Orthotics and Prosthetics for children under age 21, if medically necessary, are reimbursed as follows:

A. The payment for purchase of Orthotics and Prosthetics is made from a statewide uniform fee schedule not to exceed 80 percent of the rate established annually under Medicare (Title XVIII of the Social Security Act), as amended.
B. The payment for repair of Orthotics and Prosthetics is the cost, not to exceed 50 percent of the purchase amount.
C. The payment for other individual consideration items must receive prior approval from the Division and shall be limited to the amount authorized in that approval.

All terms of the Division's Orthotics and Prosthetics Reimbursement and Coverage Criteria are applicable.

The Division of Medicaid, as required by State law, shall reduce the rate of reimbursement to providers for any service by 5% of the allowed amount for that service. The Division of Medicaid shall reduce the rate of reimbursement to providers for any service by an additional .74% of the allowed amount for that service for a total reduction in the rate of reimbursement of 5.74%.

Medical Supplies

A. The payment for purchase of Medical Supplies is made from a statewide uniform fee schedule not to exceed 80 percent of the rate established annually under Medicare (Title XVIII of the Social Security Act), as amended.

B. The payment for other individual consideration items must receive prior approval of the Division and shall be limited to the amount authorized in that approval.

All terms of the Division's Medical Supplies Reimbursement and Coverage Criteria are applicable.

Medical Supplies for EPSDT recipients, if medically necessary which exceed the limitations and scope for Medicaid recipients, as covered in this Plan, are reimbursed according to the methodology in the above paragraphs.

The Division of Medicaid, as required by State law, shall reduce the rate of reimbursement to providers for any service by 5% of the allowed amount for that service. The Division of Medicaid shall reduce the rate of reimbursement to providers for any service by an additional .74% of the allowed amount for that service for a total reduction in the rate of reimbursement of 5.74%.

VIII. Durable Medical Equipment

A. The payment for purchase of Durable Medical Equipment (DME) is made from a statewide uniform fee schedule not to exceed 80n percent of the rate established annually under Medicare (Title XVIII of the Social Security Act), as amended.

B. The payment for rental of DME is made from a statewide uniform fee schedule based on 10 percent of the above purchase allowance not to exceed ten (10) months. After rental benefits are paid for (10) months, the DME becomes the property of the Mississippi Medicaid recipient unless otherwise authorized by the Division of Medicaid through specific coverage criteria.

C. The payment for purchase of used DME is made from a statewide uniform fee schedule based not to exceed 50 percent of the above purchase allowance.

D. The payment for repair of DME is the cost, not to exceed 50 percent of the above purchase allowance.

E. The payment for other individual consideration items must receive prior approval of the Division and shall be limited to the amount authorized in that approval.

All terms of the Division's Durable Medical Equipment Reimbursement and Coverage Criteria are applicable.

Durable Medical Equipment (DME) for EPSDT recipients, if medically necessary, which exceed the limitations and scope for Medicaid recipients, as covered in this Plan, are reimbursed according to the methodology in the above paragraphs.

The Division of Medicaid, as required by State law, shall reduce the rate of reimbursement to providers for any service by 5% of the allowed amount for that service. The Division of Medicaid shall reduce the rate of reimbursement to providers for any service by an additional .74% of the allowed amount for that service for a total reduction in the rate of reimbursement of 5.74%.

Notice of Proposed Rule Adoption

State of Mississippi
Office of the Governor
Division of Medicaid

Economic Impact Statement
For
Durable Medical Equipment and Supply Providers

The Executive Director of Medicaid is required by law to recommend expenditure containments when expenditures are expected to exceed funds available for any fiscal year. Medicaid is facing a $90,000,000 shortfall in state revenues for FY2009; therefore, certain cost containment measures have been identified as necessary to balance Medicaid's budget. These measures include reducing certain non-institutional providers an additional .74% reduction in reimbursement in addition to the 5% reduction as outlined in Miss. Code Ann. § 43-13-117 (1972 as amended).

It is estimated that it will cost the Division of Medicaid approximately $5,000 to enforce the increased reduction in payments to providers. This includes system changes and staff time.

An estimate of the total economic impact for durable medical equipment and supply providers, including small business providers, is noted in the chart below. The total economic impact for providers in State FY 2009 is equal to the sum of federal and state savings noted in the chart below. The Division of Medicaid estimated the impact utilizing the actual and estimated expenditures for the same services for FY2008.

FFY2008 Federal Savings	FFY2008 State Share Savings	FFY2009 Federal Savings	FFY2009 State Share Savings
$ 9,617	2,989	$ 86,038	$ 27,409

The Division of Medicaid is facing a $90,000,000 shortfall in state revenues for FY2009. If this cost containment measure is not enacted, there will not be sufficient revenues to reimburse providers for the entire year.

State law limits cost containment measures that may be taken and precludes the Governor from changing eligibility or benefits; therefore, the best option to minimize overall Medicaid reimbursement levels and achieve these state savings is to restructure payments in this manner. An oral proceeding on this proposed rule is scheduled as described on the cover sheet (Notice of Proposed Rule Adoption) provided herewith. Persons may also submit written comments as described on the cover sheet (Notice of Proposed Rule Adoption) provided herewith.

A full copy of the Economic Impact Statement may be obtained from the Division of Medicaid's web site at www.dom.state.ms.us.