

DME Manually Priced Items

There has been some confusion related to the recent change in manual pricing procedures implemented February 1, 2005. This is a clarification for DME providers who are billing for items that do not have a fee listed on the DME Fee Schedule.

- Items for which there is a fee listed on the Mississippi Medicaid DME Fee Schedule, posted at www.dom.state.ms.us, are paid at the lesser of charge or the fee on file. These fees are set at 80% of the Medicare fee in accordance with the Mississippi State Plan.
- Items that do not have a fee listed on the Mississippi Medicaid DME Fee Schedule will be manually priced. Pricing will be determined through the prior authorization process by HealthSystems of Mississippi based on information presented by the DME provider.
- When requesting manually priced items, the provider must indicate the name of the product, the product number, and the name of the manufacturer. Price lists, computer printouts, and catalog pages are not acceptable for MSRP or invoice requests.
- DME, medical supply, prosthetic, and orthotic items that are purchased and must be manually priced will be paid at the lesser of the charges or the Manufacturer's Suggested Retail Price (MSRP) for the item minus 20%. The provider must submit the MSRP on official manufacturer's letterhead to HSM, and this document must specifically state this is the Manufacturer's Suggested Retail Price (MSRP).
- Items that do not have a fee or MSRP will be reimbursed at the lesser of the charges or cost plus 20%. The provider must attach a copy of a current invoice indicating the cost to the provider for the item dispensed and a statement that there is no MSRP available for the item. If the provider purchases from the manufacturer, a manufacturer's invoice must be provided. If the provider purchases from a distributor (not directly from the manufacturer), the invoice from the distributor must be provided. Quotes are not acceptable as an invoice. Pro-rated shipping charges to the provider can be itemized on the request as detailed in the Provider Policy Manual, Section 10.02.

These procedures apply regardless of whether the provider is also the manufacturer, or the provider is purchasing from a manufacturer or from a distributor/supplier. It is the responsibility of the provider to clearly note whether a charge is the MSRP or cost so that HSM can price accordingly. Providers are entirely responsible for submitting correct documentation and requesting appropriate manual pricing of MSRP or cost. Providers should be able to produce documentation to show the charges can be substantiated if audited.

X MEDICAL

1334 Anywhere Street
 Anywhere, MS 13456
 Phone [509.555.0190] Fax [509.555.0191]

INVOICE

INVOICE #[100]
 DATE: MARCH 11, 2005

BILL TO:

Jane Doe
 Doe Medical Equipment
 567 Cane Street
 Anywhere, MS 15789
 000-123-4567

SHIP TO:

Jane Doe
 Doe Medical Equipment
 567 Cane Street
 Anywhere, MS 15789
 000-123-4567

ORDERED BY MS. JANE DOE

Example

ITEM NUMBER	DESCRIPTION	QUANTITY	UNIT PRICE	TOTAL (EXTENDED) PRICE
CMS CS016	SYRINGE-60CC-30 PER CASE	10	\$6.88/CASE	\$68.80
BTU2201	Oversized walker	2	\$100.00/EACH	\$200.00
IBF310	Diapers – Medium – 72 per case	8	\$35.47/CASE	\$283.76
LSC999999	SYRINGE, INSULIN – 100 PER BOX	20	\$7.85/BOX	\$157.00
SUBTOTAL				709.56
SALES TAX				49.67
SHIPPING & HANDLING				72.33
TOTAL DUE				781.33

PLEASE REMIT TO: X MEDICAL, 1334 Anywhere Street, Anywhere, MS 13456

Make all checks payable to X MEDICAL

If you have any questions concerning this invoice, contact CHARLIE BROWN @ 509-555-0190.

Thank you for your business!

MNO Corporation

1234 Invoice Drive
Anywhere, MS 12345
USA

Tele (800) 123-4567
Fax (800) 234-0000

XYZ MEDICAL COMPANY

Date of Letter

Dear Mr. Doe,

The following are the Manufacturer's Suggested Retail prices (MSRP) for the items you inquired about:

<u>Product</u>	<u>Product Number</u>	<u>Price</u>
Extension Set	12345678	\$50.00 per box – 5 per box
IV Pump tubing	3456789	\$100.00 per case – 20 per case

Please let me know if you need any additional information.

Sincerely,

Charlie Brown
Customer Service Supervisor
123-456-7890 (phone)

Example