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PROGRAM OPERATIONS

DALLAS REGIONAL MEDICAL SERVICES LETTER NO. 93-110

TO: State Agencies Administering Approved Medical Assistance Plans

SUBJECT: Coverage of Assistive Devices Under Medicaid

We are providing HCFA policy guidelines concerning Medicaid coverage of assistive devices under the EPSDT benefit. The guidelines were provided in response to inquiries as to whether assistive devices, particularly communication assistive devices, could be covered under the Medicaid category of therapy services at 42 CFR 440.110.

Section 1905(r) of the Social Security Act, as amended by OBRA '89, requires that all medically necessary services listed in Section 1905(a) be provided to EPSDT recipients. However, regardless of the expanded EPSDT requirement, the 1989 amendments did not take away the requirement that services provided must be medical in nature and coverable by Medicaid. This means that, in order to offer coverage of a service, the service must fit into a Medicaid benefit category.

The State would first need to determine that a particular device is medical in nature and then decide whether any Medicaid benefit category would allow coverage of such a device. HCFA policy generally does not consider items which are ordinarily used in nonmedical contexts to be medical in nature (such as air conditioners, computers, or furniture), but rather part of the recipients' general, nonmedical, support and maintenance items (which may be furnished as part of inpatient services but otherwise are generally the recipients' responsibility). When these items are specialized and would not be ordinarily used in nonmedical contexts, e.g., a wheelchair, they may be considered medical equipment and may be covered by Medicaid.

An assistive device must also meet the requirements of a specific benefit category to be covered under Medicaid (even if provided to an EPSDT recipient). For example, a State may cover an assistive device which meets the definition of "prosthetic devices" under regulations at 42 CFR 440.120(c) by replacing a missing bodily part, preventing or correcting physical deformity or malfunction,

or supporting a weak or deformed portion of the body. For the assistive devices to be covered under the therapy benefits at 42 CFR 440.110, all other conditions of this regulation must be met. For example, in order to cover an assistive device as part of the physical therapy benefit, the service would need to be prescribed by a physician and provided by or under the direction of a qualified physical therapist. The same holds true for occupational therapy and speech, language and hearing services. Since the rehabilitation benefit option at 42 CFR 440.130(d) is inclusive of other rehabilitative services covered under Medicaid, it can be used by States to cover services provided for under other Medicaid regulatory authorities as well. Although there is nothing in the rehabilitation regulation that explicitly provides for coverage of supplies or equipment, if a State chooses to provide coverage of a specific service under the rehabilitation option that allows for the provision of supplies or equipment under its own regulatory authority, then we would allow coverage of that service, including any necessary supplies or equipment, under the rehabilitation benefit.

It is important to consider that authorization for devices such as these would need to be made by the State on a case-by-case basis. Criteria including medical necessity, utilization control and Medicaid benefit coverage categories must be considered. A State should be very cautious about allowing coverage of devices which have no direct medical effect on the body, but serve to compensate for (but not replace or enhance) a lost physical ability. For example, "computer access equipment" and devices to "produce Braille" or "speak written communication" do not address a medical condition, nor do they replace or enhance a deficient bodily part. Rather, they are mainly for educational or communicative purposes.

We hope these guidelines will prove helpful in the administration of your EPSDT program. If you have any questions, please call Shirley Duncan or your Medicaid State Representative at (214) 767-3693.

Sincerely,

Steve McAdoo
Steve McAdoo, Chief
Program Operations Branch
Division of Medicaid