Billing for Loaner Chairs and Parts During Repair

Department(s)	Funding
Effective Date	January 12 th , 2016
Version Number	2
Last Review	June 5 th , 2025

Scope

All National Seating & Mobility policies and procedures apply to all owners, directors, officers, and employees of NSM and all related entities equally unless otherwise indicated.

Purpose/Process Introduction

NSM may not have the ability to repair a client's chair at evaluation, and the client may need a loaner part or chair to maintain mobility until their chair is repaired. Often times, the repair may take longer than one day due to the need to order parts. The intent of this standard operating procedure is to clearly outline the steps required to secure reimbursement for loaner chairs or parts that are provided in these scenarios.

Process

The following steps are required for reimbursement of temporary loaners during repair. These guidelines follow traditional Medicare requirements and can be used for other payers that reimburse for this service. As a first step for other payers, check each payer's UPD to understand if loaners during repair (K0462) are considered a billable and covered service. Medicare will pay one month's rental for the temporary replacement (K0462) of a beneficiary-owned piece of equipment while it is being repaired when the repair takes more than one day. When the supplier bills HCPCS code K0462 (temporary replacement for patient owned equipment being repaired, any type), specific information is required in the work order. This information is then used as a required narrative on the claim for payment.

- 1. HCPCS code, or manufacturer and brand name/number of the equipment being repaired, with date of purchase (Main Page of the work order)
- 2. A narrative description, manufacturer and brand name/number of the temporary replacement equipment (Line-item description in Detail)
- 3. A description of what was repaired (RX/DWO and/or Labor Detail)
- A description of why the repair took more than one day to complete (Temporary Replacement Loaner Equipment Agreement Form)

Page | 1 Version 2

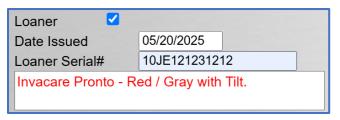
Identifying Loaners During Repair

Review the work order to determine if a loaner has been provided. This can be identified via the following methods:

1. A **Temporary Loaner** line item in the Repair work order Detail.



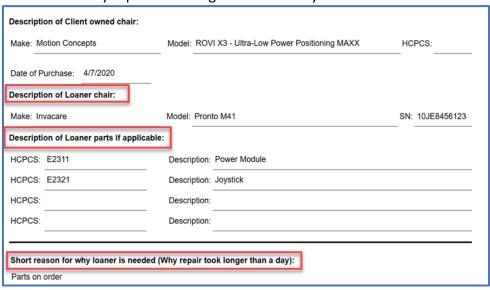
2. The **Loaner** checkbox and information on the **Main** page of the Repair order is completed.



3. A **Temporary Replacement Loaner Equipment Agreement** has been completed, signed, and uploaded into **Scan Docs**.

Validate Funding and Allowed Amounts

- 1. Confirm that K0462 is a benefit of the payer/plan.
- Validate that the information contained on the Temporary Replacement
 Loaner Agreement reflects the equipment that we provided (chair OR parts)
 and reason why repair took longer than one day.



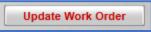
3. Verify the **Temporary Loaner** line item has been added to detail and includes the description of what loaner equipment was provided. *Only one K0462 line item per work order is allowed.*

Page | 2 Version 2

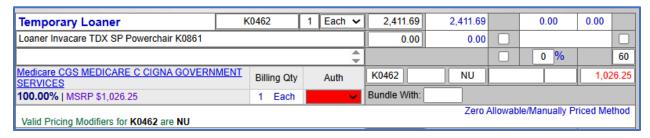
- 4. On the **Temporary Loaner** line in detail, manually look up and enter one-month rental allowable amount for the HCPC of the replacement items we are providing on loan.
 - a. Example: If NSM provided a Loaner Invacare TDS SP Powerchair (K0861), the allowable should reflect K0861 RR, one month allowed amount.
 - b. Enter the allowed amount in both the billed price box and allowable box.
 - ii. If multiple loaner parts were provided, the price listed should be the sum of the allowables for all loaner parts provided.



c. Press **Update Work Order** to save and set the billed charge and allowable.



d. Validate the amounts were saved correctly. If an allowable amount populates that was different from what was entered, override the amount to reflect the one month rental allowable.



- 5. Process the work order for the repairs and loaner following standard procedure.
- 6. Note: The rental allowable for K0462 is subject to coinsurance and deductible amounts.

References/Resources

Policy S-200 Delivering and Billing for Loaner Parts and Chairs Temporary Replacement Loaner Equipment Agreement Form

Definitions

Term	Definition
Loaner	An in-stock item such as a wheelchair or part that is provided to the client temporarily on loan while their equipment is being repaired and/or replacement parts are on order.
KO462 – Temporary Replacement for Patient Owned Equipment Being Repaired	HCPC used to bill for a loaner chair or part during repairs that take longer than one day.

Page | 3 Version 2

Policy History

Creation/Revision/Review	Author/Reviewer	Approved by	Description
Date			
January 12 th , 2016	Service/Funding	Service/Funding	Policy Creation
June 5 th , 2025	Funding	Funding	Separated Funding Process from
			Service Policy S-200.

Page | 4 Version 2