

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1239</b>	<b>Date: May 21, 2013</b>
	<b>Change Request 8158</b>

**Transmittal 1232, dated May, 6, 2013, is being rescinded and replaced by Transmittal 1239, dated May 21, 2013, to remove VMS responsibility from business requirements 8158.1 and 8158.2. All other information remains the same.**

**SUBJECT: New Healthcare Common Procedure Coding System (HCPCS) Codes for Customized Durable Medical Equipment**

**I. SUMMARY OF CHANGES:** This notification provides instructions to contractors on the addition of three new Healthcare Common Procedure Coding System (HCPCS) codes for payment of customized durable medical equipment as defined in regulations at 42 CFR 414.224.

**EFFECTIVE DATE: July 1, 2013**

**IMPLEMENTATION DATE: July 1, 2013**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)**

R=REVISED, N=NEW, D=DELETED

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
<b>N/A</b>	

**III. FUNDING:**

**For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:**

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obliged to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

#### **IV. ATTACHMENTS:**

##### **One Time Notification**

*\*Unless otherwise specified, the effective date is the date of service.*

# Attachment - One-Time Notification

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## **I. GENERAL INFORMATION**

**A. Background:** In accordance with 42 CFR Section 414.224, in order to be considered a customized item, a covered item (including a wheelchair) must be uniquely constructed or substantially modified for a specific beneficiary according to the description and orders of a physician and be so different from another item used for the same purpose that the two items cannot be grouped together for pricing purposes. For example, a wheelchair that is custom fabricated or substantially modified so that it can meet the needs of wheelchair-confined, conjoined twins facing each other is unique and cannot be grouped with any other wheelchair used for the same purpose. It is a one-of-a-kind item fabricated to meet specific needs. Items that are measured, assembled, fitted, or adapted in consideration of a patient's body size, weight, disability, period of need, or intended use (i.e., custom fitted items) or have been assembled by a supplier or ordered from a manufacturer who makes available customized features, modification or components for wheelchairs that are intended for an individual patient's use in accordance with instructions from the patient's physician do not meet the definition of customized items. These items are not uniquely constructed or substantially modified and can be grouped with other items for pricing purposes. The use of customized options or accessories or custom fitting of certain parts does not result in a wheelchair or other equipment being considered as customized.

Section 414.224(b) provides that payment is made for the lump sum purchase of the item based on the contractor's individual consideration and judgement of a reasonable payment amount for each customized item. The contractor's individual consideration takes into account written documentation on the costs (including design, fabrication, and assembly costs) of the item including at least the cost of labor, to the extent that they are reasonable, of those actually performing the customization. The contractor's individual consideration also takes into account the types of materials, to the extent that they are reasonable, used in custom fabricating or substantially modifying an item. The contractor may need to require a detailed description of each phase of the construction process and labor skills needed to fabricate or modify the item in order to determine a reasonable amount.

**B. Policy:** To facilitate the identification and to ensure appropriate payment for customized durable medical equipment meeting the regulatory definition set forth in 42 CFR Section 414.224, the following HCPCS codes are being added to the HCPCS code set, effective July 1, 2013:

K0008 Custom Manual Wheelchair/Base

K0013 Custom Motorized/Power Wheelchair Base

K0900 Custom Durable Medical Equipment, Other Than Wheelchair

Effective July 1, 2013, claims for custom manual wheelchairs that meet the definition at 42 CFR 414.224 should be billed using HCPCS code K0008. Similarly, claims for custom power wheelchairs meeting the regulatory definition of a customized item should be billed using HCPCS code K0013. All other custom durable medical equipment that is not a wheelchair base and meets the criteria at section 414.224(a) to be identified as a customized item for payment purposes should be billed using K0900.

**II. BUSINESS REQUIREMENTS TABLE**

Number	Requirement	Responsibility											
		A/B MAC		D M E  M A C	F I	C A R R I E R	R H I	Shared- System Maintainers				Other	
		P a r t  A	P a r t  B					F I S S	M C S	V M S	C W F		
8158.1	<p>Contractors shall add the HCPCS codes listed below to their claims processing system.</p> <p>K0008 Custom Manual Wheelchair/Base</p> <p>Short descriptor: Cstm manual wheelchair/base</p> <p>K0013 Custom Motorized/Power Wheelchair Base</p> <p>Short descriptor: Custom power whlchr base</p> <p>TOS= P</p> <p>BETOS = DID</p> <p>HCPCS Coverage Indicator = D (Pub. 100-04, Chapter 20, Section 30.3)</p> <p>HCPCS Pricing Indicator = 45</p>	X		X				X	X				
8158.2	<p>Contractors shall add the following HCPCS code to their claims processing system:</p> <p>K0900 Custom Durable Medical Equipment, Other than Wheelchair</p> <p>Short descriptor: Cstm DME other than wheelchr</p> <p>TOS= P</p> <p>BETOS = D1E</p> <p>HCPCS Coverage Indicator = D (Pub. 100-04, Chapter</p>	X		X				X	X				

Number	Requirement	Responsibility										
		A/B MAC		D M E M A C	F I E R	C A R R I E R	R H I	Shared- System Maintainers				Other
		P a r t A	P a r t B					F I S S	M C S	V M S	C W F	
	20, Section 30.3)  HCPCS Pricing Indicator = 45											
8158.3	HCPCS code K0008 shall be added to CWF categories 17 and 60, effective July 1, 2013.										X	
8158.4	HCPCS code K0013 shall be added to CWF categories 17 and 60, effective July 1, 2013.										X	
8158.5	HCPCS code K0900 shall be added to CWF categories 17 and 60, effective July 1, 2013.										X	
8158.6	CWF shall remove HCPCS code K0009 from CWF category 17 and add to category 1, effective July 1, 2013.										X	
8158.7	Effective for dates of service on or after July 1, 2013, contractors shall process claims for custom manual wheelchair bases billed under HCPCS code K0008 based on their individual consideration of each claim and using the criteria set forth in regulations at 42 CFR Section 414.224 and in Pub. 100-04, Medicare Claims Processing Manual, chapter 20, section 30.3.	X		X			X					
8158.8	Effective for dates of service on or after July 1, 2013, contractors shall process claims for custom power wheelchair bases billed under HCPCS code K0013 based on their individual consideration of each claim and using the criteria set forth in regulations at 42 CFR Section 414.224 and in Pub. 100-04, Medicare Claims Processing Manual, chapter 20, section 30.3.	X		X			X					
8158.9	Effective for dates of service on or after July 1, 2013, contractors shall process claims for custom durable medical equipment that is not a wheelchair base and is billed under HCPCS code K0900 based on their individual consideration of each claim and using the criteria set forth in regulations at 42 CFR Section 414.224 and in Pub. 100-04, Medicare Claims Processing Manual, chapter 20, section 30.3.	X		X			X					

Number	Requirement	Responsibility										
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Shared- System Maintainers				Other
		P a r t  A	P a r t  B					F I S S	M C S	V M S	C W F	
8158.10	The DME MACs shall add HCPCS codes K0008 and K0013 as items eligible for Advance Determination of Medicare Coverage (ADMC), if customized.			X								

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility						
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Other
		P a r t  A	P a r t  B					
8158.11	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X			X	

### IV. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements: N/A**

<b>X-Ref Requirement Number</b>	<b>Recommendations or other supporting information:</b>
	None.

**Section B: All other recommendations and supporting information:** N/A

## V. CONTACTS

**Pre-Implementation Contact(s):** Sandhya Gilkerson, [Sandhya.Gilkerson@cms.hhs.gov](mailto:Sandhya.Gilkerson@cms.hhs.gov), Karen Jacobs, [Karen.Jacobs@cms.hhs.gov](mailto:Karen.Jacobs@cms.hhs.gov), Doris Jackson, [Doris.Jackson@cms.hhs.gov](mailto:Doris.Jackson@cms.hhs.gov) (For questions concerning ADMC.)

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

## VI. FUNDING

### **Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:**

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### **Section B: For Medicare Administrative Contractors (MACs):**

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