



**STATE OF HAWAII**  
**DEPARTMENT OF HUMAN SERVICES**  
Med-QUEST Division  
Medical Standards Branch  
P. O. Box 700190  
Kapolei, Hawaii 96709-0190

January 11, 2002

TO: Physicians, Pharmacies and Providers of Durable Medical Equipment and Medical Supplies M02-01

FROM: Aileen Hiramatsu, Med-QUEST Division Administrator

SUBJECT: OSTOMY SUPPLIES

The Med-QUEST Division (MQD) has decided to modify its reimbursement procedures for ostomy products in order to ensure that Medicaid recipients who need ostomy products are able to obtain them from Hawaii Medicaid providers.

Thus, beginning on January 1, 2002, the Medicaid payment rates for ostomy products will be based on the July 2001 Medicare fee schedule. The July 2001 Medicare rates appear low for 5 items. Therefore, the MQD has decided to reimburse these items, when modified with a "-22," at a rate higher than Medicare.

In addition, the MQD has decided to increase the maximum units for items based on Medicare's maximums. Please understand that patients must receive only the quantity of the supplies they need and that generally, most patients do not need the maximum quantities of the various covered ostomy supplies. (A listing of Medicaid payment rates and maximum units is attached.)

Also, ostomy supplies must be requested on a physician's prescription. We encourage you to advise Medicaid recipients to obtain their ostomy supplies from one provider. In addition, MQD advises that providers of ostomy products obtain a patient certification statement, signed by the patient, attesting that he/she has not received ostomy products from other suppliers during the same period that he/she is asking for ostomy supplies from you. This certification is of special importance for patients new to the provider of ostomy products and will ensure that the provider will not be denied payment when the patient gives false information and receives more than the maximum supplies by using multiple ostomy providers. This certification should be kept in the ostomy provider's files. If the patient is known to the ostomy provider, the MQD expects that the provider will check its records to ensure that it has not provided more ostomy products than

the maximum without obtaining prior authorization. Attached is a copy of a memorandum addressed to patients explaining the need for certification and a certification form that can be used for this purpose. Please feel free to photocopy this form or to use a certification that you develop.

To expedite claims processing and eliminate some of the administrative work related to providing ostomy supplies, effective January 1, 2002, the MQD will remove all prior authorization requirements for ostomy supplies as long as the maximum units are not exceeded. If the maximum units are exceeded, prior authorization with justification for the units needs to be provided.

Finally, the MQD will reimburse \$5.00 a month to cover the mailing/handling costs for Oahu providers who mail ostomy products to patients on neighbor islands. Local code W9902 should be used for "handling, conveyance, and mailing of ostomy products from Oahu to a Medicaid recipient on a neighbor island." Only Oahu providers with no branch(es) on the neighbor island to which the item is mailed can be reimbursed for mailing/handling costs.

If you need clarification or have questions concerning these changes, please call Dr. Lynette Honbo, MQD's Medical Director, at 692-8106.

/s/

Aileen Hiramatsu  
Med-QUEST Division Administrator

Enclosures