

1 AN ACT relating to durable medical equipment covered benefits and  
2 reimbursement under Medicaid.

3 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

4 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 205 IS CREATED TO  
5 READ AS FOLLOWS:

6 *(1) (a) As used in this section, "durable medical equipment" means equipment*  
7 *which:*

8 *1. Can withstand repeated use;*

9 *2. Is primarily and customarily used to serve a medical purpose;*

10 *3. Generally is not useful to a person in the absence of an illness or*  
11 *injury; and*

12 *4. Is appropriate for use in the home.*

13 *(b) As used in this section, "durable medical equipment" does not include:*

14 *1. Enteral nutrition;*

15 *2. Eye prosthetics;*

16 *3. Home infusion;*

17 *4. Orthotics;*

18 *5. Prosthetics; or*

19 *6. Automated external defibrillators under Healthcare Common Procedure*  
20 *Codes K0606 and E0617.*

21 *(2) The Department for Medicaid Services shall reimburse a supplier of durable*  
22 *medical equipment, prosthetics, orthotics, and supplies at no less than ninety*  
23 *percent (90%) of the state Medicaid program durable medical equipment fee*  
24 *schedule and shall require Medicaid managed care organizations to reimburse*  
25 *the same amount as the Department for Medicaid Services reimburses for the*  
26 *same service or item of durable medical equipment, prosthetics, orthotics, and*  
27 *supplies. This subsection shall apply to those healthcare codes and services*

- 1 included in Section 1903(i)(27) of Title XIX of the Social Security Act.
- 2 (3) The department shall require Medicaid managed care organizations to reimburse  
3 suppliers of durable medical equipment, prosthetics, orthotics, and supplies for  
4 manually priced items in the Medicaid program durable medical equipment fee  
5 schedule at the manufacturer's suggested retail price minus eighteen percent  
6 (18%) pricing where there is a manufacturer's suggested retail price, and at  
7 invoice price plus twenty percent (20%) for miscellaneous Healthcare Common  
8 Procedure Coding System codes where there is no manufacturer's suggested  
9 retail price.
- 10 (4) The department shall require Medicaid managed care organizations to cover, at a  
11 minimum, the same Healthcare Common Procedure Coding System codes and  
12 the same quantities of medical supplies, equipment, or services as are established  
13 on the Kentucky Medicaid program durable medical equipment fee schedule or  
14 Kentucky Medicaid medical policy.
- 15 (5) The department shall ensure that the allowable timeframe for claim submissions  
16 by suppliers of durable medical equipment, prosthetics, orthotics, and supplies  
17 shall equal the timeframe allowed for any discrepancy during the Medicaid  
18 managed care organization audit or recoupment process for that claim.
- 19 (6) The reimbursement for suppliers of durable medical equipment established  
20 pursuant to this section shall only be available to a durable medical equipment  
21 supplier who is an in-network provider of the beneficiary's Medicaid managed  
22 care organization.