




Commonwealth of Massachusetts
Executive Office of Health and Human Services
Office of Medicaid
www.mass.gov/masshealth



MassHealth
Transmittal Letter DME-34
October 2016

TO: Durable Medical Equipment Providers Participating in MassHealth
FROM: Daniel Tsai, Assistant Secretary for MassHealth 
RE: *Durable Medical Equipment Manual* (2016 HCPCS)

This letter transmits two revisions to the list of service codes described in Subchapter 6 of the *Durable Medical Equipment Manual*. The Centers for Medicare & Medicaid Services (CMS) has revised the Healthcare Common Procedure Coding System (HCPCS) codes for 2016. The revised Subchapter 6 is effective for dates of service on or after January 1, 2016.

Providers may consult the Centers for Medicare & Medicaid Services (CMS) website at www.cms.gov for a full description of the service codes.

Prior-authorization (PA) requirements, service limits, and place-of-service codes appear in an updated version of the interactive *MassHealth DME and Oxygen Payment and Coverage Guidelines Tool* that has been posted on the MassHealth website. You can find the tool at www.mass.gov/eohhs/gov/laws-regs/masshealth/provider-library/masshealth-payment-and-coverage-guideline-tools.html.

The following service codes have been added to Subchapter 6 of the *Durable Medical Equipment Manual* and the *MassHealth DME and Oxygen Payment and Coverage Guidelines Tool*.

- E1012
- E2301

Complex Rehabilitative Power Wheelchairs and Accessories

For the purchase of certain capped rental complex power wheelchairs and accessories, the MassHealth member must sign and date a purchase/rental option letter. The purchase/rental option letter must be submitted to MassHealth with the PA request and also must be maintained in the DME provider's files. In the *DME and Oxygen Payment and Coverage Guidelines Tool*, there is a message within the HCPCS that lists which capped rental equipment and accessories require the purchase/rental option letter.

Repairs of DME

Providers submitting to MassHealth a payment rate for repairs must base the payment rate on MassHealth rates of payment, including all codes for labor, components, and parts for repairs—whether or not the code, or codes, requires PA. This includes all HCPCS that say “No” or “Sometimes” in the PA column of the guidelines tool.

For repairs costing \$1000.00 or less, the provider must keep in the member's file a purchase/option letter signed and dated by the member, for audit purposes.

For repairs costing *over* \$1000.00, the provider must request PA; keep in the member's file a purchase/option letter signed and dated by the member; and submit the letter to MassHealth with the PA request (see 130 CMR 409.418(E)).

MassHealth DME & Oxygen Payment and Coverage Guidelines Tool Reminder for Mobility Product Repair

MassHealth has made changes to the guidelines tool regarding repairs to mobility products. The tool has a yellow "Important: Read" sign on the top left-hand corner. Providers may click on this to see the following message.

When repairing a wheelchair or adding any new components or accessories that require LABOR and the total amount of the claim is over \$1000.00 (based on MassHealth's fees), prior authorization is required. This includes all HCPCS that say "No" or "Sometimes" in the Prior Approval column on the DME/OXY Payment and Coverage Guidelines Tool.

A "Stop Sign" in the PA column serves as a second reminder. The PA request must include all applicable HCPCS Codes that are involved in the repair, in addition to HCPCS codes K0739 (labor) and K0108 (miscellaneous components). MassHealth has also created a detailed worksheet for code K0108 that must be submitted with any mobility product repair PA and any associated claim.

Claims Issues

Discounts Reflected in Adjusted Acquisition Cost (AAC)

When the provider of DME submits a claim with an invoice to MassHealth, the AAC must reflect all manufacturer's, dealer's, trade, and volume discounts, including rebates, in whatever form, extended to the provider for the purchase of the covered item. The only discount that does not have to be passed on to MassHealth is the amount allowed to the provider for a timely payment to the manufacturer or supplier, **not to exceed five percent of the actual purchase price** (see 114.3 CMR 22.00).

If there are multiple products on the invoice submitted with the claim, the provider must circle the item(s) that identify the product(s) being billed to MassHealth. If the provider paid the invoice in a manner qualifying for a timely payment discount, the provider must put a note on the invoice stating the date of timely payment and the dollar amount that was paid for each item. The provider must maintain a copy of the invoice in the provider's files. If the date and amount of timely payment are not on the invoice, the provider will not receive the timely payment discount.

When submitting claims to MassHealth for any item that is AAC that has a PA, the provider must submit the manufacturer's invoice and the quote used for MassHealth PA purposes. The manufacturer's invoice may not be altered in any way.

If you wish to obtain a fee schedule, you may download the Executive Office of Health and Human Services regulations at no cost at www.mass.gov/eohhs. The regulation title for Durable Medical Equipment and Oxygen and Respiratory Equipment is 114.3 CMR 22.00.

MassHealth Website

This transmittal letter and attached pages are available on the MassHealth website at www.mass.gov/masshealth.

Questions

If you have any questions about this transmittal letter, please contact the MassHealth Customer Service Center at 1-800-841-2900, e-mail your inquiry to providersupport@mahealth.net, or fax your inquiry to 617-988-8974.

NEW MATERIAL

(The pages listed here contain new or revised language.)

Durable Medical Equipment Manual

Pages vi, vii, and 6-1 through 6-4

OBSOLETE MATERIAL

(The pages listed here are no longer in effect.)

Durable Medical Equipment Manual

Pages vi, vii, and 6-1 through 6-4 — transmitted by Transmittal Letter DME-33