



STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES
25 SIGOURNEY STREET • HARTFORD, CONNECTICUT 06106-5033

January 25, 2006

Karyn Estrella
Executive Director
NEMED
509 Kempton Street
New Bedford, MA 02740-3835

Dear Karyn:

This letter is written in follow up to our meeting on Friday, January 13th. As promised, I am confirming what we believe was the consensus of those in attendance as follows:

- 1 We recognize that there was a misunderstanding with respect to the final resolution for July 1, 2005. The Department only implemented the elimination of lesser of list minus 15% for items that are priced on the Medicaid fee schedule for customized wheelchair purchases. Our records indicate that the Department did not reduce wheelchair bases from 90-85% at that time and retained pricing of fees on the "green and yellow" sheet at the Medicaid fee schedule price of 85% of Medicare, where a Medicare price exists. I believe that we are in agreement to hold to the status quo at this time.

Specifically, the pricing policy that was in effect for 2005 will remain in effect for 2006, i.e. procedure code E1161 will be priced at 90% of Medicare and the accessory codes that the Department agreed to price at 100% of Medicare in 2004 will remain at 100% of Medicare. New and existing codes, accessories and otherwise, will be priced at 85% of the Medicare allowable. It was noted that the procedure codes for pediatric wheelchairs (E1232-E1238) are not priced by Medicare on their 2006 fee schedule, so the Department intends, at this time, to price these codes on the 2006 Medicaid fee schedule estimated effective date of March – April 2006, at list minus 15%.

2. Vendors will continue to send backup pricing documentation to the Department with prior authorization requests. The Department will fax copies of one or two corrected PA requests to the vendors to support their internal quality assurance efforts if pricing errors continue.
- 3 The need for hard copy backup pricing documentation in the client record for repairs and modifications may be revisited after discussions with the Quality Assurance Unit at DSS.

4. The Department is willing to consider suggestions by NEMED for improving the efficiency of the administration of customized wheelchair requests for the Department and the vendors.

5. The Department will further review any opportunities for administrative efficiencies that might be afforded by the Department's transition to the InterChange MMIS.

6. In order to help reduce the likelihood of miscommunication going forward, both parties are committed to summarizing important points of agreement in written, signed, hard copy correspondence.

We appreciated the collaborative spirit of this recent meeting and we are pleased that we have come to an agreement. Please feel free to contact me if NEMED has other questions or concerns.

Sincerely,



Mark Schaefer, Director
Medical Policy and Behavioral Health

Cc: Michael Starkowski
David Parrella
Barbara Fletcher