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Title 22@ Social Security

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Division 3@ Health Care Services

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Subdivision 1@ California Medical Assistance Program

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Chapter 3@ Health Care Services

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Article 1.3@ General Provisions

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Section 51008.1@ Upper Billing Limit

51008.1 Upper Billing Limit

(a)

Bills submitted pursuant to Section 51008 for durable medical equipment as defined in Section 51160, medical supplies authorized pursuant to Section 51320, or incontinence medical supplies listed in Section 51526(c) shall not exceed an amount that is the lesser of: (1) The usual charges made to the general public, or (2) The net purchase price of the item, which shall be documented in the provider's books and records, plus no more than a 100 percent mark-up.

Documentation shall include, but not be limited to, evidence of purchase such as invoices or receipts. (A) Net purchase price is defined as the actual cost to the provider to purchase the item from the seller, including any rebates, refunds, discounts or any other price reducing allowances, known by the provider at the time of billing the Medi-Cal program for the item, that reduce the item's invoice amount. (B) The net purchase price shall reflect price reductions guaranteed by any contract to be applied to the item(s) billed to the Medi-Cal program. (C) The net purchase price shall not include provider costs associated with late payment penalties, interest, inventory costs, taxes, or labor. (D) Where a custom wheelchair as defined in (d) is subject to the provisions of this regulation, the provider may bill the provider's cost of labor to assemble the custom wheelchair which is above the 100 percent mark-up, only when the inclusion of the actual labor cost would result in a bill that exceeds the net purchase price of the entire custom wheelchair plus a

100 percent mark-up. Regardless of any codes used to bill the wheelchair base or frame of a custom wheelchair, where inclusion of the provider's actual cost for assembly of the custom wheelchair exceeds the amount of the allowed 100 percent mark-up, the provider shall be allowed to add to the bill submitted under 51008 that actual cost of labor that exceeds the 100 percent mark-up to the claim line that would otherwise have been used to bill only the custom wheelchair's base or frame. (E) If the provider's actual cost of labor is included in the bill, the actual time spent assembling the entire custom wheelchair shall be itemized by hours or fractions thereof and the per hour cost of labor, and each shall be documented in the provider's books and records.

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(B)

The net purchase price shall reflect price reductions guaranteed by any contract to be applied to the item(s) billed to the Medi-Cal program.

(C)

The net purchase price shall not include provider costs associated with late payment penalties, interest, inventory costs, taxes, or labor.

(D)

Where a custom wheelchair as defined in (d) is subject to the provisions of this regulation, the provider may bill the provider's cost of labor to assemble the custom wheelchair which is above the 100 percent mark-up, only when the inclusion of the actual labor cost would result

in a bill that exceeds the net purchase price of the entire custom wheelchair plus a 100 percent mark-up. Regardless of any codes used to bill the wheelchair base or frame of a custom wheelchair, where inclusion of the provider's actual cost for assembly of the custom wheelchair exceeds the amount of the allowed 100 percent mark-up, the provider shall be allowed to add to the bill submitted under 51008 that actual cost of labor that exceeds the 100 percent mark-up to the claim line that would otherwise have been used to bill only the custom wheelchair's base or frame.

(E)

If the provider's actual cost of labor is included in the bill, the actual time spent assembling the entire custom wheelchair shall be itemized by hours or fractions thereof and the per hour cost of labor, and each shall be documented in the provider's books and records.

(b)

Providers shall not submit bills pursuant to this section for items obtained at no cost.

(c)

Bills for items of rented durable medical equipment are excluded from the upper billing limit provisions in subsection (a)(2).

(d)

A custom wheelchair, either manual or power, is one which has been uniquely constructed or assembled to address a particular patient's individual medical needs for positioning, support and mobility.