

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3713	Date: February 3, 2017
	Change Request 9966

SUBJECT: Extension of Payment Change for Group 3 Complex Rehabilitative Power Wheelchairs Accessories and Seat and Back Cushions under Section 16005 of the 21st Century Cures Act

I. SUMMARY OF CHANGES: This change request (CR) provides instructions regarding the implementation of the 2017 fee schedule amounts based on the changes mandated by section 16005 of the 21st Century Cures Act.

EFFECTIVE DATE: January 1, 2017

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

IMPLEMENTATION DATE: April 3, 2017 - For VMS; July 3, 2017 - For FISS

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	20/30/30.9/Payment of DMEPOS Items Based on Modifiers

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. 100-04	Transmittal: 3713	Date: February 3, 2017	Change Request: 9966
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SUBJECT: Extension of Payment Change for Group 3 Complex Rehabilitative Power Wheelchairs Accessories and Seat and Back Cushions under Section 16005 of the 21st Century Cures Act

EFFECTIVE DATE: January 1, 2017

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

IMPLEMENTATION DATE: April 3, 2017 - For VMS; July 3, 2017 - For FISS

I. GENERAL INFORMATION

A. Background: Transmittal 3671, dated December 5, 2016 provided instructions regarding the 2017 annual update for the DMEPOS fee schedule. Legislation effective January 1, 2017, requires changes to the 2017 fee schedule amounts for certain items. This change request (CR) provides instructions regarding the implementation of the 2017 fee schedule amounts based on the changes mandated by section 16005 of the 21st Century Cures Act.

Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for certain DME items furnished on or after January 1, 2016, including wheelchair accessories and seat and back cushions, in areas that are not competitive bid areas, based on information from competitive bidding programs for DME. However, section 2 of the Patient Access and Medicare Protection Act (PAMPA) requires that the adjusted fee schedule amounts for 2016 not be applied to wheelchair accessories (including seating systems) and seat and back cushions when furnished in connection with Group 3 complex rehabilitative power wheelchairs prior to January 1, 2017. Change requests 9520 (Transmittal 3535, dated June 7, 2016) and 9586 (Transmittal 1671, dated June 2, 2016) implemented this PAMPA provision and required use of the following modifier to pay claims for dates of service on or after January 1, 2016, and before January 1, 2017:

KU DMEPOS Item Subject to DMEPOS Competitive Bidding Program Number 3

The KU modifier and fee schedule amounts mandated for use in paying 2016 claims for wheelchair accessory or seat or back cushion when furnished in connection with a Group 3 complex rehabilitative power wheelchair were added to the 2016 DMEPOS fee schedule file. In accordance with the PAMPA provision, the KU fees were deleted from the DMEPOS fee schedule file effective January 1, 2017.

B. Policy: Section 16005 of the 21st Century Cures Act modifies section 2(a) of the PAMPA to require that the adjusted fee schedule amounts for 2017, described in section 1834(a)(1)(F)(ii) of the Act, are not to be applied to wheelchair accessories and seat and back cushions furnished in connection with Group 3 complex rehabilitative power wheelchairs (described by HCPCS codes K0848 through K0864) prior to July 1, 2017.

The codes for wheelchair accessories and seat and back cushions affected by the date extension change to July 1, 2017 are listed in Attachment A. Suppliers must use the KU modifier with the codes denoted in Attachment A for claims submitted on or after January 1, 2017, for dates of service on or after January 1, 2017, and before July 1, 2017.

The KU modifier and the unadjusted fee schedule amounts mandated for use in paying 2017 claims for these items have been being added to the January 2017 DMEPOS fee schedule file for the codes listed in Attachment A. The unadjusted 2016 KU fee schedule amounts were updated by the 2017 0.7 percent covered item update.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared- System Maintainers				Other	
		A	B	H H H		M A C	F I S S	M C S	V M S		C W F
9966.1	Beginning January 1, 2017 through June 30, 2017, the 2017 unadjusted fee schedule amounts for the codes listed in Attachment A and associated with the KU modifier are included in the DMEPOS fee schedule file. The January 2017 DMEPOS file was available for download on or after December 22, 2016 using the following filenames: MU00.@BF12393.DMEPOS.T170101.V1222 MU00.@BF12393.DMEPOS.T170101.V1222.FI			X	X						
9966.2	The contractors shall process claims associated with the HCPCS codes that are eligible to use the KU modifier by applying the effective dates in a user controlled table so that the utilization of the KU modifier can be extended beyond the current end date of December 31, 2016.			X	X	X		X			
9966.2.1	Contractors shall process claims using the unadjusted fee amounts for any claims with the applicable HCPCS code, submitted with the "KU" modifier, for claims with dates of service prior to July 1, 2017.			X	X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility						
		A/B MAC			D M E	C E D I		
		A	B	H H H			M A C	
9966.3	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			X	X			

Number	Requirement	Responsibility				
		A/B MAC			D M E D I	C E D I
		A	B	H H H		
	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.					

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:
	N/A

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

V. CONTACTS

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

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: 1

Attachment A

E0705	Transfer device
E0950	Tray
E0951	Loop heel
E0952	Toe loop/holder, each
E0955	Cushioned headrest
E0956	W/c lateral trunk/hip suppor
E0957	W/c medial thigh support
E0960	W/c shoulder harness/straps
E0973	W/Ch access det adj armrest
E0978	W/C acc,saf belt pelv strap
E0981	Seat upholstery, replacement
E0982	Back upholstery, replacement
E0985	W/c seat lift mechanism
E0990	Wheelchair elevating leg res
E0995	Wheelchair calf rest
E1002	Pwr seat tilt
E1003	Pwr seat recline
E1004	Pwr seat recline mech
E1005	Pwr seat recline pwr
E1006	Pwr seat combo w/o shear
E1007	Pwr seat combo w/shear
E1008	Pwr seat combo pwr shear
E1010	Add pwr leg elevation
E1012	Ctr mount pwr elev leg rest
E1016	Shock absorber for power w/c
E1020	Residual limb support system
E1028	W/c manual swingaway
E1029	W/c vent tray fixed
E1030	W/c vent tray gimbaled
E2207	Crutch and cane holder
E2208	Cylinder tank carrier
E2209	Arm trough each
E2210	Wheelchair bearings
E2310	Electro connect btw control
E2311	Electro connect btw 2 sys
E2321	Hand interface joystick
E2322	Mult mech switches
E2323	Special joystick handle
E2324	Chin cup interface
E2325	Sip and puff interface
E2326	Breath tube kit
E2327	Head control interface mech
E2328	Head/extremity control inter
E2329	Head control nonproportional
E2330	Head control proximity switc
E2351	Electronic SGD interface

E2359	Gr34 sealed leadacid battery
E2360	22nf nonsealed leadacid
E2361	22nf sealed leadacid battery
E2362	Gr24 nonsealed leadacid
E2363	Gr24 sealed leadacid battery
E2364	U1nonsealed leadacid battery
E2365	U1 sealed leadacid battery
E2366	Battery charger, single mode
E2367	Battery charger, dual mode
E2368	Power wc motor replacement
E2369	Pwr wc drivewheel gear repl
E2370	Pwr wc motor/gear box combo
E2371	Gr27 sealed leadacid battery
E2373	Hand/chin ctrl spec joystick
E2374	Hand/chin ctrl std joystick
E2375	Non-expandable controller
E2376	Expandable controller, repl
E2377	Expandable controller, initl
E2378	Pw actuator replacement
E2381	Pneum drive wheel tire
E2382	Tube, pneum wheel drive tire
E2383	Insert, pneum wheel drive
E2384	Pneumatic caster tire
E2385	Tube, pneumatic caster tire
E2386	Foam filled drive wheel tire
E2387	Foam filled caster tire
E2388	Foam drive wheel tire
E2389	Foam caster tire
E2390	Solid drive wheel tire
E2391	Solid caster tire
E2392	Solid caster tire, integrate
E2394	Drive wheel excludes tire
E2395	Caster wheel excludes tire
E2396	Caster fork
E2397	Pwc acc, lith-based battery
E2601	Gen w/c cushion wdth < 22 in
E2602	Gen w/c cushion wdth >=22 in
E2603	Skin protect wc cus wd <22in
E2604	Skin protect wc cus wd>=22in
E2605	Position wc cush wdth <22 in
E2606	Position wc cush wdth>=22 in
E2607	Skin pro/pos wc cus wd <22in
E2608	Skin pro/pos wc cus wd>=22in
E2611	Gen use back cush wdth <22in
E2612	Gen use back cush wdth>=22in
E2613	Position back cush wd <22in
E2614	Position back cush wd>=22in
E2615	Pos back post/lat wdth <22in
E2616	Pos back post/lat wdth>=22in

E2619	Replace cover w/c seat cush
E2620	WC planar back cush wd <22in
E2621	WC planar back cush wd>=22in
E2622	Adj skin pro w/c cus wd<22in
E2623	Adj skin pro wc cus wd>=22in
E2624	Adj skin pro/pos cus<22in
E2625	Adj skin pro/pos wc cus>=22
E2626	Seo mobile arm sup att to wc
E2627	Arm supp att to wc rancho ty
E2628	Mobile arm supports reclinin
E2629	Friction dampening arm supp
E2630	Monosuspension arm/hand supp
E2631	Elevat proximal arm support
E2632	Offset/lat rocker arm w/ela
E2633	Mobile arm support supinator
K0015	Detach non-adjus hght armrst
K0017	Detach adjust armrest base
K0018	Detach adjust armrst upper
K0019	Arm pad each
K0020	Fixed adjust armrest pair
K0037	High mount flip-up footrest
K0038	Leg strap each
K0039	Leg strap h style each
K0040	Adjustable angle footplate
K0041	Large size footplate each
K0042	Standard size footplate each
K0043	Ftrst lower extension tube
K0044	Ftrst upper hanger bracket
K0045	Footrest complete assembly
K0046	Elevat legrst low extension
K0047	Elevat legrst up hangr brack
K0051	Cam relese assem ftrst/lgrst
K0052	Swingaway detach footrest
K0053	Elevate footrest articulate
K0056	Seat ht <17 or >=21 ltwt wc
K0065	Spoke protectors
K0069	Rear whl complete solid tire
K0070	Rear whl compl pneum tire
K0071	Front castr compl pneum tire
K0072	Frnt cstr cml sem-pneum tir
K0073	Caster pin lock each
K0077	Front caster assem complete
K0098	Drive belt power wheelchair
K0105	lv hanger
K0733	12-24hr sealed lead acid

30.9 – Payment of DMEPOS Items Based on Modifiers

(Rev. 3713, Issued: 02-03-17; Effective: 01-01-17; Implementation: 07-03-17)

The following modifiers were added to the HCPCS to identify supplies and equipment that may be covered under more than one DMEPOS benefit category:

- AU Item furnished in conjunction with a urological, ostomy, or tracheostomy supply;
- AV Item furnished in conjunction with a prosthetic device, prosthetic or orthotic; and
- AW Item furnished in conjunction with a surgical dressing.

Codes A4450 and A4452 are the only codes that have been identified at this time that would require use of all three of the above listed modifiers. Providers must report these modifiers on claims for items identified by codes A4450 and A4452 that are furnished on or after January 1, 2005. Modifier AU may also be applicable to code A4217. Providers must report modifier AU on claims for items identified by code A4217 that are furnished in conjunction with a urological, ostomy, or tracheostomy supply on or after January 1, 2005. Items identified by code A4217 that are furnished in conjunction with durable medical equipment are reported without a modifier. In the future, other codes may be identified as codes that must be submitted with these modifiers. Medicare contractors base payment for the codes A4217, A4450, and A4452 on the presence or absence of these modifiers.

Codes L8040 thru L8047 describe facial prostheses. Providers must report the following modifiers on claims for replacement of these items:

- KM Replacement of facial prosthesis including
- g new impression/moulage; and
- KN Replacement of facial prosthesis using previous master model.

Providers must report these modifiers on claims for replacement of items identified by codes L8040 thru L8047 that are furnished on or after January 1, 2005. Medicare contractors base payment for the codes L8040 thru L8047 on the presence of these modifiers. These modifiers are only used when the prostheses is being replaced.

In accordance with section 302(c) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), the fee schedule update factors for 2004 thru 2008 for durable medical equipment (DME), other than items designated as class III devices by the Food and Drug Administration (FDA), are equal to 0 percent. The HCPCS codes for DME designated as class III devices by the FDA are identified on the DMEPOS fee schedule available on the above mentioned web site by presence of the KF modifier.

Elevating/stair climbing power wheelchairs are class III devices. Suppliers billing the DMERCs must submit claims for the base power wheelchair portion of this device using HCPCS code K0011 (programmable power wheelchair base) with modifier KF for claims submitted on or after April 1, 2004, with dates of service on or after January 1, 2004. For claims with dates of service on or after January 1, 2004, the elevation feature for this device should be billed using HCPCS code E2300 and the stair climbing feature for this device should be billed using HCPCS code A9270.

Regional home health intermediaries (RHHIs) will not be able to implement the KF modifier until January 1, 2005. Therefore, for claims with dates of service prior to January 1, 2005, HHAs must submit claims for the base power wheelchair portion of stair climbing wheelchairs with HCPCS code E1399. For claims with dates of service on or after January 1, 2005, HHAs must submit claims for the base power wheelchair portion of stair climbing wheelchairs with HCPCS code K0011 with modifier KF.

The fee schedule amounts for K0011 with and without the KF modifier appear on the fee schedule file referenced at www.cms.hhs.gov/providers/pufdownload/default.asp#dme. For claims with dates of service prior to January 1, 2005, RHHIs should pay claims for stair climbing wheelchair bases billed with code E1399 using the fee schedule amounts for K0011 with the KF modifier. All other claims for programmable power wheelchair bases should be paid using the fee schedule amounts for K0011 without the KF modifier.

Effective for claims with dates of service on or after January 1, 2005, HHAs must submit modifier KF along with the applicable HCPCS code for all DME items classified by the FDA as class III devices.

The following modifier was added to the HCPCS in 2007 as a placeholder modifier:

- KU DMEPOS Item Subject to DMEPOS Competitive Bidding Program Number 3

The DMEPOS fee schedules are updated on an annual basis in accordance with the statute and regulations. The update process for the DMEPOS fee schedule is located in Pub.100-04, Medicare Claims Processing Manual, chapter 23, section 60. Payment on a fee schedule basis is required for certain durable medical equipment (DME) by §1834(a) of the Social Security Act. Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for certain DME items furnished on or after January 1, 2016, including wheelchair accessories and seat and back cushions, in areas that are not competitive bid areas, based on information from competitive bidding programs (CBPs) for DME.

Section 2 of the Patient Access and Medicare Protection Act (PAMPA) mandates that the adjusted fee schedule amounts for 2016 described above are not be applied to wheelchair accessories and seat and back cushions furnished in connection with Group 3 complex rehabilitative power wheelchairs described by codes K0848 through K0864 of the Healthcare Common Procedure Coding System (HCPCS). Although this change is effective January 1, 2016, it is not being implemented until July 1, 2016. Until these changes are implemented, payment for these items will be based on the adjusted fee schedule amounts.

Providers/suppliers can submit claims for these items with dates of service on or after January 1, 2016, prior to July 1, 2016, but payment will be based on the adjusted fee schedule amounts. On or after July 1, 2016, providers/suppliers can adjust previously paid claims with dates of service on or after January 1, 2016, for the corrected fee payment.

Providers/suppliers must use modifier “KU” for claims submitted on or after July 1, 2016, with dates of service on or after January 1, 2016, and before January 1, 2017, for any HCPCS code describing a wheelchair accessory or seat or back cushion when furnished in connection with a Group 3 complex rehabilitative power wheelchair.

Section 16005 of the 21st Century Cures Act modifies section 2(a) of the PAMPA to require that the adjusted fee schedule amounts for 2017, described in section 1834(a)(1)(F)(ii) of the Act, are not to be applied to wheelchair accessories and seat and back cushions furnished in connection with Group 3 complex rehabilitative power wheelchairs (described by HCPCS codes K0848 through K0864) prior to July 1, 2017. Therefore, providers/suppliers should continue the use of the KU modifier on claim line items for these accessories with dates of service through June 30, 2017.