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**Subject:** Jurisdiction B News: Repair & Replacement of Durable Medical Equipment Revision



Jurisdiction B DME MAC

**News You Can Use!**

### **Revision: Repair and Replacement of Durable Medical Equipment**

Replacement or repair of equipment which the beneficiary owns, has purchased, or is a capped rental item is covered in certain cases of loss, irreparable damage, or wear. When filing a claim to Medicare for the replacement or repair of equipment prior to the reasonable useful lifetime (RUL) of five years, the modifiers below were added to the Healthcare Common Procedure Coding System (HCPCS):

RA – Replacement of a Durable Medical Equipment (DME) item

RB - Replacement of a part of DME furnished as part of a repair.

### **Replacement**

Replacement refers to the provision of an identical or nearly identical item. Equipment which the beneficiary owns or is a capped rental item may be replaced in cases of loss or irreparable damage. Irreparable damage refers to a specific accident or to a natural disaster (e.g., fire, flood, etc.). Irreparable wear (wear and tear) refers to deterioration sustained from day-to-day use over time and a specific event cannot be identified and is not sufficient for replacement of the same or similar equipment prior to the reasonable useful lifetime.

Suppliers should use the new RA modifier rather than the RP modifier

on durable medical equipment prosthetics, orthotics, and supplies (DMEPOS) claims submitted on or after January 1, 2009. The RA modifier is used to denote instances where an item is furnished as a replacement for the same item which has been lost, stolen, or irreparably damaged, prior to the equipments reasonable useful lifetime. Suppliers should also use the RA modifier for billing claims for replacement when the DMEPOS item has met the reasonable useful lifetime.

The claim for the replacement equipment's first month of use must be billed using the HCPCS code for the new equipment and the RA modifier. The supplier should include in the NTE segment for electronic claims or in item 19 for paper claims, a narrative explanation of the reason why the equipment is being replaced. Suppliers should maintain any documentation that supports the narrative account of the incident. For example, if the equipment was stolen, a copy of the police report should be in the supplier's files, or if the equipment is irreparably damaged, the supplier must document the assessment of the original equipment to support the statement of irreparable damage, such as flood, fire, etc.

In addition to the narrative explanation of the reason for replacement, the claim should include the date the beneficiary received the original equipment that is being replaced.

Suppliers must provide the required narrative explanation in loop 2400 (line note), segment NTE02 (NTE01=ADD) of the ASC X12, version 4010A1 professional electronic claim format. If billing using the CMS - 1500 paper claim form, suppliers may report this information in item 19 of the claim form.

Suppliers should use the following format in the narrative explanation of the claim when the item is being replaced due to reasonable useful lifetime :

- The abbreviation "RUL" which indicates "reasonable useful lifetime"

- The date the beneficiary received the original equipment that is being replaced (MMDDYY)

**Example: RUL 050103**

**Repair**

To repair means to fix or mend and to put the equipment back in good condition after damage or wear. Repairs to equipment which a beneficiary owns are covered when necessary to make the equipment serviceable this includes equipment which had been in use before the user enrolled in Part B of the Medicare program. If the expense for repairs exceeds the estimated expense of purchasing or renting another item of equipment for the remaining period of medical need, no payment can be made for the amount of the excess. Repairs of equipment that is currently rented are included in the monthly rental allowance and are not separately payable. In addition, payments for repair and maintenance may not include payment for parts and labor covered under a manufacturer's or supplier's warranty.

The new RB modifier should be used on a DMEPOS claim to indicate replacement parts of a DMEPOS item (base equipment/device) **furnished as part of the service of repairing the DMEPOS item** (base equipment/device).

Claims for repairs must include narrative information itemizing each repair and the time taken for each repair.

For patient owned equipment, in addition to the above information, all of the following information must be submitted in Item 19 on the CMS-1500 claim form or in the NTE segment for electronic claims:

- HCPCS code of base equipment;
- a notation that this equipment is beneficiary-owned and
- the date the patient obtained the equipment.

**Example:**

The line: E2366NURB

Narrative: Pt owned HVR K0011 081507

**Note:** If a HCPCS code requires a KX modifier on initial claim submission, the KX modifier is also required if the item is repaired/replaced to ensure proper adjudication of claims submitted to the Jurisdiction B DME MAC.

The official instruction regarding the RA and RB modifiers changes is located in the Centers for Medicare and Medicaid Services (CMS) Change Request 6297, and may be found on the CMS Web site at: <http://www.cms.hhs.gov/Transmittals/downloads/R421OTN.pdf>

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