

DME MAC Jurisdiction A

FAQ - Complex Rehab Repair Issues ([GEN](#))

Posted April 09, 2009

Q1. Clarify the terms “repair” and “replacement” as used in the September 2003 bulletin on repair/replacement issues. Does the 5-year useful lifetime rule apply to replacement parts used to repair DME (e.g., tires and batteries)?

A1. Repair means to fix or mend. During the course of a repair, parts or components of a base item may be replaced. The replacement of parts or components that make up a base item is considered a repair. When the base item is completely replaced with a new base item, that is considered a “replacement”. The default 5-year reasonable useful lifetime applies to replacement of the base item, not to parts and accessories.

Q2. How often can tires, batteries, etc. be replaced? If the claim denies for frequency limitations, does the supplier get a PR (patient responsibility) denial or a CO (contractual obligation) denial?

A2. No routine or prophylactic replacement is appropriate. Wear items such as batteries and tires are eligible for replacement as a repair to a wheelchair only when they become non-functional. Because the frequency of necessary replacement can vary so much depending on how an individual beneficiary uses his/her wheelchair, it is difficult to set a “usual” replacement frequency. Suppliers are reminded that they should maintain records documenting the need for the repair. Repairs are covered under Medicare only when made to medically necessary equipment. Thus, denials associated with repairs are considered “medical necessity” denials, which get a CO message - unless an ABN has been obtained.

Q3. For repairs to equipment not purchased by Medicare, what are the requirements?

A3. CMS policy is clear. IOM 100-2, Ch. 15, §110.2 states,

“[P]ayment may be made for repair, maintenance, and replacement of medically required DME, including equipment which had been in use before the user enrolled in Part B of the program.”

Key to implementing this provision is in understanding the criteria that the equipment is “medically required DME”. The criteria means that all of the applicable benefit category and reasonable and necessary requirements for the base item must be met before the item is eligible to have repairs reimbursed. These criteria are generally found in the relevant LCD.

- Q4.** When repairs are made to equipment by a supplier who did not sell the equipment to the client, it is often difficult to get the correct date of purchase and HCPCS code. Although the repair supplier can verify through the IVR if Medicare paid a claim, that supplier does not know if the original supplier had the proper documentation and was paid properly. Is there a way the repair supplier can be protected?
- A4.** No. The requirement that repairs are covered for medically necessary equipment applies regardless of who is performing the repair.
- Q5.** When replacing a drive wheel for a power mobility device, because there is no HCPCS code for a complete power wheel, should this be billed using individual codes for the wheel, tire, and appropriate tube or insert, or should code K0108 be used for the entire assembly?
- A5.** In the situation described, it would be appropriate to use the codes for the individual components.
- Q6.** HCPCS code K0462 (temporary replacement for patient-owned equipment being repaired, any type) is used when a supplier provides a complete wheelchair to a beneficiary on a temporary basis if his/her wheelchair requires major repair (i.e., taking more than one day). Rehab power wheelchairs include sophisticated seating systems and advanced electronics that are highly individualized for the patient. Providing a similar loaner wheelchair is not possible. If a supplier is able to substitute a temporary replacement component while the patient's item is being repaired, can K0462 be used in that situation?
- A6.** Use of HCPCS code K0462 for temporary replacement is applicable when an appropriate complete item is provided or when swapping out individual components while leaving the beneficiary's base equipment in place as described in the scenario above. Suppliers are reminded that detailed records describing the nature of the repair and the justification for the temporary replacement of the item should be maintained.
- Q7.** With the new modifiers, RA & RB, is it correct to say that the RA modifier would only be used when replacing a full piece of equipment, e.g., a full wheelchair, that is over 5 years old or is being replaced due to a condition change?
- A7.** The RA modifier is used for replacement of the complete item due to reasonable useful lifetime or to accidental damage, theft, or loss. If a new item were provided due to a change in condition, it would be a different item, billed with a different HCPCS code, not a "replacement" of the original item. The RA modifier would not be used in this situation.

- Q8.** If a beneficiary refuses to bring their equipment to the supplier location, can they be charged a fee for this service?
- A8.** No, Medicare's payment for repairs, i.e., parts and labor, is all-inclusive. There is no separate payment for travel time, service charges, fuel surcharges, etc. On an assigned claim, suppliers may not charge a beneficiary for these costs. On a nonassigned claim, the beneficiary will be responsible for the difference between the submitted charges for the repairs and the amount Medicare pays.
- Q9a.** The reasonable useful lifetime for durable medical equipment is 5 years. If an item that is less than 5 years old needs to be repaired because of "wear and tear" (rather than a specific incident) and a thorough evaluation reveals that the cost to repair the equipment exceeds the cost to replace the equipment would Medicare consider payment for a replacement piece of equipment?
- A9a.** No, according to Medicare statute, during an item's reasonable useful lifetime, payment can only be made for repairs up to the cost of replacement.
- Q9b.** If the equipment has been repaired on several different occasions, is in need of repair again, and no single repair has exceeded the cost to replace the equipment but the cumulative repair costs will exceed the replacement cost, would Medicare consider payment for a replacement piece of equipment?
- A9b.** No, according to Medicare statute, during an item's reasonable useful lifetime, payment can only be made for repairs up to the cost of replacement.
- Q9c.** What percentage of repair to replacement cost would Medicare consider acceptable to deem the purchase of a replacement item more cost effective?
- A9c.** There is no provision for replacement due to "wear and tear" prior to the end of the item's useful lifetime.