



State of New Jersey  
Department of Human Services  
Division of Medical Assistance & Health Services

# NEWSLETTER

Volume 10 No. 12

February 2000

**TO:** Medical Suppliers

**SUBJECT:** 1) **Q&As for the Durable Medical Equipment (DME) Recycling Program**  
2) **Deletion of Certain HCPCS Procedure Codes from the DME Recycling Program**

**EFFECTIVE:** Immediately

**PURPOSE:** 1) To provide medical suppliers responses to commonly asked questions concerning the State's DME Recycling Program  
2) To notify medical suppliers of the State's decision to delete certain HCPCS procedure codes from the DME Recycling Program

**ACTION:** (1) For your information, below please find commonly asked questions concerning the State's DME Recycling Program. Responses from the Division of Medical Assistance and Health Services (DMAHS) follow each question.

**1. Q: Please indicate which Medicaid/NJ KidCare beneficiaries are subject to the requirements of the DME Recycling Program. Specifically, clarify this information as it relates to contacting the Recycling contractor and for equipment retrieval.**

**1. Response:**

Medical suppliers are required to contact the DME Recycling contractor for equipment not requiring prior authorization (PA) by the Medicaid, General Assistance (GA) and NJ KidCare fee-for-service (FFS) programs. This requirement is limited to those beneficiaries residing in Burlington, Mercer, Middlesex, Monmouth, Ocean, Somerset and Union Counties. All equipment purchased by these programs and identified by the HCPCS procedure codes indicated in the Medicaid Newsletter, Volume 9, No. 60, dated October 1999, as amended by this Newsletter, are eligible for retrieval by the DME Recycling contractor, regardless of the beneficiary's county of residence.

**2. Q: Is the effective date of the program November 1, 1999, or the date on which the Newsletter introducing the program was received by medical suppliers?**

**2. Response:**

The DME Recycling Program is effective for claims with service dates on or after November 1, 1999. However, the Division will not enforce these requirements for claims with service dates prior to November 10, 1999.

**3. Q: What are the hours of operation for the DME Recycling contractor?**

**3. Response:**

Hours of operation for the DME Recycling contractor are 9 A.M. to 8 P.M. daily, either directly or through the use of on-call staff.

**4. Q: Within what timeframe is InterHealth LLC required to respond to fax and/or telephone requests received from medical suppliers?**

**4. Response:**

The contractor is required to deliver recycled equipment within 48 hours of a routine request and within 6 hours for an administrative emergency request. Also, within 48 hours after completing a delivery to a beneficiary, the contractor must contact the beneficiary to ensure that the equipment is functioning properly. Thereafter, the contractor is required to contact the beneficiary monthly.

**5. Q: Will InterHealth accept telephone calls from case managers and/or discharge planners?**

**5. Response:**

InterHealth LLC will accept telephone calls from case managers and/or discharge planners.

**6. Q: Is InterHealth responsible for any liabilities associated with power wheelchair frames? Will the use of recycled wheelchair frames be prohibited if the manufacturer of this equipment determines that recycled equipment is inadequate, inappropriate or improper for use with their seating system?**

**6. Response:**

DME purchased by the Division program is owned by the State. Regarding a manufacturer's decision to prohibit the use of a recycled wheelchair frame determined inadequate, inappropriate or improper, it is the responsibility of the Recycling contractor to provide equipment which meets the medical necessity needs of the beneficiary and is compatible with other equipment which may be required to construct a DME project.

**7. Q: Who is responsible for adjustments/repairs required on recycled equipment issued by InterHealth LLC?**

**7. Response:**

InterHealth LLC is responsible for adjustments/repairs to recycled equipment delivered directly to the beneficiary.

**8. Q: Will the State or the contractor be notifying beneficiaries regarding its new policy for recycled equipment and where the beneficiary is to call when the equipment is no longer medically necessary?**

**8. Response:**

Information regarding the DME Recycling Program was distributed to medical suppliers. Medical suppliers are required to contact the Recycling contractor for equipment that does not require PA. It is expected that medical suppliers will inform beneficiaries of the new Recycling Program. However, if beneficiaries have questions concerning the Program, they may contact InterHealth LLC at 1-800-933-4028.

All recycled DME will have a permanently affixed label identifying the equipment by bar code; the words "Property of the State of New Jersey"; and a toll-free telephone number for beneficiaries to contact InterHealth LLC when the equipment is no longer medically necessary.

**9. Q: Will recycled equipment be clearly marked and labeled by InterHealth as "Property of the State" to be returned when its use is completed?**

**9. Response:**

All recycled equipment will be clearly marked and labeled by InterHealth LLC with the words "Property of the State of New Jersey" and a toll-free telephone number for the beneficiary to contact the contractor when the equipment is no longer medically necessary.

**10.Q: Have the Medicaid District Offices (MDOs) been notified of the option of medical suppliers to request prior authorization for dually eligible beneficiaries so that PA forms are not returned for incorrect processing?**

**10.Response:**

The Recycling Program will have no impact on current procedures for requesting PA to accommodate claims for dually-eligible beneficiaries.

**11.Q: How will the State document inquiries to InterHealth LLC for equipment not requiring PA?**

**11. Response:**

InterHealth LLC has established a telephone log to track telephone inquiries made by medical suppliers for DME not requiring PA.

**12.Q: Does the Recycling contractor provide emergency repair service for equipment that they dispense?**

**12. Response:**

The DME Recycling contractor will provide emergency repair service for any recycled equipment delivered directly to the beneficiary.

**13.Q: Medical Suppliers are concerned that the use of recycled equipment may void warranties issued by manufacturers. Does the Recycling contractor have the authority to deem a piece of equipment not safe for patient use and remove it from circulation?**

**13. Response:**

The DME Recycling contractor is responsible for restoring used equipment to its original condition. InterHealth LLC is allowed to evaluate the cost of restoring such equipment and when restoration is not cost-effective, or equipment can not be safely restored, InterHealth LLC is required to remove such equipment from distribution. Similar considerations are currently applied by medical suppliers when redistributing used equipment for rental purposes.

**14.Q: Will InterHealth LLC provide authorization to allow a medical supplier to deliver a piece of equipment if InterHealth LLC does not have it in their inventory?**

**14. Response:**

A responsibility of the medical supplier is to contact InterHealth LLC to determine the availability of equipment not requiring PA. If equipment needed to meet the medical necessity needs of a beneficiary is unavailable from InterHealth LLC, InterHealth LLC will document the outcome of the telephone inquiry in their telephone log and the medical supplier will be permitted to dispense new equipment.

**15.Q: For equipment requiring prior authorization, is the MDO responsible for interacting with InterHealth LLC to determine the availability of recycled equipment? How will verbal approvals for DME be handled in light of the Recycling program?**

**15. Response:**

The MDO is responsible for contacting InterHealth LLC to verify the availability of recycled equipment for DME requiring PA. Except in emergency situations, the MDO will perform the same inquiries prior to issuing verbal approvals for recyclable equipment.

**16.Q: Are MDOs prepared to handle the additional burdens to be generated by the Recycling Program?**

**16. Response:**

Yes.

**17.Q: What oversight has the State incorporated into the contract with InterHealth LLC to assure the winning bidder can perform its contract obligations?**

**17. Response:**

The services provided by InterHealth LLC are being closely monitored by Office of Health Service Administration contract liaison staff who routinely meet with InterHealth LLC to evaluate their performance under the Recycling contract.

**18.Q: If the State plans to mandate and move the Supplemental Social Security Income (SSI) population into Managed Care by May 2000, what is the purpose of the Recycling Program?**

**18. Response:**

After moving the SSI population into the New Jersey Care 2000 managed health care program, the Division anticipates that some percentage of eligible SSI beneficiaries will remain in the FFS Medicaid program. Recycling equipment will continue to be a cost-effective approach to providing medically necessary equipment for these beneficiaries.

**19.Q: How will managed care interact with its contracted providers and the Recycling Program?**

**19. Response:**

The DME Recycling Program applies to only FFS medical supply claims. The Recycling Program does not apply to eligible beneficiaries enrolled in the New Jersey Care 2000 managed care program.

**20.Q: Providers who have contacted InterHealth LLC have experienced problems with the contractor's ability to understand its obligations. Who will compensate experienced providers for the burden of educating this contractor?**

**20. Response:**

InterHealth LLC is fully aware of its obligations under the DME Recycling contract. If medical suppliers become aware of misunderstandings regarding the Program, they should contact Carl Tepper, R.Ph., Chief, Pharmaceutical Services, at (609) 588-2724.

**21.Q: What is the term of the Recycling Program?**

**21. Response:**

The term of the DME Recycling contract is two (2) years.

**ACTION:** (2) For medical supply claims with service dates on or after February 1, 2000, the Division of Medical Assistance and Health Services (DMAHS) is deleting the following HCPCS procedure codes from the list of recyclable equipment described in the Medicaid Newsletter Volume 9, No. 60, dated October 1999:

## Deletions

E0570  
E0575  
E0580  
E0585  
E1375  
E0192  
E0660  
E0665  
E0666  
E0667  
E0668  
E0942  
K0193  
K0194  
K0268

If you have any policy questions concerning this Newsletter, please do not hesitate to contact the Chief, Pharmaceutical Services, DMAHS, at (609) 588-2724.

If you have any questions concerning recycling procedures, please do not hesitate to contact InterHealth LLC at 1-800-933-4028.

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(BLUE TAB MARKED "5")**