

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 672	Date: August 19, 2016
	Change Request 9741

SUBJECT: Documentation for Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS) Claims for Replacement of Essential Accessories for Beneficiary-Owned Continuous Positive Airway Pressure (CPAP) Devices and Respiratory Assist Devices (RADs)

I. SUMMARY OF CHANGES: The purpose of this change request (CR) is to provide guidance to the Durable Medical Equipment Medicare Administrative Contractors (DME MACs) when conducting medical review of DMEPOS claims for replacement of essential accessories for beneficiary-owned CPAP Devices and RADs.

EFFECTIVE DATE: July 1, 2016

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

IMPLEMENTATION DATE: November 2, 2016

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
R	TOC/ Chapter 5- Items and Services Having Special DME Review Considerations
N	5/5.8.2/Suppliers Documentation for Claims for Replacement of Accessories for Beneficiary-Owned DME

III. FUNDING:

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:

Business Requirements

Manual Instruction

Attachment - Business Requirements

Pub. 100-08	Transmittal: 672	Date: August 19, 2016	Change Request: 9741
-------------	------------------	-----------------------	----------------------

SUBJECT: Documentation for Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS) Claims for Replacement of Essential Accessories for Beneficiary-Owned Continuous Positive Airway Pressure (CPAP) Devices and Respiratory Assist Devices (RADs)

EFFECTIVE DATE: July 1, 2016

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

IMPLEMENTATION DATE: November 2, 2016

I. GENERAL INFORMATION

A. Background: Due to the changing environment occurring in the DMEPOS industry, Medicare beneficiaries are having difficulty locating suppliers to replace accessories for beneficiary-owned equipment when the original supplier's documentation for the base CPAP or RAD is not available. CMS is providing guidance to contractors for what documentation is required when conducting medical review of DMEPOS claims for replacement of essential accessories (see Benefit Manual Chapter 15, Section 110.3) for beneficiary-owned CPAP or RADs. For purposes of reviews on replacement of accessories claims, if Medicare paid for the base CPAP or RAD initially (i.e., for 13 months of continuous use), the medical necessity for the beneficiary-owned base CPAP or RAD is assumed to have been established. Therefore, to make a payment determination, contractors shall only review--(1) The base DME item for continued medical need requirements; and (2) The medical necessity of the replacement of specific accessories or furnishing of new accessories and whether they are essential for the effective use of the base DME.

The contractor shall ensure that the supplier's documentation records support the need to replace the accessory to maintain the equipment's functionality and meet the beneficiary's medical need. In the event that certain accessories are furnished for the first time, such as a heated humidifier or heated tubing, contractors shall ensure that the accessories are medically necessary. This guidance for replacement of essential accessories is to be applied to only CPAP and RADs owned by Medicare beneficiaries when Medicare initially paid for the base DME item. This guidance does not apply to CPAP or RADs when Medicare did not originally provide payment for the base item. In cases where Medicare did not originally pay for the DME item, all coverage, coding and documentation requirements in effect for the date of service (DOS) on the claim under review must be met.

B. Policy: This CR does not involve any legislative or regulatory policies and is restricted to changes in operational procedures.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
9741.1	When reviewing DMEPOS claims requiring replacement of essential accessories for beneficiary-owned CPAP and RADs, Medicare contractors shall				X					CERT, MRAC, PSC, RA, SMRC, ZPICs

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	assess the necessity for the replacement of essential accessories when reviewing claims.									
9741.1.1	<p>When reviewing claims for replacement of essential accessories for beneficiary-owned CPAP and RADs originally paid for by Medicare, the contractor shall review for-- (1) Continued medical necessity of the base beneficiary-owned CPAP and RAD; and (2) Necessity of the replacement of the essential accessories.</p> <p>The necessity of the replacement of essential accessories must be addressed in either the physician's or the supplier's records.</p>				X					CERT, MRAC, PSC, RA, SMRC, ZPICs
9741.1.1.1	<p>Medicare contractors shall not require a face-to-face examination for a CPAP or RAD requiring replacement of an essential accessory if the item has already been covered and paid for by Medicare. However, documentation is required from the physician or treating practitioner that indicates the CPAP or RAD requiring the replacement of an essential accessory continues to be medically necessary. Documentation is considered timely when it is on record in the preceding 12 months, unless otherwise specified in relevant Medicare policy.</p>				X					CERT, MRAC, PSC, RA, SMRC, ZPICs
9741.2	Contractors shall continue to adhere to the coverage				X					CERT, MRAC,

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	and payment policies and procedures.									PSC, RA, SMRC, ZPICs
9741.3	<p>When reviewing claims for addition of new accessories for CPAP devices or RADs (e.g., heated humidifier or heated tubing not previously furnished for the specific beneficiary) for beneficiary-owned CPAP and RADS originally paid for by Medicare, the contractor shall review for--</p> <p>(1) Continued medical necessity of the base beneficiary-owned CPAP and RAD; and (2) Necessity of the new accessories.</p> <p>The necessity of the new accessories shall be addressed in either the physician's or supplier's records.</p>				X					CERT, MRAC, PSC, RA, SMRC, ZPICs
9741.4	For claim review purposes of medically necessary accessories for beneficiary-owned CPAP or RADs, the medical necessity of the accessory(s) shall be assessed.				X					CERT, MRAC, PSC, RA, SMRC, ZPICs
9741.5	In cases where Medicare did not originally pay for the beneficiary-owned CPAP or RAD, all coverage, coding and documentation requirements in effect for the DOS on the claim under review shall be met.				X					CERT, MRAC, PSC, RA, SMRC, ZPICs

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
9741.6	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ 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 5 business days after receipt of the notification from CMS announcing the availability of the 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	

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

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

V. CONTACTS

Pre-Implementation Contact(s): Doris Jackson, doris.jackson@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: 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.

ATTACHMENTS: 0

Medicare Program Integrity Manual

Chapter 5 – Items and Services Having Special DME Review Considerations

Table of Contents

(Rev.672, Issued: 08-19-16)

5.8.2 - Suppliers Documentation for Claims for Replacement of Essential Accessories for Beneficiary-Owned Continuous Positive Airway Pressure (CPAP) and Respiratory Assist Devices (RADs)

5.8.2 - Suppliers Documentation for Claims for Replacement of Essential Accessories for Beneficiary-Owned Continuous Positive Airway Pressure (CPAP) and Respiratory Assist Devices (RADs)

(Rev.672, Issued: 08-19-16, Effective: 07-01-16, Implementation: 11-02-16)

When reviewing claims for replacement of essential accessories for beneficiary-owned CPAP and RADs, the contractor shall review for continued medical necessity of the DME and necessity of the replacement accessory. Contractors are not required to determine that the requirements for provision of the CPAP and RAD as when it was originally ordered were met. For example, even though a face-to-face encounter is required for the initial provision of the CPAP device, it is not needed for replacement of a CPAP mask for a patient-owned CPAP device covered by Medicare in the past. However, documentation from the physician or treating practitioner that indicates the CPAP or RAD which requires replacement accessories continues to be medically necessary is required. For this purpose, documentation is considered timely when it is on record in the preceding 12 months, unless otherwise specified in relevant Medicare policy.

In addition, the contractor shall ensure that the supplier's record includes the reason why the accessory(s) need to be replaced to meet the Medicare beneficiary's medical need. The contractor shall also ensure that the supplier's record includes the reason why any new accessories (e.g., heated humidifier or heated tubing) need to be furnished to meet the Medicare beneficiary's medical need. These instructions do not replace or alter other longstanding instructions related to coverage and payment for reasonable and necessary accessories for patient-owned DME. Contractors shall continue to adhere to these program policies and procedures.