

ALERT

April 2, 2026

TO: All Providers

RE: DME Quarterly Updates

The following updates to DME policies are effective April 1, 2026.

1. Cranial Orthosis coverage has been updated to include non-synostotic deformational plagiocephaly. For full coverage requirements please see the checklist at https://medicaid.alabama.gov/content/4.0_Programs/4.3_Pharmacy-DME/4.3.16_DME_PA_Checklists.aspx.
2. Enclosed beds (SleepSafe, Cubby Beds, Beds by George, etc.) billed using E1399 must be billed with the **CG modifier** effective April 1, 2026. All prior authorization requests for enclosed beds using procedure code E1399 submitted on or after April 1, 2026 must include the **CG modifier**.
3. Coverage for the following procedure codes has been updated to include both adults (21-99y) and children (0-20y) who have a tracheostomy or laryngectomy. There is no prior authorization requirement. Please see DME fee schedules located at https://medicaid.alabama.gov/content/Gated/7.3G_Fee_Schedules.aspx for details on limits and reimbursement rates.
 - a. A7507, Filter holder and integrated filter without adhesive, for use in a tracheostoma heat and moisture exchange system, each
 - b. A7508, Housing and integrated adhesive, for use in a tracheostoma heat and moisture exchange system and or with a tracheostoma valve, each

DME Policy Reminders

1. All invoices submitted must be **final cost** invoices (less all available discounts). Claims reimbursed based on pre-discount invoices are subject to recoupment.
2. When instructed to submit CMS 1500 paper claims through postal mail be reminded of the following:
 - a. Claims for recipients who have a primary third-party payor must be accompanied by the TPL attachment form if the primary third-party payor made a payment.
 - b. Claims for recipients who have a primary third-party payor must be accompanied by the primary third-party payor explanation of benefits (EOB) if no payment was made.
 - c. Detailed instructions can be reviewed in Chapter 5 of the Provider Billing Manual located at https://medicaid.alabama.gov/content/Gated/7.6.1G_Provider_Manuals/7.6.1.1G_Jan_2026.aspx.
3. The 2026 CURES Act reimbursement rate updates have been completed, and all associated claims have been reprocessed.

The Provider Billing Manual will be updated with the new criteria with the next quarterly update. Policy questions concerning this ALERT should be directed to the DME Program at (334) 242-5050.