

Reimbursement Methodology – Invoice Do's & Don'ts

Medicaid Policy:

For manually priced items, an invoice that provides proof of purchase and actual costs for equipment and supplies is required. The lowest price on the invoice, including provider discounts, will be used.

- For dates of service beginning January 1, 2021, and moving forward, manually priced items for DME are priced at the lowest invoice cost, plus shipping, plus 12.13 percent.

To receive the cost of shipping, the manufacturer must be the one to break down the shipping and handling on the invoice. If the manufacturer does not include a shipping and handling breakdown on the invoice, and there is more than one (1) item, it cannot be included in the cost of the item.

- If more than one (1) piece of DME can meet the member's needs, coverage is only available for the most cost-effective piece of equipment.
- The invoice must be dated within 12 months (365 days) prior to the date of service being billed.
 - If the invoice is older, a letter must be included with the claim explaining the age of the invoice (such as product purchased in large quantity previously, and is still in stock)
- All discounts will be taken on the invoice.
- The discounted pricing or codes cannot be marked out.
- A packing slip, price quote, purchase order, delivery ticket, and so on may be used only if the provider no longer has access to the invoice, is unable to obtain a replacement from the supplier or manufacturer, and a letter with explanation is included.
- Items must be clearly marked (such as how many calories are in a can of formula, items in a case, milligrams, ounces).

Effective July 1, 2024, if a line is deleted from the invoice or if an item is blacked out so Medicaid cannot tell what it was, the claim or claim line will be denied. This policy update will apply to claims submitted or adjusted on or after July 1, 2024.

To avoid claim denials, Medicaid is providing helpful “Do's and Don'ts” to assist providers.

Do's:

- Submit the complete invoice with the invoice date, all items, discounts, and charges including any discounted amounts clearly visible.
 - The invoice date should be within the last 12 months.
 - If the invoice is older than 12 months, a letter must be included with the claim explaining the age of the invoice (such as product purchased in large quantity previously and is still in stock).
 - Misplaced Invoice – A packing slip, price quote, purchase order, delivery ticket, etc. may be used **only** if:
 - The provider no longer has access to the invoice, **and**
 - Is unable to obtain a replacement from the supplier/manufacturer, **and**
 - A letter with an explanation is included and attached to the claim.
- The invoice must have the item that is to be submitted on the claim clearly indicated by:
 - Circling or placing an asterisk next to the item in question on the invoice.

- If the item description is not clear for the item being billed, or there are multiple items with similar descriptions, include the procedure code by handwriting or annotating directly on the invoice that will be submitted with the claim, or write "this = this" on the invoice to clarify.
- Items must be clearly marked (such as how many calories are in a can of formula, items in a case, milligrams, ounces). This is necessary for Medicaid to manually price the item(s).
 - **Note:** If the invoice does not clearly mark what is to be priced and does not have enough information to price the invoiced item, the claim will be denied.
- The invoice must be broken down to match the units billed for the procedure code on the claim.
- If it is necessary to mark through items on the invoice that do not pertain to the claim, simply draw a single line through the item.
 - **Note:** Medicaid must be able to determine if discounts were applied on the invoice.

Don'ts:

- Don't completely mark through (blackout) items making the invoice unreadable.
 - **Examples of details not to blackout:** Unit of Measure, items per unit, Unit Price, Extended, Total Cost, Discounts, Invoice Date.
 - Medicaid must be able to see what was marked out to price the claim.
 - **Note:** Effective July 1, 2024, if a line is deleted from the invoice or if an item is blacked out so Medicaid cannot tell what it was, the claim will be denied.
- If the total amount of units billed on the claim don't match that of which is indicated on the invoice, the claim will be denied.

Deployment Information

Deployment Date: June 6, 2024

Audiences:

231H00000X Audiologist
 332S00000X Hearing Aid Equipment
 1223G0001X Dental, General Practice
 122300000X Dentist
 1223X0400X Orthodontics
 1223P0221X Pedodontics
 1223P0300X Periodontics
 1223S0112X Surgery, Oral & Maxillofacial
 1223E0200X Endodontist
 251K00000X Public Health or Welfare (PHNs)
 332B00000X Durable Medical Equipment and Medical Supplies
 335E00000X Prosthetic/Orthotic Supplier
 291U00000X Clinical Medical Laboratory
 207KA0200X Allergy and Immunology, Allergy
 207L00000X Anesthesiology
 207SG0201X Clinical Genetics (MD)
 207N00000X Dermatology

2085R0202X Diagnostic Radiology
207P00000X Emergency Medicine
207Q00000X Family Practice
207R00000X Internal Medicine
207RC0000X Internal Medicine, Cardiovascular Disease
207RE0101X Internal Medicine, Endocrinology, Diabetes / Metabolism
207RG0100X Internal Medicine, Gastroenterology
207RG0300X Internal Medicine, Geriatric Medicine
207RX0202X Internal Medicine, Medical Oncology
207RN0300X Internal Medicine, Nephrology
207RP1001X Internal Medicine, Pulmonary Disease
207RR0500X Internal Medicine, Rheumatology
207T00000X Neurological Surgery
204D00000X Neuromusculoskeletal Medicine / OMM
207V00000X Obstetrics and Gynecology
207VG0400X Obstetrics and Gynecology, Gynecology
207VX0000X Obstetrics and Gynecology, Obstetrics
207W00000X Ophthalmology
207Y00000X Otolaryngology
207ZP0105X Pathology
2080N0001X Pediatrics, Neonatal-Perinatal Medicine
208100000X Physical Medicine and Rehabilitation
363A00000X Physician Assistant
208D00000X Physician, General Practice
208000000X Physician, Pediatrics
2083P0901X Preventative Medicine, Public Health and General Preventive Medicine
2084N0400X Psychiatry and Neurology, Neurology
2084P0800X Psychiatry and Neurology, Psychiatry
208600000X Surgery, General
207X00000X Surgery, Orthopedic
2086S0120X Surgery, Pediatric
2082S0099X Surgery, Plastic
208G00000X Surgery, Thoracic
2086S0129X Surgery, Vascular
208800000X Urology
156FX1800X Optician
152W00000X Optometrist
367A00000X Midwife, Certified Nurse
367500000X Nurse Anesthetist, Certified Registered
363L00000X Nurse Practitioner
363LA2200X Nurse Practitioner, Adult Health
363LF0000X Nurse Practitioner, Family Health
363LG0600X Nurse Practitioner, Gerontology
363LX0001X Nurse Practitioner, Obstetrics and Gynecology
363LP0200X Nurse Practitioner, Pediatrics
364SP0808X Nurse Practitioner, Advanced Practice, Psychiatric / Mental Health