

APA-1

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control No: 560 Department or Agency: Alabama Medicaid Agency

Rule No: 560-X-13-.17

Rule Title: Wheelchairs

_____ New Rule; X Amend; _____ Repeal; _____ Adoption by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? _____ no

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? _____ yes

Is there another, less restrictive method of regulation available that could adequately protect the public? _____ no

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? _____ no

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? _____ no

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? _____ yes

Does the proposed rule have any economic impact? _____ yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer: Stephanie Lindsay

Date: 4-20-2017

ALABAMA MEDICAID AGENCY

NOTICE OF INTENDED ACTION

RULE NO. & TITLE: 560-X-13-.17 - Wheelchairs

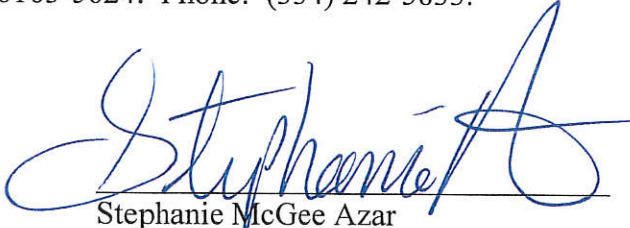
INTENDED ACTION: Amend 560-X-13-.17 (3)(a) and (d)

SUBSTANCE OF PROPOSED ACTION: The above referenced rule is being amended to allow wheelchairs for children to be replaced every five years instead of every seven years based on medical necessity.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Written or oral comments may be submitted to the Alabama Medicaid Agency, 501 Dexter Avenue, Post Office Box 5624, Montgomery, Alabama 36103-5624. Agency business hours are 8:00 a.m. to 5:00 p.m. Monday through Friday.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: Written/Oral comments concerning this change must be received by the Alabama Medicaid Agency no later than June 2, 2017.

CONTACT PERSON AT AGENCY: Stephanie Lindsay, Administrative Secretary, Alabama Medicaid Agency, 501 Dexter Avenue, Post Office Box 5624, Montgomery, Alabama 36103-5624. Phone: (334) 242-5833.


Stephanie McGee Azar
Commissioner

APA-6

ECONOMIC IMPACT STATEMENT

FOR APA RULE

(Section 41-22-23(f))

Control No. 560 Department or Agency Alabama Medicaid Agency

Rule No.: 560-X-13.17

Rule Title: Wheelchairs

New Amend Repeal Adopt by Reference

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:

Modifying benefit limitation for children ages 0-20 for wheelchairs: reverting from one wheelchair every 7 years back to one wheelchair every 5 years based on medical necessity and growth. Adults will remain at one wheelchair every 7 years under the benefit limitation.

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

The change could possibly cost the state an additional \$329k total (\$94k state dollars using FY18 match rate) annually.

3. EFFECT OF THIS RULE ON COMPETITION: *N/A*

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED: *N/A*

5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED: *N/A*

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE: *Medicaid budget*
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

The disabled child recipients of Alabama Medicaid will benefit from this change to allow increased access to medically necessary wheelchairs. As children grow at an increased rate (as compared to adults), and custom wheelchairs are medically necessary for many disabled children, this rule change will allow appropriate medical services to be provided to this fragile population. In addition, the change will assist providers of Medicaid with the administrative burden of requesting wheelchairs for children within the 5-7 year period. Lastly, the change may increase the Medicaid budget approximately \$94,000 annually (state dollars), but will decrease administrative and clinical team time spent on administrative reviews. Currently an average of 70% of all prior authorizations for wheelchairs for children (within the 5-7 year range of requests) are approved (this equates to 28-38 additional in-depth clinical reviews annually).

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON: *N/A*

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

The disabled child recipients of Alabama Medicaid will benefit from this change to allow increased access to medically necessary wheelchairs. As children grow at an increased rate, and custom wheelchairs are medically necessary for many disabled children, this rule change will allow appropriate medical services to be provided to this fragile population. In addition, the change will assist providers of Medicaid with the administrative burden of requesting wheelchairs for children within the 5-7 year period.

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED: *N/A*

**Additional pages may be used if needed.

Rule No. 560-X-13-.17 Wheelchairs

- (1) Wheelchairs are a covered benefit for patients who meet full Medicaid eligibility criteria and medical necessity. The patient must meet criteria applicable to wheelchairs pursuant to this chapter, and Chapter 14, DME, of the Medicaid Provider Manual.
- (2) All requests for wheelchairs are subject to the Medicaid prior approval provisions in accordance with Rule No. 560-X-13-.03 and any additional requirements in Chapter 14, DME, of the Medicaid Provider Manual.
- (3) Limitations and Exclusions
 - (a) Patients may be approved for one ~~power (manual or power/motorized)~~ wheelchair every five years for children ages 0-20 and every seven years for adults ages 21-99 based on medical necessity.
 - (b) Home, environmental and vehicle adaptations, equipment and modifications are not covered.
 - (c) Repairs or replacement of parts require prior authorization unless otherwise specified by Medicaid.
 - (d) Within the five year period for children ages 0-20 and seven year period of for adults ages 21-99, Medicaid will not repair or replace equipment that is lost, destroyed, or damaged as a result of misuse, neglect, loss or wrongful disposition or equipment by the recipient, the recipient's caregiver(s), or the provider. At a minimum, examples of equipment misuse, neglect, loss or wrongful disposition by the recipient, recipient's caregiver, or the provider include, but are not limited to the following:
 - (i) Loss of wheelchair or parts.
 - (ii) Selling or loaning wheelchair or parts.
 - (iii) Damage due to weather.
 - (iv) Failure to store the wheelchair in a secure and covered area when not in use.
 - (v) Use on public roadways where the speed limit is greater than 25 miles per hour.
 - (vi) Loss, destruction or damage caused by the malicious, intentional or negligent acts.
- (4) Patient Education
 - (a) Providers are responsible for patient education and documentation of appropriate usage of wheelchair. Patient education shall include, but not be limited to, proper storage, usage on or off public roadways, battery life, cleaning, warranty, etc.
 - (b) Documentation of patient education and understanding by both the servicing provider and the recipient or caregiver shall be kept in the patient file for the life of the wheelchair.
- (5) Reimbursement for wheelchair, except as outlined in this section for EPSDT-referred wheelchairs, will be made in accordance with the DME Fee Schedule located on the

Medicaid website.

(6) Reimbursement for EPSDT-referred Wheelchair Systems

- (a) All requests for EPSDT-referred wheelchairs are subject to the Medicaid prior approval provisions in accordance with Rule No. 560-X-13-.03 and the following additional provisions:
 - (i) If no Medicare price is available for EPSDT-referred wheelchair systems, the reimbursement rate is established based on a discount from Manufacturers Suggested Retail Price (MSRP) instead of a “cost-plus” basis.
 - (ii) Providers are required to submit MSRPs from three manufacturers for wheelchair systems (excluding seating system and add-on products) appropriate for the individual’s medical needs.
 - (iii) Requests submitted with less than three prices from different manufacturers must contain documentation supporting the appropriateness and reasonableness of equipment requested for a follow-up review by Medicaid staff or designee. Provider must document non-availability of required MSRPs to justify not sending in three prices.
- (b) The established rate will be based on the MSRP minus the following discounts:
 - (i) Manual wheelchair systems – 20% discount from MSRP
 - (ii) Power wheelchair system – 15% discount from MSRP
 - (iii) Ancillary (add-on) products:
 - 1. Electronic ancillary products – 15% discount from MSRP
 - 2. Non-electronic ancillary products – 20% discount from MSRP

Author: Keisha Hawkins, PDL Administrator, Clinical Services & Support

Authority: State Plan Attachment 4.19-A; 42 CFR, Section 440.70; Title XIX, Social Security Act.

History: New Rule: Emergency Rule filed and effective June 20, 2003. **Amended:** Filed July 21, 2003; effective October 24, 2003. **Amended:** Filed June 21, 2004; effective September 15, 2004. **Amended:** Filed July 20, 2005; effective October 14, 2005. **Amended:** Filed October 20, 2008; effective January 16, 2009. **Amended:** Filed January 21, 2009; effective April 17, 2009. **Amended:** Filed November 9, 2012; effective December 14, 2012. **Amended:** Filed November 18, 2015; effective February 25, 2016. **Amended:** Filed April 20, 2017.