



# Medicare: Today's Issue

March 18, 2004

## *BETTER BENEFITS – MORE CHOICES*

*Good News about the Medicare Prescription Drug, Improvement and Modernization Act of 2003!*

### MMA Payments for Therapeutic and Diabetic Shoes and Inserts

#### Change in Payment Methodology

- ❖ The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) changes the payment methodology for therapeutic/diabetic shoes and inserts so that **such items will be paid using the fee schedule for orthotics and prosthetics.**
- ❖ **Currently, the payment limits for therapeutic/diabetic shoes and inserts are based on original limits that were established in legislation for 1988 and are updated each year by the same percentage update as durable medical equipment (DME).**
- ❖ **The Secretary may establish lower payment limits than the fee schedule amounts if shoes and inserts of an appropriate quality are readily available at lower amounts.**
- ❖ **The Secretary is required to establish a payment amount for shoes that are modified (instead of an individual obtaining one or more pair of inserts) that would assure that there is no net increase in Medicare expenditures.**

#### Effective Date

- ❖ January 1, 2005