



STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

DSS information regarding March 1 payment policy change in the area of complex rehabilitative technology

Thank you for contacting the Connecticut Department of Social Services regarding the Department's change in payment policies for certain medical equipment. We appreciate your interest in services and supports for those served by the Connecticut Medical Assistance Program.

Two providers of complex rehabilitative technology (CRT) have unilaterally terminated certain services to individuals who use wheelchairs and other technology. In terminating services, those providers are pointing to a policy action recently announced by the Department. Specifically, the vendors assert that the Department's policy to pay them their actual costs, plus a percentage, is an unfair payment methodology.

The challenge for the Department is that the vendors of complex technology have refused to provide information on their actual costs to provide these services.

In administering Connecticut's Medicaid program, we are required to comply with a variety of federal requirements, including 42 U.S.C. § 1396a(a)(30)(A), which mandates that payment for services be consistent with economy, efficiency, and access. It is impossible for us to determine provider rates that are both economic and which maintain member access to services without specific documented costs of all of the components necessary to provide services (such as the costs of equipment, supplies, repairs, labor, travel time, and other customization costs).

Since mid-2013, the Department has repeatedly asked the major suppliers of CRT for the actual, specific documented costs that they incur in providing CRT. The CRT vendors assert, and we believe correctly, that CRT requires a substantial amount of labor, travel, and other costs, in addition to the actual costs to manufacture an item. Despite repeated requests, however, the CRT vendors have refused to provide any documents to show actual costs. The vendors point to correspondence that suggests that the National Coalition for Assistive and Rehab Technology (NCART) have been transparent in sharing data; however, none of this correspondence included any actual cost documents. Instead, those materials contain only comparisons to other payers or general assertions, such as a vague description of CRT providers' overall distribution of costs that are too general and are not helpful.

The Department described this process in detail, as well as our position on a variety of topics regarding reimbursement for CRT services, in the report that we submitted to the Human Services Committee General Assembly in December 2014, pursuant to section 135 of Public Act 14-217.

Lacking the documentation of actual costs, the Department surveyed other states' Medicaid programs. The states that responded to our inquiry explained that they use actual acquisition

cost, plus a percentage for manually priced codes for complex rehabilitation technology. The CRT vendors reference details of the Massachusetts Medicaid reimbursement methodology for CRT. We acknowledge that there are differences between Connecticut Medicaid's overall reimbursement methodology and that of Massachusetts and any other state. We agree that such direct comparisons are impractical; however, without accurate cost data, we are left with estimates based upon other states' claims. Notably, the Department's new policy increased the percentage markup beyond the amounts used in Massachusetts.

As always, the Department welcomes additional documents to further refine those changes to make our payment policies as fair and accurate as possible, based on actual, documented costs. We are always willing to consider revisions to this and any other policy, based on specific documentation of actual costs in a variety of areas, such as products, repairs, labor, travel time, and other customization costs, to support a fair, economic, and efficient rate for each code.

The Department is disappointed to hear that the CRT vendors do not intend to provide certain services as specified in your correspondence. While, again, we welcome documented actual costs to show how specific reimbursement can be adjusted appropriately, we will work with our provider network to ensure that all Medicaid members receive necessary services.

Any member who is having difficulty arranging for a repair of existing equipment, or who needs to arrange for new equipment, should call the CHNCT member call center: 800-859-9889.

Thank you from the Department of Social Services. March 5, 2015