3/15/18 (old version)	3/20/18 (new version)	Type of Change	Reason for Change	Burden Change
In order to implement section 503 of the Consolidated Appropriations Act, 2016 and section 5002 of the 21st Century Cures Act of 2016, where Congress added section 1903(i)(27) to the Social Security Act (the Act), which prohibits federal Medicaid reimbursement to states for certain durable medical equipment (DME) expenditures that are, in the aggregate, in excess of what Medicare would have paid for such items, we formulated a State Medicaid Directors' Letter (SMDL) in order to comply with the statute. The revised SMDL #18-001 contains the policy guidance to states to comply with this statute and includes appendices. The statute took effect January 1, 2018, to begin reporting by the states. In order for states to comply with the statute, CMS requests the states either change their Medicaid state plan to reflect payment at or below the Medicare rates for the relevant HCPCS codes and limit on federal financial participation (FFP) or to demonstrate compliance by filling in their DME fee schedules onto the attached State Fee Schedule Drop (hereafter referred to as the "calculation tool") with the relevant information. All HCPCS codes in series A, K, & E, that are relevant to this information collection of durable medical equipment (DME) limit on FFP should be submitted (The specific HCPCS codes will be updated annually to comply with the statute by the Medicare program and posted on the Medicaid website with other policy guidance at the website listed below). The calculation tool information from the states that choose to show compliance with the statute through the demonstration should also include all relevant modifiers for the codes, descriptors for these codes, their Medicaid fee schedule rates for each HCPCS code, and the claims volume for each unique combination of the codes for each calendar year- all submitted annually. Data should be presented so that each state's total Medicaid expenditures for each HCPCS code accurately represent the total amount of expenditures by the state for that specific code.	In order to implement section 1903(i)(27) of the Social Security Act (the Act), which prohibits federal Medicaid reimbursement to states for certain durable medical equipment (DME) expenditures that are, in the aggregate, in excess of what Medicare would have paid for such items, we formulated a State Medicaid Directors' Letter (SMDL) in order to assist states in complying with the statute. The revised SMDL #18-001 contains the policy guidance to states to comply with this statute and includes appendices. The statute is effective for DME items provided on or after January 1, 2018. The guidance document outlines options for states to demonstrate compliance with the statute. In order for states to comply with the statute, CMS requests the states either establish Medicaid state plan payment rates for DME at or below the current Medicare rates for the relevant HCPCS codes to ensure that Medicaid expenditures do not exceed that which Medicare would have paid on a per item basis, or a state may demonstrate compliance by providing the state Medicaid DME fee schedule, or per-unit expenditure amounts, and total utilization data per HCPCS code onto the attached State Fee Schedule Drop (hereafter referred to as the "calculation tool") with the relevant information. All HCPCS codes in series A, K, & E, that are relevant to this information collection of durable medical equipment (DME) limit on FFP should be submitted (The specific HCPCS codes will be updated annually to comply with the statute by the Medicare program and posted on the Medicaid website with other policy guidance at the website listed below). The calculation tool information from the states that choose to show compliance with the statute through the demonstration should also include all relevant modifiers for the codes, descriptors for these codes, their Medicaid fee schedule rates for each HCPCS code, and the claims volume for each unique combination of the codes for each calendar year- all submitted annually. Data should be presented so that each state's total Medicaid expenditures for each HCPCS code accurately represent the total amount of expenditures by the state for that specific code.	Rev	Clarification for background based on feedback from states and OGC.	No
In column B row 4 please enter the name of the state who is reporting, or use the two letter postal abbreviation for the state. In column A, starting with row 7, copy the relevant HCPCS codes (A, K, & E codes only) from your state Medicaid fee schedule for DME. If there are HCPCS descriptors (column B), any modifiers (columns C and D- e.g., New, Used, Rental, etc.,), the Medicaid Payment rate (column E), and the claim volume- the number of claims made for the relevant HCPCS code and modifier(s) during the relevant calendar year (column F) for the relevant codes, then please include these next to the HCPCS codes. If available include the Medicare Area Code for each HCPCS code in order to more accurately reflect the FFP limit for DME in your state (see further explanation and lists below)	In column B row 4 please enter the name of the state who is reporting, or use the two letter postal abbreviation for the state. In column A, starting with row 7, copy the relevant HCPCS codes (A, K, & E codes only) from your state Medicaid fee schedule for DME. If there are HCPCS descriptors (column B), any modifiers (columns C and D- e.g., New, Used, Rental, etc.,), the Medicaid Paymentpayment rate or per unit payment amount (column E), and the claim volume- the number of claims made for the relevant HCPCS code and modifier(s) during the relevant calendar year (column F) for the relevant codes, then please include these next to the HCPCS codes. If available include the Medicare Area Code for each HCPCS code in order to more accurately reflect the FFP limit for DME in your state (see further explanation and lists below)	Rev	Clarification for instructions based on feedback from states and OGC.	No

Type of Change: Rev = Revision, Del = Deletion, Add = Addition, and Red = Redesgnation.