

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



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- [“The Basics of Internet-based Provider Enrollment, Chain and Ownership System \(PECOS\) for Physicians and Non-Physician Practitioners”](#) Fact Sheet, ICN 903764, Downloadable only

MLN Matters® Number: MM8864

Related Change Request (CR) #: CR 8864

Related CR Release Date: August 15, 2014

Effective Date: January 1, 2015

Related CR Transmittal #: R1420TN

Implementation Date: January 5, 2015 - For claims processed on and after January 5, 2015

Competitive Bidding Program (CBP): Correction to VIPS Medicare System (VMS) Processing of Wheelchair Accessory Claims for Round 2

Provider Types Affected

This MLN Matters® Article is intended for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers submitting claims to Durable Medical Equipment (DME) Medicare Administrative Contractors (MACs) for standard power wheelchair and manual wheelchair accessories furnished to Medicare beneficiaries who reside in competitively bid areas (CBAs) as well as some items for beneficiaries residing outside a CBA.

Provider Action Needed

Change Request (CR) 8864 is a clarification of CR8181 that gave providers guidance regarding the Centers for Medicare & Medicaid Services (CMS) claims billing and processing instructions for competitively bid wheelchair accessories furnished for use with non-competitively bid wheelchair base units to beneficiaries residing in a CBA.

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For the purpose of CR8864, "Round 1" refers to the original Round 1 and not the Round 1 Rebid. "Round 2" refers to Round 2 and any subsequent Rounds (such as the Round 2 Recompete).

CR8864 implements corrections within Medicare systems to address the following:

1. Payments for wheelchair accessories furnished for use with Complex Group 2 and Group 3 Power Wheelchairs (identified by HCPCS K0835 – K0843 and K0848 – K0864) by contract suppliers for beneficiaries residing in a CBA;
2. Payments for competitively bid wheelchair accessories furnished for use with wheelchair base units that were not bid in Round 1 or Round 2 by contract and non-contract suppliers for beneficiaries residing in a CBA;
3. Payments for competitively bid wheelchair accessories that were not bid in Round 1 and that were furnished for use with any wheelchair base unit to beneficiaries residing outside a CBA; and
4. Payments for competitively bid wheelchair accessories that were not bid in Round 1 and that were furnished for use with wheelchair base units that were not competitively bid in Round 2 to beneficiaries residing in a CBA.

Additionally, effective for claims processed on or after January 1, 2015, MACs will allow payment for wheelchair accessories that are furnished for use with a non-competitively bid base unit, even if the accessories are received after the end date of the certificate of medical necessity (CMN). These accessories can be supplied by any Medicare-enrolled supplier provided they append modifier "KY".

Make sure your billing staffs are aware of these changes.

Background

Section 302 of the Medicare Modernization Act of 2003 (MMA) established requirements for a new Competitive Bidding Program for certain DMEPOS. Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas. CMS awards contracts to enough suppliers to meet beneficiary demand for the bid items. The new, lower payment amounts resulting from the competition replace the Medicare DMEPOS fee schedule amounts for the bid items in these areas.

All contract suppliers must comply with Medicare enrollment rules, be licensed and accredited, and meet financial standards. The program sets more appropriate payment amounts for DMEPOS items while ensuring continued access to quality items and services, which will result in reduced beneficiary out-of-pocket expenses and savings to taxpayers and the Medicare program.

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Policy Scenarios

Effective for claims processed on or after January 1, 2015, MACs will apply the policy indicated to payments made for wheelchair accessories during Round 2 in each of the following scenarios:

Scenario 1

In this scenario, MACs will pay the fee schedule amount (-9.5 percent) for the wheelchair accessory used with the non-bid wheelchair base rather than paying the single payment amount (SPA).

- Wheelchair accessory is competitively bid in Round 1 **and** Round 2;
- Billed for use with Complex Rehabilitative Group 2 (K0835-K0843) and Group 3 (K0848-K0864) Power Wheelchairs (i.e., wheelchair bases that were bid in Round 1, but not Round 2);
- Billed with modifier “KY”;
- Billed by a contract or non-contract supplier; and
- For a beneficiary that resides in a CBA.

Scenario 2

In this scenario, MACs will pay the fee schedule amount (5%) for the wheelchair accessory.

- Wheelchair accessory is competitively bid in Round 1 **and** Round 2;
- Billed for use with a non-competitively bid base unit that was not bid in Round 1 or Round 2 (HCPCS codes K0005, K0009, K0898, E1161, E1229, E1231, E1232, E1233, E1234, E1235, E1236, E1237, E1238, and E1239);
- Billed with modifiers “KE” **and** “KY”;
- Billed by a contract or non-contract supplier; and
- For a beneficiary that resides in a CBA.

Scenario 3

In this scenario, MACs will pay the fee schedule amount for the wheelchair accessory.

- Wheelchair accessory is competitively bid in Round 2, but not Round 1;
- Billed for use with any wheelchair base unit (whether competitively bid or not);
- Billed without modifier “KE” or “KY”;
- Billed by a contract or non-contract supplier; and
- For a beneficiary that resides outside a CBA.

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Scenario 4

In this scenario, MACs will pay the fee schedule amount for the wheelchair accessory.

- Wheelchair accessory is competitively bid in Round 2, but not Round 1;
- Billed for use with Complex Rehabilitative Group 2 (K0835-K0843) and Group 3 (K0848-K0864) Power Wheelchairs (i.e., wheelchair bases that were bid in Round 1, but not Round 2) **OR** for use with a non-competitively bid base unit that was not bid in Round 1 or Round 2 (HCPCS codes K0005, K0009, K0898, E1161, E1229, E1231, E1232, E1233, E1234, E1235, E1236, E1237, E1238, and E1239);
- Billed with modifier “KY”;
- Billed by a contract or non-contract supplier; and
- For a beneficiary that resides in a CBA.

Note: For wheelchair accessories, modifier “KY” is used in these instructions to identify Round 2 competitively bid wheelchair accessories that should be paid at fee schedule when billed for use with a base unit that was not bid in Round 2, even when provided to a beneficiary that resides in a CBA and without regard to the contract status of the supplier.

Additional Information

The official instruction, CR 8864 issued to your MAC regarding this change is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R14200TN.pdf> on the CMS website.

To review MLN Matters® Article 8181, you may visit <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM8181.pdf> on the CMS website.

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-Work-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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