

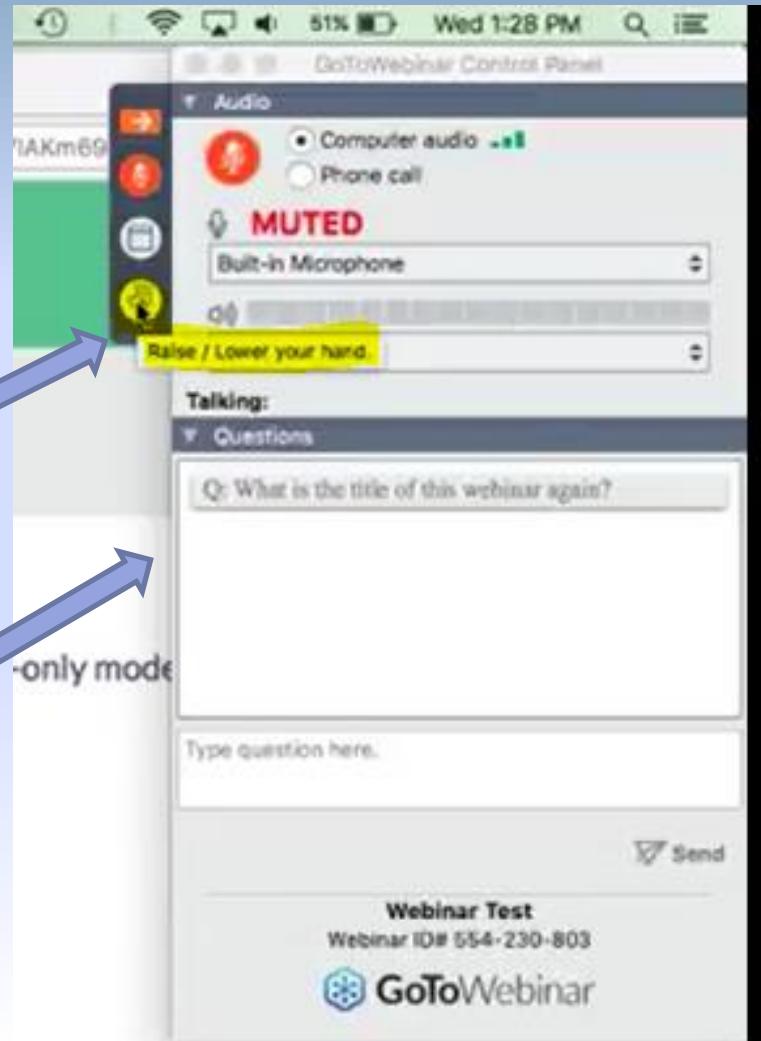
# Monthly DME Webinar and Q&A

May 2018:  
Rentals, Repairs and  
Replacement Parts

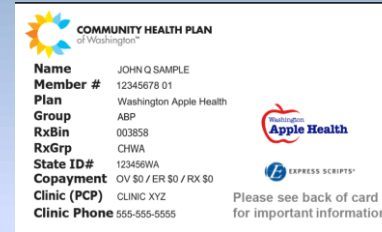
You are currently muted.

If you would like to be unmuted for the Q&A, please raise your virtual hand when indicated.

Or you can type your question in the question panel.



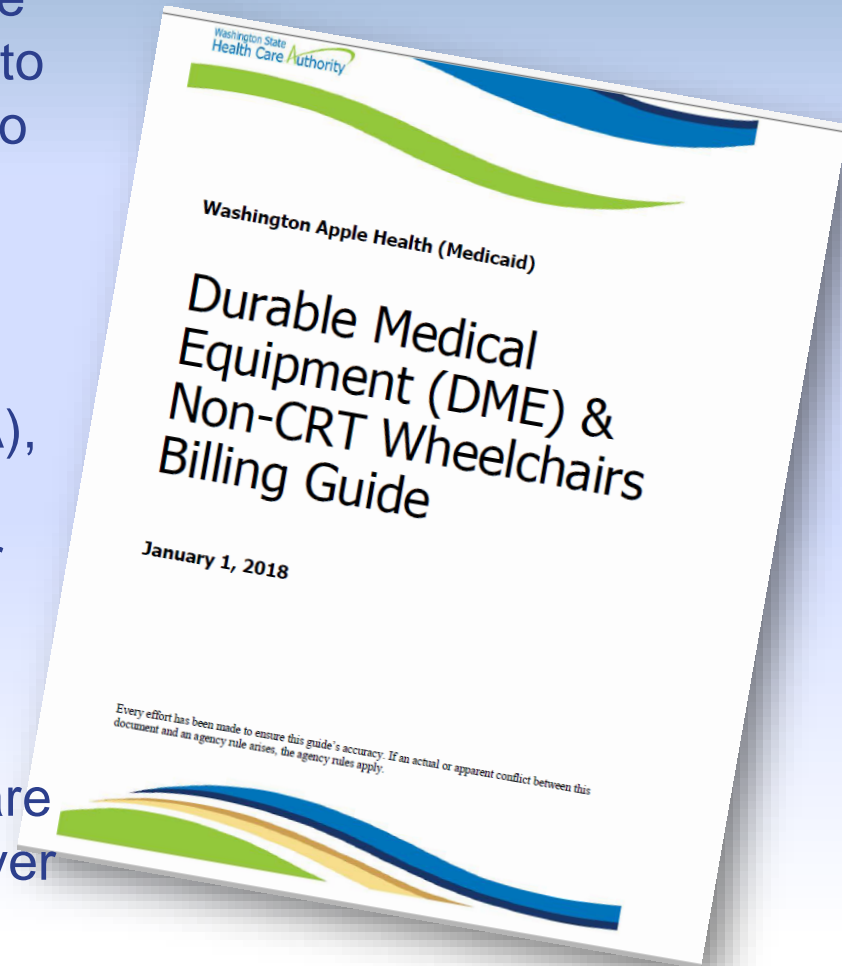
# Reminders



- ❖ The client must first coordinate with their health care provider to obtain covered items through Medicare, private insurance, Apple Health or other available benefit. For issues/questions regarding Medicare, the client can call 1-800-Medicare.
- ❖ Do not create a social service authorization until all other available funding sources have been exhausted (this does **not** mean a denial is required for every SS authorization).
- ❖ Social service authorizations cannot be used to supplement Medicare or Apple Health rates.
- ❖ Medicare information is provided only as an FYI and represents our understanding of coverage at the time of the webinar.

# Reminders

- ❖ It is the DME vendor's responsibility to be aware of the process and forms needed to request a prior authorization, exception to rule (ETR) or limit extension, as needed, under the client's Apple Health (AH) medical benefit.
- ❖ Per their Core Provider Agreement (CPA), DME vendors must exhaust other coverage before submitting a request for payment under a social service authorization.
- ❖ A vendor cannot bill a client for a Medicare "co-pay" or deductible. This is a "crossover claim"; there are instructions in the [DME Billing Guide](#) on how a vendor bills a crossover claim in ProviderOne.



# MANAGED CARE AND DME

- If the item and individual are both covered by an Apple Health (AH) managed care benefit, the managed care organization (MCO) is responsible to provide it if the client meets eligibility criteria.
- The DME process may vary for each MCO and may be slightly different than HCA's.
- Each managed care plan has its own network of contracted vendors; most provider websites list their available providers.
- All MCOs cover the same benefits, but it is not required they cover the same brands.
- The contracted DME vendor should work directly with the MCO to obtain covered equipment.
- MCOs have a requirement to simplify their processes; for example, they should not require monthly authorizations for on-going supplies.
- As with other medical plans, if the client is enrolled in an AH managed care plan and it appears the client meets the criteria for the item, the case worker should not create an authorization unless a denial has been verified.
- Just like with HCA, sometimes a denial (rejection) by an MCO is simply due to the plan needing additional documentation. The vendor should supply the case worker a copy of the denial letter prior to a social service authorization being created.

# MANAGED CARE

If the individual is covered by a managed care organization (see plans below), the client, family member or physician should contact the plan directly for program benefits.

- [Amerigroup](#)
- [Community Health Plan of Washington \(CHPW\)](#)
- [Coordinated Care of WA](#)
- [Molina Healthcare](#)
- [United Healthcare \(UHC\)](#)

If the vendor or case worker believes the MCO is not being responsive in meeting the client's DME needs, email [HCAMCprograms@hca.wa.gov](mailto:HCAMCprograms@hca.wa.gov).

# DDA: PRIOR AUTHORIZATION

- Payer of last resort
  - DDA is available to pay for all or a portion of DME items but only if Medicare or Medicaid (or other funding sources) have denied the claim.
- With Prior Authorization (a process completed in CARE), DDA can pay for DME without first requiring a denial from Medicare or Medicaid if the item is never covered.
- For Prior Approvals, a Case Manager should:
  - Include a description of need or medical necessity.
  - Include a denial (if applicable).
  - Request approval in advance of the DME purchase.
  - Allow time for the PA request to be processed.

# Note Regarding Denials

A denial is not necessary for a DME item that is necessary for independent living for the client and:

1. The client's medical benefit has been exhausted (including requesting a Limitation Extension when available); or
  2. The item is not covered by the client's medical benefit.
- This means for an item that is never covered by Medicaid, a denial is not necessary prior to creating the social service authorization.
  - An AH denial is only necessary if the item is likely to be covered, the client is on Medicaid and the client likely meets AH criteria.
    - A denial is not required if the client clearly does not meet medical necessity criteria.
    - A denial is not required if the client is not on Medicaid.
    - A denial is not required if the item is never covered.



# Resource

Find a refresher on basic DME information like blanket codes, HCA exception to rule, prior authorization, etc. plus social service flow charts, reference tools and the latest DME webinar (presented to DME vendors and DSHS/AAA staff) at Health Care Authority's [DME Resource site](#).

Other helpful information can also be found at the site.

## Resources

- [DME provider webinar presentation](#)
- [Diabetes supplies](#) (limitation extension request)
- [Bathroom equipment](#) (limitation exception to rule)
- [Compression garments](#) (limitation exception to rule)
- [Incontinent supplies](#) (limitation extension request)
- [Enteral nutrition](#) (exception to rule)
- [Fee-for-service providers of nonsterile gloves](#)
- [General information form](#)

## Social service authorizations

- [DME resource guide](#)
- [Lift chair flow chart](#)
- [HCS bathroom flow chart](#)
- [DME flow chart](#)
- [Client responsibility](#)
- [Determining Medicaid coverage in ProviderOne](#)
- [Viewing decisions in ProviderOne](#)
- [Non covered items that may be covered by DSHS](#)

Contact

Email: [dme@hca.wa.gov](mailto:dme@hca.wa.gov)

# What is included in the Apple Health DME rate? WAC 182-543-9000(8)

Apple Health's payment rate for purchased or rented covered DME related supplies, and related services include:

- Any adjustments or modifications to the equipment required within three months of the date of delivery, or are covered under the manufacturer's warranty. This does not apply to adjustments required because of changes in the client's medical condition.
- Any pick-up and/or delivery fees or associated costs (e.g., mileage, travel time, gas, etc.).
- Telephone calls.
- Shipping, handling, and/or postage.
- Routine maintenance of DME including:
  - Testing.
  - Cleaning.
  - Regulating.
  - Assessing the client's equipment.
- Fitting and/or set-up.
- Instruction to the client or client's caregiver in the appropriate use of the equipment, device, and/or supplies.

# Rentals, Repairs, Maintenance and Replacement Parts: Medicare

A capped rental item is DME that Medicare covers initially for rental, rather than for purchase, often because of its high cost. Medicare pays the rental fees for these items in monthly installments.

- Suppliers are required to advise beneficiaries of the rent/purchase option for capped rentals.
- Medicare will pay a monthly rental fee for a period not to exceed 13 months, after which ownership of the equipment is transferred to the Medicare beneficiary.
- After 13 months of rental have been paid, the beneficiary owns the DME item, and after that time *Medicare pays for reasonable and necessary maintenance and servicing of the item, i.e., parts and labor not covered by a supplier's or manufacturer's warranty.*
- Examples of this type of equipment include: hospital beds, wheelchairs, alternating pressure pads, air-fluidized beds, nebulizers, suction pumps, continuous airway pressure (CPAP) devices, patient lifts, and trapeze bars.

# Rentals, Repairs, Maintenance and Replacement Parts: Medicare

## Replacement of Capped Rental Items

If a capped rental item of equipment has been in continuous use by the patient, on either a rental or purchase basis, for the equipment's useful lifetime or if the item is lost or irreparably damaged, the *patient may elect to obtain a new piece of equipment*. If the patient elects to obtain a new piece of equipment, payment is made on a rental or purchase basis or a lump-sum purchase basis if a purchase agreement has been entered into.

Expenses for replacement required because of loss or irreparable damage will be reimbursed without a physician's order if the equipment *as originally ordered still fills the patient's medical need*. However, claims involving replacement equipment necessitated because of wear or change in the patient's condition must have a current physician's order.

<https://med.noridianmedicare.com/web/jadme/article-detail/-/view/2230703/replacement-of-capped-rental-items>

# Rentals, Repairs, Maintenance and Replacement Parts: Medicare

- Payment may be made for repair, maintenance, and replacement of medically required DME, including equipment which had been in use before the user enrolled in Part B of the program.
- Payments for repair and maintenance may not include payment for parts and labor covered under a manufacturer's or supplier's warranty.
- Repair and maintenance of oxygen equipment is not reimbursed separately but is included in the oxygen rental payment and must be provided by the supplier after oxygen rental payments end for the two years remaining in the equipment's useful lifetime.
- More extensive maintenance which, based on the manufacturers' recommendations, is to be performed by authorized technicians, *is covered as repairs* for medically necessary equipment which a beneficiary owns.
- *Repairs to equipment which a beneficiary owns are covered when necessary to make the equipment serviceable.*
- Equipment which the beneficiary owns or is a capped rental item may be replaced in cases of loss or irreparable damage. Irreparable damage refers to a specific accident or to a natural disaster, e.g., fire, flood, etc.
- **Warranties** - Any item or labor covered under a manufacturer's warranty cannot be billed to Medicare.

<https://med.noridianmedicare.com/web/jadme/topics/repairs>

# Rentals, Repairs, Maintenance and Replacement Parts: Medicaid

How does Apple Health (AH) decide whether to rent or purchase equipment?

- AH bases its decision to rent or purchase wheelchairs, durable medical equipment (DME) and supplies on the *length of time the client needs the equipment*.
- A provider must not bill for the rental or purchase of equipment supplied to the provider at no cost by suppliers/manufacturers.
- AH purchases new DME equipment only.
  - A new DME item that is placed with a client initially as a rental item is considered a new item by the agency at the time of purchase.
  - A used DME item that is placed with a client initially as a rental item must be replaced by the supplier with a new item prior to purchase by the agency.
- AH requires a dispensing provider to ensure the DME rented to a client is:
  - In good working order.
  - Comparable to equipment the provider rents to clients with similar medical equipment needs who are either private pay clients or who have other third-party coverage.
- AH's minimum rental period for covered DME is one day.
- AH authorizes rental equipment for a specific period of time. The provider must request authorization from the agency for any extension of the rental period.

# Rentals, Repairs, Maintenance and Replacement Parts: Medicaid

- AH's reimbursement amount for rented DME includes all of the following:
  - Delivery to the client
  - Fitting, set-up, and adjustments
  - Maintenance, repair and/or replacement of the equipment
  - Return pickup by the provider
- AH considers rented equipment to be purchased after twelve month's rental unless the equipment is restricted as rental only. AH rents, but does not purchase, certain DME for clients.
- DME and related services purchased by AH for a client are the client's property.
- For a client who is eligible for both Medicare and Medicaid, AH pays only the client's coinsurance and deductibles (crossover claims) when the item is covered by Medicare. The agency discontinues paying client's coinsurance and deductibles for rental equipment when either of the following apply:
  - The reimbursement amount reaches Medicare's reimbursement cap for the equipment.
  - Medicare considers the equipment purchased.
- The agency does not obtain or pay for insurance coverage against liability, loss and/or damage to rental equipment that a provider supplies to a client.

# Rentals, Repairs, Maintenance and Replacement Parts: **Medicaid**

- Apple Health does not pay for the purchase, rental, or repair of medical equipment that duplicates equipment the client already owns or rents. If the provider believes the purchase, rental or repair of medical equipment is not duplicative, the provider must request PA following instructions in the [DME Billing Guide](#) and include the following:
  - If the item has been lost or stolen, this should be noted in the PA.
  - If the existing equipment no longer meets the clients medical needs, including why existing equipment could not be repaired or modified to meet those medical needs.
- Why has the vendor recommended renting over purchasing?
  - Some items are dispensed as a rental; typically after 12 months the rental item becomes the property of the client.
  - The process for renting is the same as for purchasing-the vendor uses a different modifier when billing. For nursing facility discharges, use the expedited process.
- If client is a dually eligible client (Medicare/Medicaid), the DME provider can add Medicare information to Box 30 to attest the client/item does not meet Medicare's criteria, when necessary.



# Rentals, Repairs, Maintenance and Replacement Parts: Medicaid

- When certain criteria are met, Medicare and/or Apple Health may cover the repair of equipment with a prior authorization.
- If an individual has equipment that needs to be repaired, the client should contact the DME vendor where the equipment was originally purchased (with the assistance of the case worker or physician's office).
  - There is sometimes a sticker on the equipment that identifies the vendor.
  - If Medicare or Medicaid paid for the item, the serial number would have been submitted by the vendor; that can be used to identify the vendor of record.
  - If returning to the vendor where the original purchase was made is not an option, a *repair can be pursued from another DME vendor with a CPA.*
- If the cost of the repair exceeds the cost of replacement, Apple Health may authorize replacement in lieu of repair.

# Rentals, Repairs, Maintenance and Replacement Parts: Medicaid

## **Note (For Rental Manual Wheelchairs, and semi-electric hospital beds):**

- If the client is hospitalized or is a resident of a nursing facility and is being discharged to a home setting, rental may not start until the date of discharge.
- The agency does not rent equipment during the time that a request for similar purchased equipment is being assessed, when authorized equipment is on order, or while the client-owned equipment is being repaired and/or modified. The vendor of service is expected to supply the client with an equivalent loaner.
- All accessories are included in the reimbursement of the wheelchair rental code.

# Rentals, Repairs, Maintenance and Replacement Parts: **Social Services**

- Before a social service authorization is created:
  - Verify if there is an active warranty for the item.
  - If the repair is likely to be covered by AH, it must be requested from the AH medical benefit prior to creating a social service authorization.

MINIMUM WARRANTY PERIODS	
Wheelchair Frames (Purchased New) and Wheelchair Parts	Warranty
Powerdrive (depending on model)	1 year - lifetime
Ultralight	Lifetime
Active Duty Lightweight (depending on model)	5 years - lifetime
All Others	1 year
Electrical Components	Warranty
All electrical components whether new or replacement parts including batteries	6 months - 1 year
Other DME	Warranty
All other DME not specified above (excludes disposable/non-reusable supplies)	1 year

- If the repair is denied or the repair is not covered by a medical benefit (example: lift chair purchased by DSHS), authorize repair using:
  - The item's blanket code for the parts
  - Service code K0739 for the labor.
  - Travel and diagnostic/assessment time are not compensated- those are built into the rate for the parts. [See WAC 182-543-9000(8)].

1. Questions about rentals, repairs or replacement parts?
2. Other questions?

Please raise your “hand” for us to unmute you, or type your question in the question or chat pane.

# Resources

- [DME Provider Billing Guide](#)
- [DME Fee Schedule](#)
- [Social Service Blanket Code to HCPCS Crosswalk](#)
- [Medicare Supplier Directory](#)
- [Noridian](#) [Medicare's DME claims administrator site where you can find a list of Medicare covered and non-covered items (WA is in Jurisdiction "A").]
- [For issues with Medicare's Competitive Bid area or winning bidders or other Medicare concerns call CMS: \(800\) 633-4227](#)

# Next DME Webinar: June 14, 2018

## Lift Chairs

GoTo Webinar invitation to be sent soon!