

6. Agree to permit properly identified representatives of the New Jersey Medicaid program to:

- i. Inspect the original prescription or the Certificate of Medical Necessity (CMN) on file;
- ii. Audit records pertaining to costs of medical supplies and equipment provided to Medicaid recipients; and
- iii. Inspect private sector records, where deemed necessary, to comply with Federal regulations to determine a provider's usual and customary charge to the public.

10:59-1.4 Non-covered items or services

(a) The New Jersey Medicaid program does not cover medical supplies and durable medical equipment under the following conditions:

1. A particular item of DME is not covered when, in the opinion of the Division, the item is not considered cost-effective or safe and effective for the treatment of a recipient's medical condition;
2. Items available without charge through programs of other public or voluntary agencies (for example, New Jersey State Department of Health, Heart Association, American Cancer Society) are not covered.
3. Supplies which are administered or directly furnished by practitioners or by home health agencies as part of per visit reimbursement are not covered separately;
4. Medical supplies, routinely used DME and other therapeutic equipment/supplies essential to furnish the services offered by a facility for the care and treatment of its residents are considered part of the NF's per diem and therefore, not covered. Examples of this type of equipment and supplies include, but are not limited to, the following:

- i. Administration pumps;
- ii. Aspirators;
- iii. Canes;
- iv. Communication equipment (life-safety devices including alarms and apnea monitors);
- v. Crutches;
- vi. Enteral nutritional supplements and related supplies (including IV poles and enteral pumps);
- vii. Geri-chairs;
- viii. Hospital beds (including mattress and side rails);
- ix. IPPB machines;
- x. IV supplies and related equipment;
- xi. Lifts;

xii. Low end pressure relief systems, for example, mattress overlays, mattress replacements, powered mattress systems and air powered flotation beds.

- xiii. Nebulizers;
- xiv. Oxygen and related equipment;
- xv. Traction apparatus;
- xvi. Walkers;
- xvii. Standard wheelchairs and accessories including adjustable leg rests and detachable armrests; and
- xviii. Medical supplies, for example, incontinency pads, bandages, dressings, compresses, sponges, plasters, tapes, cellu-cotton or other types of pads used to save labor or linen, colostomy bags, hot water bags, thermometers, catheters, rubber gloves, and disposable syringes.

5. Exceptions to (a)4 above include certain durable medical equipment not routinely used in a nursing facility and which is required due to the medical need of the individual resident.

6. Items not meeting the definitions of medical supplies and DME outlined at N.J.A.C. 10:59-1.2, Definitions;
7. Delivery and shipping costs;
8. Services being provided to a recipient who loses eligibility, except as described at N.J.A.C. 10:49-5.4(a)(9); and
9. Travel time, except for services provided by a pedorthist.

(b) Non-covered items include, but are not limited to, the following:

1. Bags (douche, enema, ice);
2. Beds (waterbeds);
3. Environmental control equipment, including electronic devices intended to control or alter the environment, such as lighting, telephones and appliances; air conditioners; humidifiers; dehumidifiers and air filtering systems with the exception of vaporizers and cool mist humidifiers;
4. Exercise equipment;
5. Eye patches;
6. First aid supplies or medicine chest items (gauze, adhesive tape, bandages, and cotton);
7. Footwear, orthopedic, and foot orthotics, except when attached to a brace or bar or when part of a normal post-operative or post-fracture treatment program, or when used to correct or adapt to gross foot deformities (see N.J.A.C. 10:57);

8. Hot water bottles;
9. Infant formula (standard);
10. Inflatable rubber invalid rings;
11. Lifts (chair or seat);
12. Mattresses (orthopedic or mattresses without FDA approval);
13. Nasal aspirators;
14. Pads (heating, hydrocollators, sanitary, thermophore);
15. Personal incidentals, including items for personal cleanliness, body hygiene, and grooming, for example, standard toothbrushes, mouthwashes, dentifrices, deodorant soaps, cosmetics, shaving items, and so forth;
16. Plastic gloves;
17. Scales (bathroom);
18. Stainless steel bedpans or urinals;
19. Syringes (bulb, enema);
20. Thermometers (axillary, ear, oral, rectal); and
21. Tongue blades (sterile, non-sterile).

Case Notes

Nonambulatory, wheelchair-dependent 14-year-old boy with cerebral palsy, spastic quadriplegia and seizure disorder denied electric stair glide. *D.J. v. Essex County Division of Welfare*, 94 N.J.A.R.2d (DMA) 47.

Judge's allowance of reimbursement for purchase of HEPA Air Cleaner reversed as electrostatic air filter reimbursement is specifically prohibited by regulation. In the Matter of *M.D.*, 7 N.J.A.R. 254 (1980), reversed 179 N.J.Super. 541, 432 A.2d 943, (App.Div.1981), modified in part and remanded 91 N.J. 1, 449 A.2d 1235 (1982).

10:59-1.5 Policy for providing medical supplies and DME

(a) Medical supplies and equipment require a legible, dated prescription or a Certificate of Medical Necessity (CMN) personally signed by the prescribing practitioner. Either document shall contain the following information:

1. The recipient's name, address and Medicaid number; and
2. A description of the specific supplies and/or equipment prescribed;
 - i. For example, the phrase "wheelchair" or "patient needs wheelchair" is insufficient. The order shall describe the type and style of the wheelchair.
3. The length of time the medical equipment items or supplies are required;
4. A diagnosis and summary of the patient's physical condition to support the need for the item(s) prescribed; and
5. The prescriber's name, address and signature.

(b) Other information in addition to (a) above may be required for specific items and services, and is described in other sections of this chapter which are related to coverage of the specific item or service.

(c) The documentation required in (a) and (b) above shall be maintained on file for a minimum of five years from the date the service was rendered.

10:59-1.6 Prior authorization (PA)

(a) Prior authorizations issued by the Medicaid program are intended to reflect decisions regarding medical necessity and purchase/rental options. The issuance of prior authorization is not a guarantee of Medicaid payment. Payment is determined based on the satisfaction of all applicable claims processing edits established by the Division of Medical Assistance and Health Services. Payment is made, based on the satisfaction of the conditions of this chapter.

(b) When a procedure code requires PA, the provider shall first obtain authorization from the appropriate Medicaid District Office (MDO). (See a list of MDOs at N.J.A.C. 10:49, Appendix Form #17. The Division will provide written notification of the disposition of the PA request.

1. An exception is provided for orthopedic footwear not attached to a bar or brace. In these situations, the PA shall be submitted to the Podiatric Consultant in the Medicaid Central Office (See N.J.A.C. 10:57).

2. Urgent requests may be made by telephone, but the provider shall submit the written PA request within five calendar days (see N.J.A.C. 10:49-6.1).

(c) When the purchase price of a DME item is \$300.00 or more, prior authorization shall be required for purchase or rental, as described in Appendix A, incorporated herein by reference, except as described in (e) below.

(d) When the purchase price for medical supplies is \$100.00 or more, prior authorization is required as described in Appendix A, incorporated herein by reference.

(e) Certain DME items and medical supplies require prior authorization regardless of purchase price, indicated in Appendix A, incorporated herein by reference.

(f) All medical supplies and DME items purchased or rented for use by nursing facility residents require prior authorization. Items included in the NF's per diem are not covered (see N.J.A.C. 10:59-1.4).

(g) Medicare/Medicaid claims do not require prior authorization (See N.J.A.C. 10:59-1.9).

Case Notes

Digital scale for applicant with morbid obesity was not an item for which Medicaid funds were available. *R.S. v. Division of Medical Assistance*, 95 N.J.A.R.2d (DMA) 65.

Medical necessity authorized purchase of thermal scan thermometer with Medicaid funds for severely retarded child. C.F. v. Division of Medical Assistance, 95 N.J.A.R.2d (DMA) 45.