



DEPARTMENT OF SOCIAL SERVICES
DIVISION OF MEDICAL SERVICES
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July 26, 2018

RE: Waiver Durable Medical Equipment (DME) Services

Dear South Dakota Medicaid Provider:

South Dakota Department of Social Services, Division of Medical Services recently conducted a post payment review of Waiver DME Claims filed with this office. The results of the review require immediate attention.

This is an educational letter for Waiver DME Services:

- Items covered by Medicaid State Plan must be billed to state plan and include all elements as outlined in the *Professional Services Billing Manual, Chapter VI Durable Medical Equipment*.
- Items billed to Medicaid State Plan must include prescription, (Certificate of Medical Necessity (CMN), itemized receipt and receipt of delivery.
- A denial from South Dakota Medicaid is required to purchase DME through a Waiver Program. One of the following denials would satisfy this requirement: electronic remittance advice **N425 Statutorily excluded service(s)**; **N643 The services billed are considered not covered or non-covered (NC) in the applicable state fee schedule** **N182 This claim/service must be billed according to the schedule for this plan**. If you receive paper remittance advice the following errors reasons are applicable **Service not covered by Medicaid** or **Procedure/NDC not covered by Medicaid** or **Service limitation error for this procedure**.
- Please call the Telephone Service Unit at 1-800-452-7691 if you receive the following denials as these are situational in nature: electronic remittance **N661 Documentation does not support that the services rendered were medically necessary**; **N36 Claim must meet primary payer's processing requirements before we can consider payment**. If you receive paper remittance advice the following errors reasons are applicable **Denied by medical consultant not a covered service** or **Medicaid must deny, if Medicare has denied**.
- Some items may require a Prior Authorization, please be sure to follow the policies and procedures for this process. A denial for Prior Authorization is not an eligible reason to bill SD Waiver Services. For more information please refer to Prior Authorization Manual located on DSS website.

- Incontinence supplies must have an itemized receipt listing prices of each item and quantity or equivalent; these supplies do not require CMN or Prescription.
- Gloves must be billed to Medicaid State Plan using HCPC A4927.
- Supporting documentation does not need to be submitted with the claim, but must be maintained per retention of records.

If you have any questions regarding this letter, please feel free to contact me at the address or telephone number listed above. Thank you for your cooperation.

Sincerely,

Jennifer Lewis
Investigator
Surveillance & Utilization Review