

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 786	Date: OCTOBER 15, 2010
	Change Request 7116

NOTE: This Transmittal is no longer sensitive and is being re-communicated January 14, 2011. The Transmittal Number, date of Transmittal and all other information remain the same. This instruction may now be posted to the Internet.

SUBJECT: Elimination of Lump Sum Purchase Payment for Standard Power Wheelchairs Furnished on or after January 1, 2011 due to the Affordable Care Act (ACA)

I. SUMMARY OF CHANGES: This one-time notification provides instructions for changes in payment for standard power wheelchairs due to Section 3136 of the ACA of 2010.

EFFECTIVE DATE: January 1, 2011

IMPLEMENTATION DATE: January 3, 2011

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:

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.

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: 786	Date: October 15, 2010	Change Request: 7116
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SUBJECT: Elimination of Lump Sum Purchase Payment for Standard Power Wheelchairs Furnished on or after January 1, 2011 due to the Affordable Care Act (ACA)

Effective Date: January 1, 2011

Implementation Date: January 3, 2011

I. GENERAL INFORMATION

A. Background: This one-time notification provides instructions for changes in payment for standard power wheelchairs due to Section 3136 of the ACA of 2010.

Power wheelchairs are included in the capped rental durable medical equipment (DME) payment category and suppliers have been required to offer beneficiaries the option of receiving power wheelchairs on either a lump sum purchase basis or monthly rental basis. Claims for purchase of durable medical equipment are submitted with the Healthcare Common Procedural Coding System (HCPCS) modifier NU (purchase of new equipment) or UE (purchase of used equipment) while claims for rental of durable medical equipment are submitted with the HCPCS modifier RR. Beginning with items initially rented on or after January 1, 2006, suppliers have been required to transfer the equipment title for rented power wheelchairs to the beneficiary after the 13th month of continuous use. Previous instructions on payment for power wheelchairs were released in Transmittal 918, Change Request (CR) 5010, dated April 28, 2006 and Transmittal 1037, CR 5255, dated August 25, 2006.

B. Policy: Effective for items furnished on or after January 1, 2011, section 3136 of ACA of 2010 eliminates the lump sum purchase payment for standard power wheelchairs. Suppliers must furnish these items on a monthly rental basis like other capped rental DME not subject to a lump sum purchase option. This elimination of lump sum purchase payment applies to standard power wheelchairs classified under the HCPCS codes for Group 1 power wheelchairs or Group 2 power wheelchairs without additional power options. The current HCPCS codes identifying standard power wheelchairs include codes K0813 thru K0831 and code K0898 for miscellaneous standard power wheelchairs (see Attachment A). Claims with dates of service on or after January 1, 2011, for these HCPCS codes with modifier NU or UE shall be denied since the statute prohibits payment on a purchase basis for these items.

Note: Until the FISS system can be updated to accommodate this change, contractors using the FISS maintainer shall manually process and reject claims for purchase of standard power wheelchairs with dates of service on or after January 1, 2011 (see BR7116.3 below).

Payment can continue to be made on a lump sum purchase basis or monthly rental basis for complex rehabilitative power wheelchairs. Complex rehabilitative power wheelchairs include Group 2 power wheelchairs with additional power options and Group 3 and higher power wheelchairs (see Attachment B).

In addition, this change will not apply to standard power wheelchairs furnished to beneficiaries in the nine competitive bidding areas (CBAs) of Round 1 Rebid of the durable medical equipment, prosthetics, orthotics,

and supplies (DMEPOS) competitive bidding program with dates of service January 1, 2011 thru December 31, 2013. The lump sum purchase payment method remains available for claims with dates of service January 1, 2011 thru December 31, 2013 for standard power wheelchairs furnished to beneficiaries residing in these nine CBAs.

Also, Section 3136 of ACA changes the monthly fee schedule amounts for rental of standard and complex rehabilitative power wheelchairs furnished on or after January 1, 2011. Instructions for the revised fee schedule amounts shall be forthcoming in the CY 2011 annual update for the DMEPOS fee schedule.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)								
		A / B M A C	D M M A C	F I M A C	C A R R I E R	R H H I	Shared-System Maintainers			
						F I S S	M C S	V M S	C W F	
7116.1	Contractors shall recognize standard power wheelchair items identified with the HCPCS codes in Attachment A.		X			X			X	J14
7116.2	With the exception of claims identified in BR 7116.2.1, DME MACs shall deny claims with dates of service on or after January 1, 2011, for purchase of standard power wheelchairs identified in BR7116.1 and subsequent program instructions that are submitted with the NU or UE modifier.		X					X		
7116.2.1	DME MACs shall continue to process and pay claims for standard power wheelchairs identified in BR7116.1 and subsequent program instructions with dates of service January 1, 2011 thru December 31, 2013, on a lump sum purchase or monthly rental basis when furnished to beneficiaries residing in any of the nine CBAs for Round 1 Rebid of the DMEPOS competitive bidding program.		X					X		
7116.3	For claims with dates of service on or after January 1, 2011, RHHIs shall manually process and reject claims for purchase of standard power wheelchairs identified in BR7116.1 which are submitted with revenue codes 0292 (purchased new) or 0293 (purchased used) for TOB's 32X, 33X, and 34X until the FISS system can be updated to accommodate this change.					X				J14
7116.4	Contractors shall recognize complex rehabilitative power wheelchair items identified with the HCPCS codes in Attachment B.		X			X		X		J14
7116.5	Contractors shall continue to process and pay claims		X			X		X		J14

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I I E R	C A R R I E R	R H I I E R	Shared-System Maintainers				OTHE R
							F I S S	M C S	V M S	C W F	
	for complex rehabilitative power wheelchairs identified in BR7116.4 and subsequent program instructions with dates of service on or after January 1, 2011, on a lump sum purchase or monthly rental basis.										

III. PROVIDER EDUCATION TABLE

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

IV. SUPPORTING INFORMATION

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

X-Ref Requirement Number	Recommendations or other supporting information:

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

V. CONTACTS

Pre-Implementation Contact(s): Anita Greenberg, Anita.Greenberg@cms.hhs.gov, or Bobbett Plummer for claims processing, Bobbett.Plummer@cms.gov

Post-Implementation Contact(s): Anita Greenberg, Anita.Greenberg@cms.hhs.gov, or Bobbett Plummer for claims processing, Bobbett.Plummer@cms.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.

Attachments

A - Standard Power Wheelchair HCPCS Codes

B - Complex Rehabilitative Power Wheelchair HCPCS Codes

Attachment A

Standard Power Wheelchair HCPCS Codes

K0813	POWER WHEELCHAIR, GROUP 1 STANDARD, PORTABLE, SLING/SOLID SEAT AND BACK, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0814	POWER WHEELCHAIR, GROUP 1 STANDARD, PORTABLE, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0815	POWER WHEELCHAIR, GROUP 1 STANDARD, SLING/SOLID SEAT AND BACK, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0816	POWER WHEELCHAIR, GROUP 1 STANDARD, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0820	POWER WHEELCHAIR, GROUP 2 STANDARD, PORTABLE, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0821	POWER WHEELCHAIR, GROUP 2 STANDARD, PORTABLE, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0822	POWER WHEELCHAIR, GROUP 2 STANDARD, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0823	POWER WHEELCHAIR, GROUP 2 STANDARD, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0824	POWER WHEELCHAIR, GROUP 2 HEAVY DUTY, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 301 TO 450 POUNDS
K0825	POWER WHEELCHAIR, GROUP 2 HEAVY DUTY, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY 301 TO 450 POUNDS
K0826	POWER WHEELCHAIR, GROUP 2 VERY HEAVY DUTY, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 451 TO 600 POUNDS
K0827	POWER WHEELCHAIR, GROUP 2 VERY HEAVY DUTY, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY 451 TO 600 POUNDS
K0828	POWER WHEELCHAIR, GROUP 2 EXTRA HEAVY DUTY, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 601 POUNDS OR MORE
K0829	POWER WHEELCHAIR, GROUP 2 EXTRA HEAVY DUTY, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY 601 POUNDS OR MORE
K0830	POWER WHEELCHAIR, GROUP 2 STANDARD, SEAT ELEVATOR, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 126 TO 300 POUNDS
K0831	POWER WHEELCHAIR, GROUP 2 STANDARD, SEAT ELEVATOR, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY 126 TO 300 POUNDS
K0898	POWER WHEELCHAIR, NOT OTHERWISE CLASSIFIED

Attachment B

Complex Rehabilitative Power Wheelchair HCPCS Codes

K0835	POWER WHEELCHAIR, GROUP 2 STANDARD, SINGLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0836	POWER WHEELCHAIR, GROUP 2 STANDARD, SINGLE POWER OPTION, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0837	POWER WHEELCHAIR, GROUP 2 HEAVY DUTY, SINGLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 301 TO 450 POUNDS
K0838	POWER WHEELCHAIR, GROUP 2 HEAVY DUTY, SINGLE POWER OPTION, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY 301 TO 450 POUNDS
K0839	POWER WHEELCHAIR, GROUP 2 VERY HEAVY DUTY, SINGLE POWER OPTION SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 451 TO 600 POUNDS
K0840	POWER WHEELCHAIR, GROUP 2 EXTRA HEAVY DUTY, SINGLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 601 POUNDS OR MORE
K0841	POWER WHEELCHAIR, GROUP 2 STANDARD, MULTIPLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0842	POWER WHEELCHAIR, GROUP 2 STANDARD, MULTIPLE POWER OPTION, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0843	POWER WHEELCHAIR, GROUP 2 HEAVY DUTY, MULTIPLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 301 TO 450 POUNDS
K0848	POWER WHEELCHAIR, GROUP 3 STANDARD, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0849	POWER WHEELCHAIR, GROUP 3 STANDARD, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0850	POWER WHEELCHAIR, GROUP 3 HEAVY DUTY, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 301 TO 450 POUNDS
K0851	POWER WHEELCHAIR, GROUP 3 HEAVY DUTY, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY 301 TO 450 POUNDS
K0852	POWER WHEELCHAIR, GROUP 3 VERY HEAVY DUTY, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 451 TO 600 POUNDS
K0853	POWER WHEELCHAIR, GROUP 3 VERY HEAVY DUTY, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY 451 TO 600 POUNDS
K0854	POWER WHEELCHAIR, GROUP 3 EXTRA HEAVY DUTY, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 601 POUNDS OR MORE
K0855	POWER WHEELCHAIR, GROUP 3 EXTRA HEAVY DUTY, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY 601 POUNDS OR MORE
K0856	POWER WHEELCHAIR, GROUP 3 STANDARD, SINGLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0857	POWER WHEELCHAIR, GROUP 3 STANDARD, SINGLE POWER OPTION, CAPTAINS CHAIR, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0858	POWER WHEELCHAIR, GROUP 3 HEAVY DUTY, SINGLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT 301 TO 450 POUNDS
K0859	POWER WHEELCHAIR, GROUP 3 HEAVY DUTY, SINGLE POWER OPTION, CAPTAINS

	CHAIR, PATIENT WEIGHT CAPACITY 301 TO 450 POUNDS
K0860	POWER WHEELCHAIR, GROUP 3 VERY HEAVY DUTY, SINGLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 451 TO 600 POUNDS
K0861	POWER WHEELCHAIR, GROUP 3 STANDARD, MULTIPLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY UP TO AND INCLUDING 300 POUNDS
K0862	POWER WHEELCHAIR, GROUP 3 HEAVY DUTY, MULTIPLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 301 TO 450 POUNDS
K0863	POWER WHEELCHAIR, GROUP 3 VERY HEAVY DUTY, MULTIPLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 451 TO 600 POUNDS
K0864	POWER WHEELCHAIR, GROUP 3 EXTRA HEAVY DUTY, MULTIPLE POWER OPTION, SLING/SOLID SEAT/BACK, PATIENT WEIGHT CAPACITY 601 POUNDS OR MORE

Group 4 and group 5 power wheelchair codes are not payable under the Medicare DMEPOS fee schedule.