

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 582	Date: October 28, 2009
	Change Request 6688

Subject: Update to the Common Working File (CWF) Edits to Recognize the "RA" and "RB" Modifiers for Durable Medical Equipment (DME) Repairs and Replacements

I. SUMMARY OF CHANGES: This transmittal instructs the Common Working File (CWF) to update the edits that currently apply to claims for repairs and replacements (formerly submitted with the "RP" modifier) to recognize the new "RA" and "RB" modifiers, effective for claims processed on April 5, 2010 or later, for dates of service of January 1, 2009 or later.

New / Revised Material

Effective Date: April 1, 2010

Implementation Date: April 5, 2010

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-Only One Per Row.

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: 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 obligated 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

Pub. 100-20	Transmittal: 582	Date: October 28, 2009	Change Request: 6688
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SUBJECT: Update to the Common Working File Edits to Recognize the “RA” and “RB” Modifiers for Durable Medical Equipment (DME) Repairs and Replacements

Effective Date: April 1, 2010

Implementation Date: April 5, 2010

I. GENERAL INFORMATION

A. Background:

Section 144(b) of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) repeals the transfer of ownership provision established by the Deficit Reduction Act (DRA) of 2005 for oxygen equipment and establishes new payment rules and supplier responsibilities after the 36 month payment cap. Initial instructions related to implementation of these changes were issued as part of the January 2009 DMEPOS fee schedule update.

In CR 6296 and CR 6297, the Centers for Medicare & Medicaid Services (CMS) provided instructions to the contractors on processing claims submitted with two new modifiers established for durable medical equipment (DME) repairs and replacements. The existing modifier for repairs and replacement of DME items, RP, was deleted from the Healthcare Common Procedure Code Set (HCPCS), effective December 31, 2008. To distinguish between the repair and the replacement of an item, the following two modifiers were added to the HCPCS on January 1, 2009:

RA – Replacement of a DME item

RB – Replacement of a part of DME furnished as part of a repair

As previously instructed, the new RA modifier is used on DMEPOS claims to denote instances where an item is furnished as a replacement for the same item which has been lost, stolen or irreparably damaged. In contrast, the RB modifier is used on a DMEPOS claim to denote the replacement of a part of a DMEPOS item (base equipment/device) furnished as part of the service of repairing the DMEPOS item (base equipment/device). (See CR 6296, Transmittal 443, Pub. 100-20, issued on February 13, 2009 and CR 6297, Transmittal 421, issued on December 23, 2008 for additional information.)

Although the RA and RB modifiers were implemented on January 1, 2009, the Common Working File (CWF) edits have not been updated to recognize these modifiers. This transmittal instructs the CWF to update the edits that currently apply to claims for repairs and replacements (formerly submitted with the “RP” modifier) to recognize the new “RA” and “RB” modifiers, effective for claims processed on April 5, 2010 or later for dates of service of January 1, 2009 or later.

B. Policy:

The CWF shall identify and update the existing edits for DME repair and replacement claims (formerly submitted with the RP modifier) to recognize the “RA” and “RB” modifiers. Effective for claims processed on April 5, 2010 or later for dates of service of January 1, 2009 or later, CWF shall update the edits for DME repair

and replacement claims to claims submitted with the “RA” and “RB” modifiers to apply the policies for DME repairs and replacements specified in previously issued instructions.

II. BUSINESS REQUIREMENTS TABLE

Use “Shall” to denote a mandatory requirement

Number	Requirement	Responsibility (place an “X” in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTH ER
		M A C	M A C				F I S S	M C S	V M S	C W F	
6688.1	CWF shall implement the policies specified in CR 6296 and 6297 for processing claims submitted with the RA and RB modifiers.		X								X
6688.2	CWF shall identify and update the existing edits for DME repair and replacement claims (formerly submitted with the RP modifier) to recognize the “RA” and “RB” modifiers.		X								X
6688.3	Effective for claims processed on April 5, 2010 or later, for dates of service of January 1, 2009 or later, CWF shall apply the edits for DME repair and replacement claims to claims submitted with the “RA” and “RB” modifiers, as appropriate.		X								X

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an “X” in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTH ER
		M A C	M A C				F I S S	M C S	V M S	C W F	
	None.										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
6688.1-3	The updates to the CWF edits specified in this CR apply to all claims for DME repairs and replacements, including claims submitted under the DMEPOS Competitive Bidding Round One Rebid. The start date for Round One will be announced in a subsequent instruction.

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): For policy questions, please contact Karen Jacobs at karen.jacobs@cms.hhs.gov or (410) 786-2173. For claims processing questions, please contact Bobbett Plummer at bobbett.plummer@cms.hhs.gov or (410) 786-3321.

Post-Implementation Contact(s): For policy questions, please contact Karen Jacobs at karen.jacobs@cms.hhs.gov or (410) 786-2173. For claims processing questions, please contact Bobbett Plummer at bobbett.plummer@cms.hhs.gov.

VI. FUNDING

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

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: 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 obligated 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.