

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-08 Medicare Program Integrity	Centers for Medicare & Medicaid Services (CMS)
Transmittal 533	Date: August 1, 2014
	Change Request 8843

SUBJECT: Documentation for Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS) Repair Claims

I. SUMMARY OF CHANGES: The purpose of this change request is to provide guidance to the Medicare Administrative Durable Medical Equipment Contractors when conducting medical review of DMEPOS repair claims.

EFFECTIVE DATE: November 4, 2014

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

IMPLEMENTATION DATE: November 4, 2014

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	5/5.8.1 Suppliers Documentation for DMEPOS Repair Claims

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 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:

**Business Requirements
Manual Instruction**

Attachment - Business Requirements

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I. GENERAL INFORMATION

A. Background: Due to the changing environment occurring in the DMEPOS industry and the difficulties Medicare beneficiaries are having in locating suppliers to repair equipment when the original supplier's documentation for the equipment is not available, CMS is providing guidance as to what documentation is required when conducting medical review of DMEPOS repair claims. If Medicare paid for the base equipment initially, medical necessity for the base equipment has been established. Therefore, contractors are to only review the necessity of the repair and make a payment determination. The contractor shall ensure that the supplier's documentation records support the need to restore the equipment to functionality to meet the beneficiary's medical need. This guidance for repairs is to be applied to all DMEPOS equipment owned by Medicare beneficiaries.

B. Policy: Medicare contractors are to only review the necessity of the repair and make a payment determination.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C S	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
8843.1	Medicare contractors shall only assess the necessity of the DMEPOS repair when reviewing the claims and whether the equipment was fixed.				X						CERT, PSC, RA, SMRC, ZPICs
8843.2	Medical Records are not required to address the medical necessity of the DMEPOS equipment as/when it was originally ordered but, shall address the continued medical necessity of the item and the necessary repair.				X						CERT, PSC, RA, SMRC, ZPICs
8843.3	Medicare contractors shall not require a face-to-face examination for repair of DMEPOS items already covered and paid for by Medicare. However, documentation from the physician or treating practitioner that indicates the DMEPOS item being				X						CERT, PSC, RA, SMRC, ZPICs

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	repaired continues to be medically necessary is required. Documentation is considered timely when it is on record in the preceding 12 months, unless otherwise specified in relevant Medicare policy.									
8843.4	Medicare contractors shall only apply this guidance when reviewing DMEPO claims for repairs of beneficiary's owned equipment.				X				CERT, PSC, RA, SMRC, ZPICs	
8843.5	Contractors shall continue to adhere to the coverage and payment policies and procedures.				X				CERT, PSC, RA, SMRC, ZPICs	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	CEDI
		A	B	H H H		
	None					

IV. SUPPORTING INFORMATION

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

"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, 410-786-4459 or doris.jackson@cms.hhs.gov

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

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

5.8.1 Suppliers Documentation for DMEPOS Repair Claims
(Rev. 533, Issued: 08-01-14, Effective: 11-04-14, Implementation: 11-04-14)

When reviewing DMEPOS claims for repairs, contractors shall only review for continued medical necessity of the item and necessity of the repair. Contractors shall not expend resources to determine if the requirements for the initial provision of the DMEPOS item as/when it was originally ordered were met. For example, even though a face-to-face encounter is required for the initial provision of certain wheelchairs, it is not needed for the repair of a wheelchair already covered and paid for by Medicare. However, documentation from the physician or treating practitioner that indicates the wheelchair being repaired 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 DME MAC shall ensure that the supplier's record includes the nature of the repair required and work performed to restore the item to its functionality 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 repairs and maintenance and servicing of DMEPOS items. Contractors shall continue to adhere to these program policies and procedures. Examples include, but are not limited to, Chapter 15, section 110.2 of the Benefit Policy Manual and Chapter 20, sections 10.2 and 40 of the Claims Processing Manual. Contractors are also reminded that parts and labor covered under a manufacturer or supplier warranty are not to be considered reasonable and necessary under regulation; therefore, contractors shall determine for each claim whether billed parts and labor are covered under a warranty. For reasonable and necessary parts, payment is made on a lump sum basis based on the contractor's individual consideration of a reasonable payment amount for the part. For reasonable and necessary labor, payment is based on a reasonable fee established by the contractor for labor associated with repairing the item.