS:

A. **Reimbursement for adjustments, modification and fitting:** The amount billed for the item includes all minor attachments, adjustments, additions, modifications, fittings and other services necessary to make the device functional. These items cannot be billed separately.

(1) Medicaid does not cover an additional charge for a hospital visit or home visit if fittings or measurements take place away from the provider's office.

(2) If the place of service is outside the provider's city limits, mileage can be billed for travel to the place of service.

(3) A prosthetic or orthotic device for a recipient hospitalized in a diagnostic related group (DRG) reimbursed hospital is reimbursed by DRG methods described in 8.311.3 NMAC, *Methods and Standards for Establishing Payment Rates-Inpatient Hospital Services*.

B. **Date of service:** The date of service declared on a claim is the date when the device is supplied to the recipient, not the fitting date or measuring date.

C. **No specification of brand or quality:** When a physician requests an item and does not specify the brand or quality of the item to be dispensed, the item chosen must be of a quality and cost which adequately serves the purpose for which the device is required.

[2/1/95 8.324.8.16 NMAC - Rn, 8 NMAC 4.MAD.757.7 & A, 7/1/04]

HISTORY OF 8.324.8 NMAC: [RESERVED]