

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 12768</b>	<b>Date: August 5, 2024</b>
	<b>Change Request 13610</b>

**Transmittal 12672 issued June 06, 2024, is being rescinded and replaced by Transmittal 12768, dated August 5, 2024, to revise the background section clarifying the replacement scenario discussed in this change request does not apply to situations when the wheelchair equipment does not yet need repairs that require replacement parts or when repair / replacement parts (e.g. aftermarket) are available from other sources other than the discontinued manufacturer that can be used to make the wheelchair equipment operable for the reasonable useful lifetime of the equipment. All other information remains the same.**

**SUBJECT: Replacement Wheelchair Equipment When the Manufacturer Exits Wheelchair Business**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to provide instructions for processing claims for replacement power or manual wheelchairs when 1) the manufacturer exits the wheelchair business resulting in the wheelchair ceasing to exist on the market, and 2) there is no availability of aftermarket repair or replacement parts to make the manufacturer’s equipment operable.

**EFFECTIVE DATE: July 8, 2024**

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

**IMPLEMENTATION DATE: July 8, 2024**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**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:**

**One Time Notification**

# Attachment - One-Time Notification

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**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to provide instructions for processing claims for replacement power or manual wheelchairs when 1) the manufacturer exits the wheelchair business resulting in the wheelchair ceasing to exist on the market, and 2) there is no availability of aftermarket repair or replacement parts to make the manufacturer's equipment operable.

## **II. GENERAL INFORMATION**

**A. Background:** The purpose of this Change Request (CR) is to provide instructions for processing claims for replacement power or manual wheelchairs, when 1) a manufacturer exits the wheelchair business (e.g., closes or files for bankruptcy with termination of manufacturing of all wheelchair products) resulting in the wheelchair ceasing to exist on the market, and 2) there is no availability of aftermarket repair or replacement parts to make the manufacturer's equipment operable. The beneficiary may no longer have wheelchair mobility when the wheelchair stops working due to the need for repairs that can no longer be made.

In this scenario, the power or manual wheelchair may be designated lost for purposes of applying 42 Code of Federal Regulation (CFR) Subsection (§) 414.210(f) so the beneficiary may elect to obtain new wheelchair equipment. Contractors may consider the wheelchair equipment as lost and can permit payment of a replacement wheelchair, establishing a new 13-month capped rental period for items in the capped rental category, and Reasonable Useful Lifetime (RUL) beginning on the date that the replacement equipment is furnished to the individual with Medicare.

Medicare regulations at 42 CFR § 414.210(f) permit a beneficiary to elect to obtain a new piece of durable medical equipment if the equipment has been in continuous use by the beneficiary for the equipment's RUL or has been lost, stolen or irreparably damaged.

The replacement scenario discussed in this change request does not apply to situations when the wheelchair equipment does not yet need repairs that require replacement parts. In addition, the replacement scenario discussed in this change request does not apply to situations when repair/replacement parts are available from other sources other than the discontinued manufacturer that can be used to make the wheelchair equipment operable for the reasonable useful lifetime of the equipment.

Please note complex rehabilitative power wheelchairs may be purchased in the first month of use and Healthcare Common Procedure Coding System (HCPCS) code K0005 Ultralightweight wheelchair is a manual wheelchair classified under the inexpensive and routinely purchased durable medical equipment payment category and may also be obtained on a purchase basis. This change request instruction permits payment for replacement of power or manual wheelchair base equipment for complex rehabilitative wheelchairs when a manufacturer exits the wheelchair business and aftermarket parts are no longer available to repair the equipment.

**B. Policy:** Claims Processing for Replacement of Wheelchair Equipment When the Manufacturer Exits the Wheelchair Business

Contractors shall process claims for replacement wheelchair equipment when the manufacturer exits the wheelchair business similar to other situations when wheelchair equipment is lost, stolen or irreparably damaged and new replacement equipment is provided. On the claim for the first month of use, the Durable Medical Equipment (DME) supplier must include the HCPCS code for the replacement equipment and the HCPCS modifier RA (Replacement of a DME Item). When replacing items for capped rental payment, the HCPCS modifier KH (DMEPOS Item, Initial Claim, Purchase or First Month Rental) must be added to the claim except for claims for purchased complex rehabilitation power mobility devices (PMDs). When submitting claims, suppliers may use loop 2400 (line note), segment NTE02 (NTE01+ADD) of the Accredited Standards Committee X12, version 5010A1 electronic claim format or item 19 for suppliers who use the CMS-1500 claim form to include a narrative of “Replacement due to manufacturer exiting wheelchair business” or a similar statement.

In accordance with Pub. 100-08 Program Integrity Manual, Chapter 3, Section 10, submitters (e.g. suppliers) are required to submit a Prior Authorization Request (PAR) for provisional affirmation of coverage for review before the item is furnished to the beneficiary and before the claim is submitted for processing. Additional information on the process and items requiring prior authorization can be found at [www.cms.gov/data-research/monitoring-programs/medicare-fee-service-compliance-programs/prior-authorization-and-pre-claim-review-initiatives/prior-authorization-process-certain-durable-medical-equipment-prosthetics-orthotics-and-supplies](http://www.cms.gov/data-research/monitoring-programs/medicare-fee-service-compliance-programs/prior-authorization-and-pre-claim-review-initiatives/prior-authorization-process-certain-durable-medical-equipment-prosthetics-orthotics-and-supplies)

**III. BUSINESS REQUIREMENTS TABLE**

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

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13610.1	Contractors shall be aware of this instruction for Replacement Wheelchair Equipment When the Manufacturer Exits the Wheelchair Business.				X					
13610.2	Contractors shall update any necessary procedures or editing to ensure proper claims payment resulting from this instruction.				X					
13610.3	Contractors shall process claims for replacement wheelchair equipment when the manufacturer exits the				X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	wheelchair business similar to other situations when wheelchair equipment is lost, stolen or irreparably damaged and new replacement equipment is provided.									

**IV. PROVIDER EDUCATION TABLE**

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
13610.4	CR as Provider Education: MACs shall use the content in the CR to develop relevant education material. Provide a link to the entire instruction in the education content. You can also supplement with local information that would help your provider community bill and administer the Medicare Program correctly.				X	

**V. 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:

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

**VI. CONTACTS**

**Pre-Implementation Contact(s):** Anita Greenberg, Anita.Greenberg@cms.hhs.gov

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

**VII. 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: 0**