



## Fiscal Estimate Narratives

DHS 12/6/2023

LRB Number	23-3883/1	Introduction Number	SB-0592	Estimate Type	Original
<b>Description</b> reimbursement under the Medical Assistance program for complex rehabilitation technology wheelchair repairs and accessories					

### Assumptions Used in Arriving at Fiscal Estimate

This bill requires the Department, for certain Healthcare Common Procedure Coding System (HCPCS or procedure) codes relating to complex rehabilitation technology (CRT) wheelchair repair and accessories, to apply reimbursement rates under the Medical Assistance program equivalent to the maximum fee paid in Wisconsin under the federal Medicare program, including fees under Medicare's Competitive Bidding Program, if applicable. Reimbursement rates for certain CRT (wheelchair accessories and seat back cushions) are considered exempt from Medicare's Competitive Bidding Program and so do not receive the same competitive pricing adjustment (rate reduction) as other unexempt rates. This bill refers to exempt fees as "fees under the KU modifier."

Federal requirements under Section 1903(i)(27) of the Social Security Act sets limits on reimbursements states may receive for certain DME items, including the CRT wheelchair repair and accessory services impacted by the provisions of this bill. Specifically, federal law requires that if any state's annual Medicaid spending for certain DME items, in total, is more than what Medicare would have paid (at its lowest price, including its Competitive Bidding Program), then the state must pay back to the Centers for Medicare and Medicaid Services federal matching funds for any amounts more than what Medicare would have paid. To avoid such federal financial penalties, Wisconsin's current Medicaid State Plan specifies that reimbursement rates for DME subject to the restrictions of § 1903(i)(27) must be equivalent to the lowest corresponding Medicare maximum fee (max fee) in Wisconsin as of January 1 each calendar year and updated on an annual basis, as needed. To determine the lowest corresponding Medicare max fee, the Department utilizes the Centers for Medicare & Medicaid Services DME fee schedule. Medicare rates vary by region within the state.

The Department publishes the Wisconsin Medicaid program's current rates for CRT wheelchair accessories and repair procedure codes in the 2023 DME index, which is available through the program's ForwardHealth web portal. Some CRT wheelchair repair and accessory procedure codes are not included in the DME index; instead, rates for individual claims are priced when submitted for prior authorization. As a result, these codes are not included in the fee schedule and would not be impacted by the provisions of this bill. For procedure codes not subject to Section 1903(i)(27) of the Social Security Act or codes for which Medicare does not have an assigned rate, reimbursement is set at one of the following: (1) the Wisconsin Medicaid fee schedule, (2) through a competitive bid contract rate, (3) set at 80% of the Manufacturer Suggested Retail Price (MSRP), or (4) set at the acquisition cost plus 20%.

Annualized costs under current policy for services estimated to be impacted by the provisions of this bill, including procedure codes exempt from competitive bidding pricing, are approximately \$3.51 million AF (\$1.41 million GPR and \$2.11 million FED). This figure uses calendar year 2022 CRT wheelchair accessories and repair utilization and applicable costs repriced to reflect the lowest Medicare max fee rates as of October 2023. This estimate assumes the intent of the bill is to apply the maximum Medicare fee to all possible procedure code and modifier combinations for wheelchair accessories and repair claims, including procedure codes exempt from competitive bidding pricing. It is estimated that total annualized expenditures for repriced CY22 claims under the provisions of this bill are approximately \$4.13 million AF (\$2.02 million GPR and \$2.11 million FED). The full net annualized increase in costs over current policy is approximately \$615,000 GPR. The fiscal effect is 100% GPR because Wisconsin rates in excess of the federal limitations noted above would not be available for federal Medicaid matching funds.

### Long-Range Fiscal Implications