



Provider Notice: #0038

Date: 11/2/04

Subject: Billing Requirement Changes for Wheelchairs, Accessories and Replacement Parts and Scooters Effective 11/1/04

I. HCPCS Codes and Modifier Changes

- A. Effective for DOS of service on or after 11/1/04, the following HCPC codes are no longer valid: E0142, E0146, E0975, E0979, E1091, X2900 – X3699. These codes were replaced by national HCPC codes to ensure Medi-Cal compliance with HIPAA standard coding.
- B. Effective for DOS on or after 11/1/04, the following modifiers are no longer valid for DME: Y1, Y2, Y3, Y5, Y6, Y7, Y8, Y9, and YP. They have been replaced by Y4 (undeliverable item), NU (purchase new), RR (rental), and RP (repair and replacement).
- C. Effective for DOS on or after 11/1/04, pediatric wheelchair adjustable hardware (for example, swing away laterals and swing out abductors) are separately reimbursable and must be billed with HCPC code E1028 (wheelchair accessory, manual swingaway, retractable or removable mounting hardware for joystick, other control interface or positioning accessory).

II. Wheelchairs, Wheelchair Accessories, and Replacement Parts

Effective for DOS on or after 1/1/04, Medi-Cal reimbursement for the purchase of wheelchairs, wheelchair accessories, and replacement parts for patient owned equipment with no specified maximum allowable rate (unlisted or “By Report”) were changed to comply with legislation (Assembly Bill {AB} 747, Chapter 659, Statutes of 2003).

A. Claim Documentation Requirements for the Purchase of Wheelchairs, Accessories, and Replacement Parts.

- MSRP (catalog page) dated prior to 8/1/03, if the item was not available prior to 8/1/03, attach a manufacturer’s purchase invoice and the catalog page that initially published the item and the MSRP, and complete the Reserved for Local Use field (Box 19) with the date of availability.

Note: The only acceptable MSRP documentation is (1) the manufacturer's price list and/or order form dated prior to 8/1/03, unless the item was not available prior to 8/1/03, or (2) a manufacturer's catalog page that includes a description of the item, the manufacturer's name, the model number/catalog number of the item, if available, and the MSRP. No other attachments will be accepted.

- Item description
- Manufacturer name
- Model number
- Catalog number
- The reason a listed code was not used.
- Completion of the Reserved for Local Use field (Box 19), with the total aggregate MSRP of the wheelchair and wheelchair accessories or replacement parts. The total aggregate MSRP includes the MSRP for all listed and unlisted codes.
- Claims submitted with manufacturer's purchase invoice must include an MSRP if the provider is requesting reimbursement at the invoice amount plus a 67% markup.
- Completion of line 19, remarks section on the claim form with the name of the employed RESNA certified technician.*

*Reimbursement in excess of 80% of the MSRP for unlisted wheelchairs, wheelchair accessories and/or replacement parts is allowed if the provider has on staff, either as an employee or independent contractor, one of the following qualified rehabilitation professionals and that qualified rehabilitation professional was directly involved in determining the specific wheelchair equipment needs of the patient and directly involved with or closely supervised the final fitting and delivery of the wheelchair:

- ❖ Rehabilitation Engineering and Assistive Technology Society of North America (RESNA) – certified technician
- ❖ Certified Rehabilitation Technology Supplier (CRTS)
- ❖ Licensed California physical therapist
- ❖ Licensed California occupation therapist

The name of the qualified rehabilitation professional that was directly involved in determining the specific wheelchair equipment needs of the patient and was directly involved or closely supervised the final fitting and delivery of the wheelchair must be documented in the Reserved For Local Use field (Box 19) of the HCFA 1500 claim form or on an attachment. Claims that do not include the name of the employed certified technician and the certifying organization or the name and California license number of the physical therapist or occupational therapist will be reimbursed at 80% of the MSRP regardless of the aggregate MSRP.

Note: Claims billed with an unlisted HCPC code (i.e. K0009, K0014, or K0108) when a listed HCPC code is available will be denied.

B. Pricing Methodology for Unlisted/By Report Wheelchairs, Accessories, and Replacement Parts.

Effective for DOS on or after 1/1/04, by report or unlisted wheelchairs are reimbursed at the lesser of the following:

- The amount billed pursuant to the California Code of Regulations, Title 22, Section 51008.1, or
- The manufacturer’s purchase invoice amount, plus a 67% markup, or
- The percentage of Manufacturer Suggested Retail Price (MSRP) as follows:

Claims submitted with a manufacturer’s purchase invoice must include an MSRP if the provider is requesting reimbursement at the invoice amount plus a 67% markup.

Power Wheelchairs

<u>Aggregate MSRP</u>	<u>Percentage of MSRP</u>
\$1 - \$5,000	90
\$5,001 - \$14,000	85
\$14,001 +	80

Manual Wheelchairs

<u>Aggregate MSRP</u>	<u>Percentage of MSRP</u>
\$1 - \$1,500	90
\$1,501 - \$4,000	85
\$4,001 +	80

The total aggregate MSRP includes the wheelchair base and all accessories billed for each DOS (for example, date of delivery).

Payment for wheelchairs, wheelchair accessories and replacement parts to providers who do not have a Rehabilitation Engineering and Assistive Technology Society of North America (RESNA) certified technician on staff will be reimbursed at 80% of MSRP.

Claims submitted with a copy of an approved PHC TAR or an approved CCS authorization which was approved prior to 1/1/04, will be reimbursed at cost plus a 67% markup or 100% of MSRP. Providers must submit a copy of the PHC TAR/CCS authorization with the claim to verify the date of approval.

III. Repair or Maintenance of Equipment

Claims with DOS on or after 11/1/04 must be billed with the applicable listed HCPC code and appropriate modifier RP (repair and replacement) or NU (new purchase) and E1340 (labor).

A. Claims for labor (HCPC code E1340) require the following documentation:

- Procedure code of the item requiring the labor charge
- Description of the service provided
- Certification of patient owned equipment
- Reason/justification for repair
- Labor time to accomplish the work (HCPC code E1340) is billed in 15-minute units, but labor time may be rounded to the nearest half-hour for the total repair job. For example, 1 hour and 20 minutes = 6 units.
- Labor rate or hourly charge

Code E1340 must be billed with modifier RP.

The hourly labor reimbursement rate for wheelchair repair is \$35.00. HCPC code E1340 is defined as “labor, per 15 minutes: with an assigned value of \$8.75.

Note: Separate reimbursement for labor charges (HCPC code E1340) is not allowed for the installation, setup, delivery or instruction on use of rented or newly purchased wheelchair items, or for the repair, maintenance or routine servicing of rented wheelchairs (California Code of Regulations [CCR], Title 22, Section 51521[f]). Labor charges also are not separately reimbursable during the warranty period following the purchase or repair of wheelchairs (CCR, Title 22, Section 51521[g]). For more information about warranties, refer to “Guarantees” in the Durable Medical Equipment (DME): Billing Codes and Reimbursement Rates section of the Medi-Cal Provider Manual.

B. Replacement Parts

1. Listed Replacement Parts and Repair

Claims for replacement parts for which there is a specific HCPC code must be billed with that code and modifier NU.

Claims for repair of items for which there is a specific HCPC code must be billed with that code and modifier RP.

Claims for labor must include a statement in the Reserved For Local Use field (Box 19) that the equipment is patient-owned.

2. Unlisted Replacement Parts and Repair

Claims for unlisted replacement parts must be billed with the HCPC code for the piece of equipment that is being repaired and modifier RP. The following information is required.

- Description of the service provided
- Reason/justification for repair
- Manufacturer name
- MSRP (catalog page) dated prior to 8/1/03. If the item was not available prior to 8/1/03, attach a manufacturer's purchase invoice and the catalog page that initially published the item and the MSRP, and complete the Reserved for Local Use field (Box 19) with the date of availability.

IV. Scooters.

A. Claim Documentation Requirements for Scooters and Replacement Parts

Claims submitted for scooters and replacement parts for patient-owned equipment require the following documentation:

- MSRP (catalog page) dated prior to 8/1/03. If the item was not available prior to 8/1/03, attach a manufacturer's purchase invoice and the catalog page that initially published the item and the MSRP, and complete the Reserved for Local Use field (Box 19) with the date of availability.
- Item description
- Manufacturer name
- Model number
- Catalog number

Claims submitted with a manufacturer's purchase invoice must include an MSRP.

B. Pricing Methodology for Scooters

Payment for all scooters, regardless of the aggregate MSRP, is reimbursed at the lesser of:

- The amount billed pursuant to the California Code of Regulations (CCR), Title 22, Section 51008.1, or
- The manufacturer's purchase invoice amount, plus a 67% markup, or
- 80% of the MSRP. The MSRP must be an amount that was published by the manufacturer prior to 8/1/03. If the item was not available prior to 8/1/03, attach a manufacturer's purchase invoice and the catalog page that initially published the item and the MSRP.

V. Rental Items

- A. Claims with dates of service on or after 11/1/04 must be billed with modifier – RR
- B. PHC will reimburse the rental rate for the equipment for authorized rental items up to the purchase price for the equipment as outlined in Title 22 Section § 51224.5 B.A.2.