

7.c. Medical supplies, equipment, and appliances suitable for use in any setting in which normal life activities take place.

Notwithstanding the other payment methodologies outlined in this section 7.c., effective for services provided on or after July 1, 2019, medical supplies and equipment, and orthotics that are subject to the upper payment limit in accordance with section 1903 (i) (27) of the Social Security Act, are paid the lower of:

1. The submitted charge; or
2. The Medicare fee schedule amount without regard to any other allowable increases, including the MinnesotaCare tax.

Augmentative and alternative communication devices and pressure support ventilators are excluded from the above provision.

Hearing aids, eyeglasses and oxygen are purchased on a volume basis through competitive bidding in accordance with section 1915(a) (1) (B) of the Act and regulations at 42 C.F.R. § 431.54(d).

Medical supplies and equipment that are not purchased on a volume basis are paid the lower of:

1. submitted charge;
2. Medicare fee schedule amount for medical supplies and equipment; or
3. if Medicare has not established a payment amount for the medical supply or equipment, an amount determined using one of the following methodologies:
 - (a) 50th percentile of the usual and customary charges submitted for the previous ~~two~~ calendar year minus 20 percent, plus current calendar year Medicare inflation factors for the medical supply or equipment;
 - (b) if no information about usual and customary charges exists, payment is based upon the manufacturer's suggested retail price minus 20 percent; or
 - (c) if no information exists about manufacturer's suggested retail price, payment is based on cost (wholesale) plus 20 percent.

Effective for services delivered on or after July 1, 2023, enteral nutrition and supplies must be paid:

1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner, using only charges submitted per unit.
2. Data are sufficient if:
 - (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply; or
 - (2) in the absence of the data in subparagraph (1), the commissioner has at least 20 claim lines from at least five different providers for a product or supply that does not meet the requirements of subparagraph (1). Paid claim lines include the providers charge.
 - (3) in the absence of the data in subparagraph (2), it will revert back to the June 30, 2023 rate.

7.c. Medical supplies, equipment, and appliances suitable for use in any setting in which normal life activities take place (continued).

3. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination.
4. If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment rate must be the payment rate in effect on June 30, 2023 or the 50th percentile rate that was previously set for those products or supplies.

For dates of service on or after July 1, 2024, enteral nutrition and supplies must be paid according to this paragraph and updated annually each January 1.

1. If sufficient data exists for a product or supply, payment must be based upon the 50th percentile of the usual and customary charges per product code submitted to the commissioner, for the previous calendar year, using only charges submitted per unit.
2. Data are sufficient if:
 - (1) the commissioner has at least 100 paid claim lines by at least ten different providers for a given product or supply;
or
 - (2) in the absence of the data in subparagraph (1), the commissioner has at least 20 claim lines from at least five different providers for a product or supply that does not meet the requirements of subparagraph (1).
3. Increases in rates resulting from the 50th percentile payment method must not exceed 150 percent of the previous fiscal year's rate per code and product combination.
4. If sufficient data are not available to calculate the 50th percentile for enteral products or supplies, the payment must be:
 - (1) The manufacturer's suggested retail price of that product or supply minus 20 percent.
 - (2) If the manufacturer's suggested retail price is not available, payment must be the actual acquisition cost of that product or supply plus 20 percent.