

Equipment Write-Off Policy and Procedure

Policy F-100

<i>Department(s)</i>	<i>Funding, Branch Operations</i>
<i>Effective Date</i>	<i>February 1st, 2021</i>
<i>Version Number</i>	<i>2</i>
<i>Last Review</i>	<i>February 15th, 2024</i>

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/Policy Introduction

While NSM is not permitted to routinely write off or waive coinsurance and client financial responsibility, there are times when an error made by NSM or the manufacturer requires us to provide equipment without reimbursement to our clients and/or to write-off equipment post-delivery if all funding efforts have been exhausted. In addition, there may also be specific Payer situations or limitations that require us to provide equipment without reimbursement to our clients and/or write-off equipment post-delivery. As a reminder we cannot provide items without reimbursement due to referral source or client demands. This policy in no way supersedes the Financial Hardship Policy for reviewing client financial hardships for possible waiver or coinsurance reductions and is also separate from the Return and Refund Policy.

Policy

In the situation in which NSM needs to provide an item without reimbursement or write-off of an item already provided due to an error or payer requirement as outlined above, the following will guide you through the standard operating procedure requirements of reviewing the order and requesting and securing proper approval to proceed.

Note: NSM Funding Specialists may not process any equipment lines at \$0 that are normally reimbursable without proper approval. Funding Specialists may not provide free upgrades without proper approval. This policy, the hardship policy, or the returns and refunds policy must be followed prior to processing any regularly reimbursable line item at \$0.

Procedure

Below are the scenarios that are acceptable for consideration of a Pre-Delivery write off:

- Client's equipment is under the capped rental period and repairs are not reimbursable by the payer.
- Client has a medical need for equipment, however a product selection restriction exists limiting client access to care due to lack of payer coverage. (See Medicare Upgrade Guidelines Policy F-300)
- NSM provided a part/item that is the wrong size or requires a modified part to meet their needs of previous equipment provided and the part cannot be billed separately to the payer or cannot be reimbursed by the payer.
- Equipment was already purchased for client and NSM made an error in coverage/approval status and the denied equipment cannot be removed and client was not correctly notified and does not have alternate funding available.

If the scenario does not fall into one of the above categories, a pre-delivery write off cannot be completed unless reviewed and approved by Compliance@nsm-seating.com.

Below are the scenarios that are acceptable for consideration of a Post-Delivery write off:

- Equipment was provided to client and the equipment denied unexpectedly at point of claim. Funding efforts have been exhausted and there is a contractual obligation that prevents NSM from being able to bill the client.
- Client entered a non-covered place of service such as a facility during rental period of equipment or at time of claim and insurance has denied coverage. Funding efforts have been exhausted and/or the client cannot be located.

If the scenario does not fall into one of the above categories, a post-delivery write off cannot be completed unless reviewed and approved by Compliance@nsm-seating.com.

Funding Specialist

1. A request to provide an item without reimbursement or a write off request is received by the Funding Specialist. This request may come from several entities including a client, referral source, Payer or NSM Employee.
2. The Funding Specialist will review the request and conduct the following:
 - a. Review the received request and secure all pertinent details of the request and ensure there is documented proof that there is a circumstance that prohibits funding of the item(s) warranting a write-off.
 - b. Complete the Equipment **Write-Off Request Form** (*policy F-100 Attachment A*) and submit to the proper party for approval based on the outline below:
 - i. *If submitting a post-delivery request over \$5,000, submit to Funding Supervisor for review prior to submitting to the Funding*

Director/Manager for approval.

ii. Approval Thresholds (*Pricing Based on Expected Reimbursement Amounts*)

1. Pre-Delivery:

- a. \$0 - \$1,000 - Regional Area Director
- b. \$1,000 or above - Division Vice President

2. Post Delivery:

- a. \$0 - \$5,000 - Funding Supervisor
- b. \$5,000 or above - Funding Director/Manager

Approver

1. Approver to review write-off request submitted.
 - a. Upon rendering an approval, the approver will sign, date, and return the signed Write-Off Request form, or reply with their approval via email response, to the Funding Specialist. Funding Leader to CC the Regional Area Director and Division Vice President on all post-delivery (MIR) write off approvals above \$5,000.
 - b. If issuing a denial, the approver will enter reviewer notes on the form or in the body of the email outlining the details of the denial and return the response to the Funding Specialist for review.

Funding Specialist

1. If a Write-Off Request is **denied**, the Funding Specialist will:
 - a. Scan the decision into the client's work order as "Write-Off Denial".
 - b. Enter appropriate work order notes documenting the denial.
 - c. Inform the requesting party of the outcome of the request.
 - d. Continue with the order by seeking alternate funding as applicable or the requesting party may present an appeal to the Division Vice President. The decision of the Division Vice President is considered final.
2. If a **Pre-Delivery** Write-Off Request is **approved**, the Funding Specialist will:
 - a. Scan an approved copy of the Write-Off Request Form into the client's work order as "Write-Off Approval".
 - b. Enter appropriate work order notes documenting the approval.
 - c. Inform requesting party of the outcome of the request.
 - d. In the line-item detail, select the auth status of "**Write-Off**" to reflect the write-off approval and expected reimbursement for the line item(s) at \$0.
 - e. Proceed with funding and approval of remaining items as applicable.
 - f. **Reminder: Hardships follow the hardship policy, and this process cannot be used for deductibles and copayments.**
3. If a **Post-Delivery** Write-Off Request is **approved**, the Funding Specialist will:
 - a. Scan an approved copy of the Write-Off Request Form and/or email into the client's work order as "Write-Off Approval".
 - b. Enter appropriate work order notes documenting the approval.

- c. Inform requesting party of the outcome of the request and close any outstanding MIRs as applicable.

d. Reminder: Refunds and returns follow the Refund and Return policy.

Note: A similar adjustment process takes place in Billing and Collections. In those scenarios, a separate approval process is followed, and does not require an approved funding write off request form.

References/Resources

Medicare Upgrade Guidelines Policy F-300
 Financial Hardship Policy
 Federal and State Anti-Kickback Statutes
 False Claims Act

Definitions

Term	Definition

Policy History

Creation/Revision/Review Date	Author/Reviewer	Approved by	Description
February 1st, 2021	Funding/DVPs	Funding/DVPs	Policy Creation
February 15th, 2024	Funding/DVPs	Funding/DVPs	Updated approvers and approval thresholds and added details of compliant scenarios for write off consideration.