

MEDICAID SERVICES MANUAL
TRANSMITTAL LETTER

March 16, 2017

TO: CUSTODIANS OF MEDICAID SERVICES MANUAL
FROM: LYNNE FOSTER, CHIEF OF DIVISION COMPLIANCE
SUBJECT: MEDICAID SERVICES MANUAL CHANGES
CHAPTER 1300 – DURABLE MEDICAL EQUIPMENT PROSTHETIC
ORTHOTIC AND SUPPLIES (DMEPOS)

BACKGROUND AND EXPLANATION

Revisions to Medicaid Services Manual (MSM) Chapter 1300 – Durable Medical Equipment Prosthetic Orthotic and Supplies (DMEPOS) are being proposed as follows:

Repair of a base piece of equipment is appropriate when the lifetime limit of five years has not been exceeded and the repair of the item is more cost effective than replacement.

Repair is allowed when the absence of inappropriate use, culpable neglect, malicious involvement or wrongful disposition on the part of the recipient, their legal representative or their caregivers is substantiated.

Replacement of equipment due to irreparable wear taking into consideration the lifetime limit of five years and the absence of inappropriate use, culpable neglect, malicious involvement or wrongful disposition on the part of the recipient, their legal representative or their caregivers is allowed.

Reference was added in power wheelchair section to repair and replacement criteria.

Throughout the chapter, grammar, punctuation and capitalization changes were made, duplications removed, acronyms used and standardized, and language reworded for clarity. Renumbering and re-arranging of sections was necessary.

Entities Financially Affected: Provider Type (PT) 33 - DMEPOS providers.

Financial Impact on Local Government: None.

These changes are effective March 17, 2017.

MATERIAL TRANSMITTED

CL 30705
DURABLE MEDICAL EQUIPMENT
PROSTHETIC ORTHOTICAND SUPPLIES
(DMEPOS)

MATERIAL SUPERSEDED

MTL 08/16
DURABLE MEDICAL EQUIPMENT
PROSTHETIC ORTHOTICAND SUPPLIES
(DMEPOS)

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
1303.6.A.1,2	Repair	Reworded for clarity and added use within normal life activities, base piece of equipment and inappropriate use.
1303.6.B.1.a,b	Replacement	Reworded for clarity and added use within normal life activities, culpable, inappropriate use and wrongful disposition. Removed reference to the definitions section.
Appendix B page 20	Mobility Assistive Equipment, MAE General Information, Miscellaneous Policy Statements	Added verbiage referring reader to Section 1303.6 “Repair, Replacement and Warranty of Equipment.”

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DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: 1303
MEDICAID SERVICES MANUAL	Subject: POLICY

1303.6 REPAIR, REPLACEMENT AND WARRANTY OF EQUIPMENT

A. REPAIR

1. Repair means to fix or mend a non-functioning part of equipment and to return damaged or worn equipment back to a safe operating condition. Repair of ~~an~~ **base piece of equipment** ~~item may be~~ **is** appropriate when the ~~anticipated~~ **lifetime limit of the base equipment (usually not less than** of five years) has not been exceeded and repair of the item is more cost effective than replacement.
2. Reimbursement to the provider may be made for repairs of recipient-owned medically necessary equipment. Medical documentation by the prescribing practitioner must be submitted to support the recipient's ongoing medical necessity for the item needing repair. Additionally, the prior authorization must substantiate **use within normal life activities and** the absence of **inappropriate use** ~~misuse, culpable negligence~~, malicious involvement or wrongful disposition on the part of the recipient, their legal representative or their caregivers. It must indicate the equipment was being used appropriately in a manner prescribed or recommended. The prior authorization and claim must include HCPCS modifier RB for all DMEPOS parts furnished as part of the repair.
3. If a recipient-owned piece of medically necessary equipment requires repairs that will take more than a day and the recipient needs the device while the repairs are being performed, the provider must submit a prior authorization to request temporary (up to one month) rental of an equivalent item which can meet the recipient's basic medical needs while the recipient-owned item is being repaired.
4. Repairs to equipment owned or rented by a DMEPOS provider or an institutional facility in which the recipient is receiving services will not be covered by Nevada Medicaid or NCU.
5. Repair HCPCS codes are not to be used for: routine serving, cleaning, installation, delivery, set-up, travel necessary to make a repair or for services covered by warranty as these costs are included in the cost of the item.
6. A re-manufactured part with a warranty used to make a repair is considered used equipment and must be billed as such, using the HCPCS modifier UE.

B. REPLACEMENT

1. Replacement of recipient-owned equipment refers to the provision of an identical or nearly identical item. Replacement may be considered on a case-by-case basis

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when prior authorization request substantiates the need for the replacement and is a result of either:

- a. Irreparable Wear: due to significant deterioration sustained from day-to-day use over time and a specific event (as indicated below) cannot be identified. Replacement of equipment due to irreparable wear takes into consideration the useful lifetime ~~limit of the equipment which is usually not less than of~~ five years. The prior authorization must substantiate ~~use within normal life activities and the absence of culpable negligence-neglect, inappropriate use, and/or malicious involvement or wrongful disposition~~ on the part of the recipient, their legal representative or their caregiver, ~~and that the equipment was being used appropriately~~. Intentional utilization of DME in a manner not prescribed or recommended, such as an excessive form of transportation may be reason for denial of equipment replacement—~~see misuse listed in Definitions of this chapter~~.
 - b. Irreparable Damage: due to a specific accident or natural disaster (e.g., fire, flood) which resulted in irreparable damage or loss. These requests may be considered only when the prior authorization request includes a copy of a police or fire report, documentation from Federal Emergency Management Agency (FEMA), the American Red Cross or a newspaper article that indicates the recipient’s residence was affected by the disaster. Police or fire reports will only be considered if filed/dated within ten business days of the loss. The prior authorization must substantiate the absence of ~~inappropriate use, culpable negligence-neglect, and/or malicious involvement or wrongful disposition~~ on the part of the recipient, their legal representative or their caregiver, ~~and that the equipment was being used appropriately~~. The prior authorization and claim must include HCPCS modifier code RA for all DMEPOS provided as a replacement. Nevada Medicaid and NCU are payers of last resource and would be secondary to any insurance claim/reimbursement. Reference MSM Chapter 100 – Medicaid Program.
2. Replacement of any recipient-owned item, regardless of how it was originally acquired, requires a new physician’s/practitioner’s order and the recipient must meet current qualifications for the item. Any assessment(s) necessary to support medical necessity must have been completed within six months of the date of request.
 3. Lost or stolen DMEPOS resulting from failure to maintain possession or properly secure the item is not covered by Nevada Medicaid or NCU.

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DIVISION OF HEALTH CARE FINANCING AND POLICY	Section: APPENDIX B
MEDICAID SERVICES MANUAL	Subject: COVERAGE AND LIMITATIONS POLICIES

Policy: MOBILITY ASSISTIVE EQUIPMENT (MAE)			
EQUIPMENT OR ITEM	QUALIFICATIONS	FORMS AND DOCUMENTATION REQUIREMENTS	MISCELLANEOUS POLICY STATEMENTS

<p>MAE General Information <i>(pertains to all items in this policy section)</i></p>	<p>The qualifications identified in this “general information” section must all be met for any items included in this policy section. Each specific item may also have additional qualifications listed further in this appendix that must be met. Items may be covered if all of the following qualifications are met:</p> <ol style="list-style-type: none"> The recipient has a mobility limitation that significantly impairs his/her ability to participate in one or more Mobility-Related Activities of Daily Living (MRADL) performed in the home and in each of the environments the recipient is likely to encounter in their daily routines, such as but not limited to: attending school, work and shopping. The MRADLs to be considered in this and all other statements in this policy are: toileting, grooming, bathing, dressing, eating and transferring. Note: A mobility limitation is one that: <ol style="list-style-type: none"> Prevents the recipient from accomplishing the MRADL entirely; Places the recipient at reasonably determined heightened risk of morbidity or mortality secondary to the attempts to perform an MRADL; or Prevents the recipient from completing the mobility-related Activities of Daily Living (ADL) within a reasonable time frame. All required assessments, evaluations, and physician/practitioner’s orders as indicated 	<p>The forms and specifications as described in this “general information” section pertain to all MAE items. Refer to the Documentation section and/or the Prior Authorization section in Chapter 1300 for detailed requirements for each type of form. Additional completion requirements are found in the Form Release Memorandums/Instructions for the Division’s forms on the following website: https://www.medicaid.nv.gov/providers/forms/form_s.aspx</p> <p>Each specific item may also have additional form requirements and specifications listed further that must be met.</p> <ol style="list-style-type: none"> Physician’s/Practitioner’s Order/Prescription. Prior authorization forms found on the QIO-like vendor’s website (when indicated) refer to the DMEPOS Fee Schedule to determine need for a prior authorization for each item. Note: For items that require prior authorization and have a Nevada Medicaid assigned rate of less than \$500.00, use the DME Prior Authorization, Form FA-1; for items with a Nevada Medicaid assigned rate of \$500.00 or more, the Mobility Assessment and Prior Authorization Form, FA-1B is required. A Manufacturer’s Invoice of cost if there is no rate established by the DHCFFP. Detailed Product Description. Proof of Delivery. Additional Miscellaneous Medical Records. 	<p>Refer to the main body of MSM Chapter 1300 for general DMEPOS policies. The comments/policy statements identified in this “general information” section pertain to all MAE items. Note: Special attention to MSM Section 1303.6 Repair, Replacement and Warranty of Equipment section of chapter.</p> <ol style="list-style-type: none"> For all MAE items, documentation must support all criteria in the Qualifications section, as specified in each category. <ol style="list-style-type: none"> All rented mobility devices are to be considered purchased by the DHCFFP once the purchase price is reached. Providers must submit prior authorization and claim with the most appropriate HCPCS code and may not unbundle items included in the HCPCS code description. Inclusion of a HCPCS code in this policy section is not an indication of coverage. Refer to the DMEPOS Fee Schedule. The recipient must have a medical need within the home for the requested item. In addition, consideration will include: <ol style="list-style-type: none"> recipient’s medical needs; use of the item; and the conditions in each of the environments the recipient is likely to encounter in their daily
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