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| <b>CSG<br/>Client Services<br/>Guide</b> | <b>Date<br/>Issued</b><br><br>7/15/15 | <b>Subject</b><br><br>Authorizations<br>and Billing | <b>Authorizations<br/>and Billing</b> |
|  |                                       |   | <b>Section</b><br><br>700             |

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**CHAPTER 7 - AUTHORIZATIONS AND BILLING**

**Federal Regulations**

[34 CFR 361.5](#) - Definitions

**State Rule**

[5 CSR 20-500](#)

[1 CSR 10-3.010](#)

**700 PURCHASING SERVICES**

**700.1 Procedure Codes and Service Categories**

- Service Categories are listed in [CSG Section 100](#).
- Procedure Codes in the case management system are associated with specific Service Categories. Refer to the case management system help desk when seeking specific procedure code/service category information.

**700.2 Bid Process**

- Bids are not required for items \$2999.99 and under. All items \$3000 and above will require comparable bids.

NOTE: Bids are not required for any item listed in our established fees (i.e. approved tool kits at school, durable medical equipment with HCPCS codes such as glasses, orthotic devices, etc.).

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- If bids are required, obtain written price quotations from at least two (2) vendors, and prepare to authorize services based upon the lesser price quote, unless one of the following occurs:
  - Only one price quotation is required if the equipment can only be obtained from a single source. If this occurs, attach a case note which includes a full explanation to the single source price quotation available.
  - The client chooses to purchase equipment from the higher priced vendor, and agrees to pay the difference between the two price quotes. Exceptions to be approved by the District Supervisor.
- When there is client participation, the vendor(s) should be advised that it is their responsibility to obtain the client's contribution. Document communication with the vendor.
- All purchases must meet "RAAN" federal cost principles. RAAN is an acronym for Reasonable, Allowable, Allocable and Necessary.

### **700.3 Authorizations**

- An authorization is a legally binding contract that defines the services to be performed on behalf of a client in exchange for a valuable benefit. The authorization defines the terms and conditions of the agreement and is MVR's obligation to pay for services.
- An authorized fee shall comply with the VR program's approved schedule of fees, when such fee is established. Exceptions to established fees may be granted by the Assistant Commissioner based on the needs of the client and all applicable federal and state laws and regulations.
- Services may only be authorized when clients are in Application through Post Employment Services (PES) statuses (excluding Delayed status)
- Authorizations should be issued prior to the start of VR services.
  - Exception: A verbal authorization may be granted by Counselor II's and above in an emergency situation. On the same day a verbal authorization is given, the counselor must document the

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nature of the emergency and the extent of services needed. Within three (3) business days of the verbal authorization, an authorization should be issued from the case management system.

- Authorizations are prepared in accordance with the most cost-effective bid (if applicable) for non-inventory and/or inventory item(s), less any comparable service amount or client contribution.
- The authorization should be issued to the vendor who has either provided the most cost-effective bid; or who is the client's chosen vendor, and the client has elected to pay the difference in cost. Exceptions to be approved by the District Supervisor.
- The Service Category associated with the Procedure Code must be listed on the Individualized Plan for Employment (IPE).
  - Exception: When authorizing services needed to determine a client's eligibility for VR services, services to assign a client to a priority category if operating under an order of selection, and/or to determine the nature and scope of VR services to be included in the IPE.
- Copies of authorizations or amended authorizations issued on behalf of the client should be provided to the vendor and client (or guardian if applicable).
- When amending an authorization, the reason for the amendment and rationale must be entered in the case management system.
- Counselors II's and above have the authority to issue authorizations for diagnostic services and all rehabilitation services listed on an IPE. This authority can be restricted or removed at the discretion of the District Supervisor and/or Regional Manager.
- VR staff is responsible for ensuring all authorizations and expenditures comply with Federal and State regulations.

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#### **700.4 Vendor Information**

- All vendors are required to be established as a vendor with the state of Missouri.
- To be established as a vendor with the state of Missouri or to make changes to an existing vendor, a vendor input form must be submitted.
  - The Vendor Input/ACH-EFT Application form can be found on the Missouri Vendor Services Portal.

#### **700.5 Sales Tax Exemption**

- VR is exempt from paying Missouri sales tax when purchasing directly from a vendor.
  - VR is obligated to pay other states' sales tax.
  - VR will reimburse clients for sales tax paid when making an authorized purchase.
- A Missouri sales tax exempt letter may be provided to the vendor if requested. Contact Central Office Accounting for a copy of this letter if necessary.

#### **700.6 Medical Records**

- The rate for medical records is mandated by Missouri law and is published by the Department of Health and Senior Services.

#### **700.7 Authorizing Services – Medical Fee Schedule**

- Medical procedures are typically identified by a specific Physician's Current Procedural Terminology (CPT) number, which should be referred to when preparing an authorization.
- Missouri VR uses the Healthcare Common Procedure Coding System (HCPCS) codes. HCPCS codes should be utilized by vendors when submitting bids or quotes for durable medical equipment, prosthetics, orthotics and supplies.
- VR establishes the payable rate for medical procedure codes, including durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) covered by Medicare, based on Missouri Medicare rates.

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- Procedure codes not listed in the case management system are obtained by contacting Central Office Client Services staff. If no rate can be established, Central Office Client Services staff will provide notification the service may be authorized at the usual and customary rate.
- If the actual cost of the service is less than the maximum established rate (if applicable), use the actual cost.
- Medicare will only pay for rental on many durable medical items. When rental fees are the only listed rate and purchase is recommended, proceed with the normal procurement procedures.

## **710 BILLING PROCEDURES**

The State of Missouri defines standards for payment of invoices. These standards may be found on the Secretary of State's website.

### **710.1 Submitted Invoice Requirements**

- The following are required for all invoices submitted and should correspond with the authorization:
  - Original Invoice
  - Unique invoice number
  - Must be billed to VR or State of Missouri
  - Vendor name/address (vendor name on invoice matching authorization)
  - A unique identifier that allows matching of the invoice to the associated case (i.e. client name, case ID, authorization number)
  - Service dates
  - Specific item or service listed on invoice
  - Amount due
  - Vendor signature is required only if a VR provided invoice is used for billing

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### **710.2 Approval of Invoice and Verification of Services Provided**

- The qualified VR counselor shall not approve any invoice for payment until appropriate verification of services has been secured and documented.
- The qualified VR counselor's signature or initials verifying receipt of services is required on the invoice before the bill may be submitted for payment.
- The bill payer's signature or initials verifying invoice requirements are required on the invoice before the bill can be paid.

### **710.3 Electronic Funds Transfer (EFT)**

- Electronic Funds Transfer (EFT) is available for receiving payments from VR. Enrolling in EFT allows for quicker payments by eliminating the handling and mailing of checks.
  - Refer to the State of Missouri Vendor Services Portal. This site provides the Vendor Input/ACH-EFT Application and a portal where vendors can receive payment information.