

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing
Administration

Regional Office VI
1200 Main Tower Building
Dallas, Texas 75202

March 7, 1995

DALLAS REGIONAL MEDICAL SERVICES LETTER NO. 94-31

TO: State Agencies Administering Approved Medical
Assistance Plans

SUBJECT: Coverage Policy for Assistive Devices

We are issuing this policy clarification in response to a written inquiry from one of our States. Since this policy clarification may be of interest to other States, we are sharing this information with you.

The State had asked for guidance concerning Medicaid coverage of assistive devices, especially communication assistive devices. Such devices often include, for example, speech simulators and computer equipment with and without peripherals.

There are three conditions that must be met in order for a device to be covered by Medicaid: It must be

- (a) medically necessary, ✓
- (b) medical in nature and ✓
- (c) coverable by Title XIX of the Social Security Act. ✓

What follows is a discussion of these three conditions.

Medical Necessity

The responsibility for determining medical necessity rests with the State Medicaid Agency.

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Medical Nature

Once a State has made a determination of medical necessity, it needs to determine if a particular device is medical in nature. 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 a recipient's general, nonmedical support and maintenance. (These may be furnished as part of inpatient services but otherwise are generally the recipient's responsibility.) When these items are specialized and would not ordinarily be used in nonmedical contexts, e.g., a wheelchair, they may be considered medical equipment and may be covered by Medicaid (provided the other two conditions are met).

Medicaid Coverable

An assistive device must also meet the requirements of a specific benefit category (even if provided as an EPSDT service). Examples of these are:

A. Home Health Services

Assistive devices may be covered as medical equipment under the home health benefit. (Regulations at 42 CFR 440.70(b)(3), home health services, provide for the provision of "medical supplies, equipment and appliances suitable for use in the home.")

B. Prosthetic Devices

Assistive devices may possibly be covered as prosthetic devices as defined in 42 CFR 440.120(c). This section defines prosthetic devices as "...replacement, corrective, or supportive devices... to-

- (1) Artificially replace a missing portion of the body;
- (2) Prevent or correct physical deformity or malfunction; or
- (3) Support a weak or deformed portion of the body."

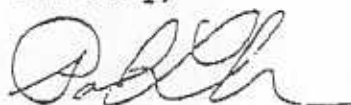
C. Inherent Part of Another Medicaid Service

Assistive devices may be covered as an inherent component of another Medicaid service such as outpatient hospital services and physical therapy services.

In making its decision to claim Federal financial participation, the State should determine whether the item is medically necessary, medical in nature, and meets the definition of one of the above categories of service. If the State determines that a particular device is medically necessary, medical in nature and coverable by Medicaid, the State must --even if it does not cover that benefit category in its State Plan-- provide coverage for the device for EPSDT beneficiaries as part of the OBRA '89 expanded EPSDT requirements.

If you have any questions, please contact me at (214) 767-6473.

Sincerely,



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