Health Services
LOS ANGELES COUNTY

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To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

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ADDENDUM NO. 2

TO

Department of Health Services Healthcare Ancillary Services Master Agreement (HASMA) Request for Statement of Ancillary Services Qualifications for Prosthetic and Orthotic Appliances Services

This Addendum Number 2 to the Department of Health Services Healthcare Ancillary Services Master Agreement (HASMA) Request for Statement of Ancillary Services Qualifications for Prosthetic and Orthotic Appliances, Internal Services Department (ISD) Bid Number HS-1110, replaces Exhibit B-1 - Billing and Payments Chart For Prosthetic and Orthotic Appliance Services in its entirety. This Addendum is posted on the Department of Health Services (DHS) Contracts and Grants Website at http://cg.dhs.lacounty.gov.

Appendix E, Required Agreement, Exhibit B-1 - Billing and Payments Chart For Prosthetic and Orthotic Appliance Services, is deleted in its entirety and replaced by "Appendix E, Required Agreement, Exhibit B-2 - Billing and Payments Chart For Prosthetic and Orthotic Appliance Services" attached hereto and incorporated herein by reference. All references to Exhibit B-1 - Billing and Payments Chart For Prosthetic and Orthotic Appliance Services in the Solicitation Document shall hereafter be replaced by Exhibit B-2.

EXHIBIT B-2

BILLING AND PAYMENT CHART
FOR
PROSTHETIC AND ORTHOTIC APPLIANCE SERVICES

1.0 CONTRACTOR BILLING

1.1 Contractor shall bill Medi-Cal and Medicare directly for all outpatient Prosthetic and Orthotic Appliance (P&O) Services rendered to Medi-Cal-eligible patients and/or Medicare-eligible patients as shown in Paragraph 3.0, Billing and Payment Chart (Chart), of this Exhibit.

If claims are denied by Medi-Cal or Medicare, other than for non-benefit of program(s), Contractor shall make every attempt to resubmit and/or appeal the claim. Facility staff will provide any additional supporting documentation, so that Contractor can re-bill Medi-Cal or Medicare. If claims remain denied, Contractor shall submit supporting documentation that it made every attempt possible and shall bill the Facility.

1.2 Contractor shall bill private/commercial insurance as shown in Paragraph 3.0, Billing and Payment Chart, of this Exhibit for third-party insured patients.

1.3 Contractor is responsible for collecting any monies owed by the Patient (e.g. share of cost [SOC], deductible and co-payment amounts).

1.4 Contractor shall bill the Facility directly for all inpatient appliances rendered to eligible Patients as further defined in Paragraphs 2.0 and 3.0 of this Exhibit. In addition, Contractor shall bill the Facility for all inpatient and/or outpatient appliances for County-Responsible Patients and Medi-Cal pending Patients whose Medi-Cal eligibility is still pending and have no other resources.

1.5 Contractor shall refer to the Medi-Cal Maximum Reimbursement Rates listed in the most recent published “Durable Medical Equipment (DME): Billing Codes and Reimbursement Rates” manual on the Medi-Cal.CA.gov website or any subsequent Medi-Cal website when submitting claims to the Facility for reimbursement for County-Responsible Patients and Medi-Cal pending Patients.

2.0 COUNTY PAYMENT

2.1 Invoice Requirements for County Payment

All invoices shall include the following supporting documentation:

2.1.1 A copy of the initial prescription or order which includes:

a. Date and location ordered;
b. Diagnose(s);
c. Prescription;
d. Patient’s complete name;

e. Medical Record Unit Number (MRUN); and
f. Prescriber's printed name, title, license number, and signature.
g. Appliance ordered

2.1.2 Itemization of each item charged, which includes Contractor's catalog price and the discounted price described in Paragraph 5.0 Master Agreement Sum, of the Master Agreement, if charging for items that do not conform to Medi-Cal guidelines.

2.1.3 Deduction for Patient's Share of Cost (SOC) that Contractor shall bill directly to Patient, only if applicable.

2.1.4 Any required County prior authorization in accordance with Sub-paragraph 3.1.3.B of Exhibit A – SOW or medical record documentation that is needed to show eligibility for appliance.

2.1.5 If the appliance/device provided is different than the original order, the Contractor must provide proof that the Referring Provider agreed with the changes.

2.1.6 Location and date when appliance was applied/delivered; and

2.1.7 Signed proof of delivery from patient affirming the patient received the appliance and that they are satisfied with fit and function.

2.1.8 Supportive Documentation must be included (e.g. chart notes, unless especially if there are additional notes not in ORCHID).

2.2 For all appliances and, if applicable, services that conform to Medi-Cal guidelines, County shall pay Contractor based on Medi-Cal Maximum Reimbursement Rates listed in the most recently published "Orthotic and Prosthetic Appliances: Billing Codes and Reimbursement Rates-Orthotics" and "Orthotic and Prosthetic Appliances: Billing Codes and Reimbursement Rates- Prosthetics" manual on the Medi-Cal.CA.gov website or any subsequent Medi-Cal website.

2.3 For all other appliances and services that do not conform to Medi-Cal guidelines, County shall pay Contractor based on the prices listed in Contractor's commercial catalog which is in effect upon the date of this Master Agreement. These prices shall include any discounts provided to County set forth in Paragraph 5.0 Master Agreement Sum, of the Master Agreement.

2.4 All payments made by County are subject to the acceptance of the individual appliance(s). Payments will not be made for any appliance(s) deemed unacceptable until Contractor promptly reworks and/or replaces such appliance(s) to County's satisfaction.

2.5 County shall not pay for appliances and services that did not receive the required written pre-authorization as set forth in Exhibit A - SOW, Sub-paragraph 3.1.3.

2.6 County shall not pay Contractor a separate charge for adjustment, fitting, measuring, and delivery of appliances, or for training of Patients in the use of such appliances.

2.7 Any discrepancy in the requested appliance versus the accepted appliance, delivery date, will delay payments or cause non-payment of same.

2.8 Facility's Project Manager may deduct any amount paid to Contractor during the time Contractor is attempting to rework or replace any unacceptable appliance(s). Upon acceptance of any appliance for which a deduction was made or refund received, County agrees to review appliance for acceptance within thirty (30) days from date of delivery and provide payment no later than thirty (30) days thereafter.

2.9 Prior to payment, all invoices submitted by Contractor must have the written approval of the Facility's Project Manager, or authorized designee.

2.10 Facility shall be refunded by Contractor within thirty (30) days after the end of the month in which Contractor receives any overpayments. Contractor may credit the Facility in its monthly billings.

2.11 Contractor shall retain any Medi-Cal payments for outpatient services as full and complete payment, and all monies received from Facility for such services shall be returned to such Facility.

2.12 Contractor shall note on its invoice any duplicate appliance(s) and the reason a duplicate appliance was provided to the same Patient within the ninety (90) day period as further described in Sub-Paragraph 3.6 Adjustments and Remedies in Exhibit A - SOW.

3.0 BILLING AND PAYMENT CHART

PAYOR TYPE	OUTPATIENT	INPATIENT
Medi-Cal and presumptive Medi-Cal eligibility	Contractor obtains Medi-Cal authorization and bills Medi-Cal using its own provider number and utilizing DHS' supporting documentation including financial and diagnostic.	Contractor bills Facility. DHS will bill Medi-Cal via its all-inclusive billing methodology.
Medi-Cal with SOC	Contractor obtains Medi-Cal authorization and bills Medi-Cal using its own provider number. If applicable, Contractor collects or makes payment arrangements of SOC directly from the patient.	Contractor bills Facility. DHS will bill Medi-Cal via its all-inclusive billing methodology.
Medi-Cal pending	Contractor shall hold billing until the disposition of the patient's Medi-Cal eligibility is provided by the State. If the patient is determined to be	Contractor bills Facility for services rendered to Patients pending Medi-Cal clearance and who have no other

PAYOR TYPE	OUTPATIENT	INPATIENT
	ineligible, Contractor refers patient to facility's Patient Financial Services (PFS) Department to determine the appropriate payor. Based on the financial coverage determined by PFS, Contractor bills in accordance to the billing instructions in this BILLING AND PAYMENT CHART.	resources to pay. DHS will bill Medi-Cal via its all-inclusive billing methodology upon Medi-Cal approval.
Medicare Part A (Inpatient)	N/A	Contractor bills Facility. DHS will bill Medicare all-inclusive bill to Medicare includes Prosthetic/Orthotic appliance prescribed/ordered while an inpatient.
Medicare Part B (Outpatient)	Contractor bills Medicare using its own provider number and collects any deductible/co-insurance amounts from the patient based upon the Medicare approved charges.	N/A
Medicare/Medi-Cal (Inpatient)	N/A	Contractor bills Facility. DHS will bill Medi-Cal/Medicare via its all-inclusive billing methodology.
Medicare/Medi-Cal (Outpatient)	Contractor bills Medicare (using its own provider number) and bills the patients' Medicare co-insurance and deductible amounts to Medi-Cal (using its own provider number).	N/A
DHS assigned Medi-Cal HMO (HealthNet, LA CARE, IHSS)	Contractor seeks necessary prior authorization and bills assigned insurance carrier.	Contractor bills Facility. DHS is reimbursed for cost via capitated rate.
County-Responsible Patients (MHLA, ATP with and without SOC,	Contractor bills Facility, less patient's Share of Cost (SOC) amount, if applicable. If applicable, Contractor collects or makes payment arrangements of SOC directly from the patient, if they have ATP SOC	Contractor bills Facility. DHS is reimbursed for cost via capitated rate.

PAYOR TYPE	OUTPATIENT	INPATIENT
restricted Medi-Cal)	and have not met SOC for the month of the delivery.	
Self-Pay (no other third-party coverage)	Contractor bills self-pay patient.	Contractor bills Facility. DHS will bill patient directly for services provided while the patient is hospitalized. Contractor bills patient directly for all appliance services received after the patient's hospitalization using its standard collection policy for self-pay patients.
Commercial Insurance (third-party insurance)	Contractor seeks prior authorization and bills third-party insurance carrier.	Contractor bills Facility. DHS will bill patient's insurance for services provided while the patient is hospitalized. Contractor seeks prior authorization and bills patient's third-party insurance for all appliances received after the patient's hospitalization using its standard collection policy for self-pay patients.