

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



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Effective Date: July 1, 2016 (CR9520) and October 1, 2016 (CR9586)

Related CR Transmittal #: R3535CP, R1671OTN

Implementation Date: July 5, 2016 (CR9520) and October 3, 2016 (CR9586)

Implementation of Section 2 of the Patient Access and Medicare Protection Act

Provider Types Affected

This MLN Matters® Article is intended for Durable Medical Equipment (DME) suppliers who submit claims to DME Medicare Administrative Contractors (DME MACs) for services to Medicare beneficiaries.

Provider Action Needed

This MLN Matters Special Edition Article provides important information on the implementation of Section 2 of the Patient Access and Medicare Protection Act (PAMPA), which became law on December 28, 2015. This implementation may impact the rates Medicare pays for certain DME items. Make sure your billing staffs are aware of these changes.

Background

Beginning January 1, 2016, Medicare adjusted the DME fee schedule rates to reflect information from the DMEPOS competitive bidding program as required by Section 1834(a)(1)(F)(ii) of the Social Security Act. Medicare is phasing in these adjustments during the initial 6 months of 2016 so that the fee schedule amounts in all areas will be based on a 50/50 blend of current rates and adjusted rates. Section 2 of PAMPA mandates that adjustments to the 2016 Medicare fee schedule amounts for certain DME based on information from competitive bidding programs not be applied to wheelchair accessories (including seating systems) and seat and back cushions furnished in connection with

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Group 3 complex rehabilitative power wheelchairs. Group 3 complex rehabilitative power wheelchair bases are currently described by codes K0848 through K0864 of the Healthcare Common Procedure Coding System (HCPCS).

Although this PAMPA change is effective January 1, 2016, Medicare cannot implement changes to the Medicare claims processing systems prior to July 5, 2016. Until then, payment for these items will be based on the adjusted fee schedule amounts. Suppliers can submit claims for these items with dates of service on or after January 1, 2016, but payment will be based on the adjusted fee schedule amounts.

On or after July 5, 2016, suppliers can adjust previously paid claims with dates of service on or after January 1, 2016, to receive the full fee schedule amount. For these items, the average adjustments made to claims processed prior to July 5, 2016 when claims were paid based on the 2016 rates during the transition period is a reduction of about 10 percent. By adjusting the claims on or after July 5, 2016, suppliers would recover that reduction.

Additional information, including the list of HCPCS codes for accessories affected by this change, as well as further instructions regarding the submission and processing of these claims, are available at <https://www.cms.gov/Center/Provider-Type/Durable-Medical-Equipment-DME-Center.html>

Suppliers can adjust their claims after July 5, 2016. Suppliers must use the KU (DMEPOS Item Subject to DMEPOS Competitive Bidding Program Number 3) modifier for claims submitted on or after July 5, 2016, with dates of service on or after January 1, 2016, and before January 1, 2017, for any code listed in the link above describing a wheelchair accessory or seat or back cushion when furnished in connection with a Group 3 complex rehabilitative power wheelchair. The KU modifier is to be implemented as an informational modifier and must be reported to receive the unadjusted fee schedule amount. In addition, suppliers may work with their MACs to submit a list (spreadsheet) identifying the necessary criteria for the claims that meet these requirements for adjustments. Your MACs will process the adjustments that you bring to their attention.

Additional Information

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

You may also want to review the following related CRs:

- [CR9586](#) (*Payment Change for Group 3 Complex Rehabilitative Power Wheelchairs Accessories and Seat and Back Cushions under Section 2 of the Patient Access and Medicare Protection Act (PAMPA) for Home Health Claims*) and
- [CR9520](#) (*Payment Change for Group 3 Complex Rehabilitative Power Wheelchairs Accessories and Seat and Back Cushions under Section 2 of the Patient Access and Medicare Protection Act (PAMPA) and MM9586*).

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