



Date: 11/8/06

Medi-Cal

Provider Notice: #0070

Subject: MSRP Documentation Date Change for 'By Report' DME (Non-Wheelchair)

Durable Medical Equipment (DME) providers billing for items reimbursed "By Report" were previously required to submit documentation with their claims including Manufacturers' Suggested Retail Price (MSRP) published prior to 8/1/03. Effective for dates of service on or after 9/1/06, changes in *Welfare and Institutions Code* (W & I Code), Section 14105.48, revised the published date of the MSRP documentation to be prior to 6/1/06.

The MSRP may be documented with a hard copy catalog page or a hard copy of an electronic catalog page.

I. Reimbursement Methodology

Reimbursement for all DME with no specified maximum allowable rate ("By Report"), except wheelchairs and wheelchair accessories, is the least of the following:

- The amount billed pursuant to CCR, Title 22, Section 51008.1
- 80% of the MSRP. For dates of service on or after 9/1/06, MSRP must be an amount that was published by the manufacturer prior to 6/1/06. If the item was not available prior to 6/1/06, the date of availability must be documented in the *Reserved For Local Use* field (Box 19) of the claim and the catalog page that initially published the item and the MSRP must be attached. For dates of service prior to 9/1/06, the MSRP must be published prior to 8/1/03.
- The manufacturer's purchase invoice amount, plus a 67% markup.

II. Documentation Requirements

- Non-wheelchair DME codes billed with no specified maximum allowable rate ("By Report") require the following information:
- For dates of service on or after 9/1/06, the manufacturer's purchase invoice and the MSRP (a catalog page) published prior to 6/1/06. For dates of services prior

to 9/1/06, the MSRP must be published prior to 8/1/03. (If the item was not available prior to 6/1/06, attach a manufacturer's purchase invoice and the catalog page that initially published the item and the MSRP, and complete the *Reserved For Local Use* field (Box 19) with the date of availability.)

- Item description
- Manufacturer name
- Model number
- Catalog number
- The reason a listed code was not used.

III. Documentation Requirements for Provider/Manufacturer

Providers who are also manufacturers of DME items need only submit the MSRP with claims for items they manufacture. For dates of service on or after 9/1/06, the MSRP must be an amount that was published by the manufacturer prior to 6/1/06. For dates of service prior to 9/1/06, the MSRP must be published prior to 8/1/03. If the item was not available prior to these dates, providers must submit the:

- Date of availability in the *Reserved For Local Use* field (Box 19) of the *CMS 1500* claim form.
- Catalog page that initially published the item
- MSRP