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|  | MEDICAL ASSISTANCE BULLETIN COMMONWEALTH OF PENNSYLVANIA * DEPARTMENT OF PUBLIC WELFARE | | |
| | NUMBER: 05-91-04 19-91-14 | ISSUE DATE: October 1, 1991 | EFFECTIVE DATE: October 1, 1991 |
| SUBJECT: Repair and Replacement of Durable Medical Equipment (DME), Orthotics and Prosthetics | | BY:  Gerald F. Radke Deputy Secretary for Medical Assistance Programs | |

PURPOSE:

The purpose of this bulletin is to clarify the difference between repair and replacement of durable medical equipment, orthotics, and prosthetics, and to restate the Department's billing procedures.

SCOPE:

This bulletin applies to all medical suppliers and pharmacies enrolled in the Medical Assistance Program.

BACKGROUND:

The Department receives numerous requests from providers about billing for repairs. The Department noticed that many claims for repairs are rejected due to improper completion of invoices. Also, providers bill for repairs when a replacement is indicated; or bill for replacement when repairs are indicated.

DISCUSSION:

For medical assistance payment purposes, a repair is the restoration of an item to its former operable condition. A replacement is putting something new in place of an unrepairable item. The provider must determine whether an item can be repaired or should be replaced. **If the item is repairable, the provider must repair the item.**

For example, a client has a wheelchair with an inoperable one arm drive. The provider determines that the one arm drive can be restored to its former operable condition. The provider repairs the drive and places it back on the wheelchair. The provider may bill medical assistance for materials used to repair the one arm drive and for labor. (Procedure code Z1350 - Repair of DME - Parts - is to be used for itemized materials only). This is not a repair to the wheelchair, but a repair to the one arm drive. The provider should follow the billing instructions found in the handbook and procedure section of this bulletin for completion of the invoice.

If the provider determines that the one arm drive cannot be repaired, the provider may replace the unrepairable one arm drive with a new one. The provider should bill medical assistance for the new item as a replacement using the applicable medical assistance procedure code listed in the Medical Assistance Program Fee Schedule. The provider should not bill this as a repair to the wheelchair. Medical assistance will reimburse the provider the medical assistance fee for the replacement part. The provider may also bill for labor necessary to install the new one arm drive. **Remember, if the replacement item is \$100.00 or more, it must be prior authorized before being replaced.**

The concept of repair and replacement applies to all DME, orthotics, and prosthetics.

PROCEDURE:

When billing for **repairs**, use the following billing procedures:

1. Bill for only one repair and labor per invoice.
2. Complete a Physician's Invoice or Medical Services/Supplies Invoice (MA 319) using the instructions found in the handbook.
3. Enter the appropriate type of service and procedure code for repair in blocks 29H and 29I of your invoice.

4. Enter the appropriate type of service and procedure code for labor in blocks 30H and 30I of your invoice.
5. In the remarks area of the invoice include:
 - a. The procedure code of the item being repaired; and
 - b. The date of purchase of the item being repaired.

If you do not know the date of purchase, explain why you do not have a date of purchase.

6. Attach to the invoice a copy of the itemized list of parts repaired and your usual charge for each part. This list should be on your business stationery or invoice. (If the number of itemized parts is small, you may list the parts and your usual charge in the remarks area of the invoice.)

When billing for **replacement**, use the following billing procedures:

1. Bill for only one replacement item and labor per invoice.
2. Complete a Physician's Invoice or Medical Services/Supplies Invoice (MA 319) using the instructions found in the handbook.
3. Enter the appropriate type of service and procedure code for the replacement item in blocks 29H and 29I of the invoice.
4. Enter the appropriate type of service and procedure code for labor in blocks 30H and 30I of the invoice.

If the replacement part requires prior authorization, complete the prior authorized invoice Form MA 319 PA using the billing instructions in the Prior Authorization Section of your handbook. Labor must be billed on a separate invoice.

If one of these billing requirements for repair or replacement is incomplete, your invoice will be rejected.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

Pharmacy and Ancillary Services
P.O. Box 8043
Harrisburg, Pennsylvania 17105
1-800-932-0938

Visit the Office of Medical Assistance Programs website at www.dpw.state.pa.us/omap.