



Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

MEMORANDUM

TO: DME/DMS Providers  
Oxygen and Related Respiratory Providers

FROM: Simone Cook, Chief   
Division of Community Support Services

DATE: October 1, 2009

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Effective October 1, 2009, Maryland Medicaid's reimbursement of disposable medical supplies and the purchase, rental and repair of durable medical equipment is as follows:

- I. For items which Medicare has established a rate:
  - a. Reimbursement for durable medical equipment and disposable medical supplies has been reduced from 100 percent of the Medicare purchase rate to 98 percent of the Medicare purchase rate; and
  - b. For medical equipment for which Medicare has established a capped rental rate, the purchase price shall be ten times the current Medicare monthly rental rate less 2 percent.
- II. For items which Medicare has not established a rate:
  - a. Disposable medical supplies (excluding incontinence supplies) at 98 percent of the provider's wholesale cost plus 40 percent; or
  - b. Disposable medical supplies (excluding incontinence supplies) at 98 percent of the manufacturer's suggested retail price minus 40 percent; and
  - c. Other durable medical equipment at the provider's choice of 98 percent of the manufacturer's suggested retail price minus 40 percent or 98 percent of the provider's wholesale cost plus 30 percent.

- III. Reimbursement for the monthly rental of covered services as follows:
- a. For items for which Medicare has established a capped rental rate, 98 percent of the current Medicare rental rate;
  - b. For items for which Medicare has established a purchase rate, 10 percent of the current Medicare purchase reimbursement rate, less 2 percent; and
  - c. For items for which Medicare has not established a rate, 10 percent of the purchase price, less 2 percent, as determined as determined in COMAR 10.09.12.07(F)
- IV. Reimbursement for repairs to purchased durable medical equipment as follows:
- a. 98 percent of the provider's wholesale cost plus 40 percent to the provider for all materials; or
  - b. 98 percent of the manufacturer's suggested retail price minus 30 percent.
  - c. Labor costs which shall be billed in quarter hour increments using the appropriate procedure code and be reimbursed the lesser of:
    - i. The supplier's usual and customary charge; or
    - ii. The reimbursement rate specified in the Medicaid Durable Medical Equipment Program's approved list of items.

Please note that there have been no changes with incontinence supplies. Reimbursement remains as specified in Medical Supply and Equipment Transmittal No. 64, dated May 13, 2009. Questions pertaining to this memo should be directed to the Division of Community Support Services at 410-767-1739.