NATIONAL SEATING & MOBILITY

Policy F-300 Medicare Upgrade Guidelines

Introduction

The following are guidelines for upgrades, upcharges and/or noncovered items for traditional Medicare clients. Please keep in mind that these upgrade guidelines pertain to traditional Medicare only. Medicare replacement plans, secondary, and tertiary rules apply and may differ. Payer specific guidelines must be verified by utilizing the Universal Payer Database (UPD). In addition, please ensure the client is aware that they are responsible for the service and repair of any client-paid upgrade, upcharge, and private-pay items.

Definitions

- **Upgrade:** An item that has a different HCPC Code and may go beyond what is considered medically necessary under Medicare's coverage requirements. Medicare does not consider products within the same code to be an upgrade.
- **Upcharge:** An item that is considered included in another HCPC or item when providing the item, however the manufacturer charges an additional price for that item. Upcharges cannot be separately billed nor coded as K0108 unless a non-Medicare payer exception exists.
- **Noncovered:** An item that is considered noncovered by Medicare. Medicare publishes a list of statutorily noncovered items and scenarios in which coverage will always be denied as noncovered, regardless of medical need.

Supplier Upgrade vs. Client Paid Upgrades and Upcharges *

There are times when a client or alternate funding is responsible for the upgrade and there are rare instances when NSM may provide a non-paid or free supplier upgrade. Scenarios below marked with an * will need to refer to the below definitions to determine which scenario is applicable.

1. **Supplier Upgrade:** This is the process to follow for a non-paid supplier upgrade or non-paid upcharge. If there is a medical need for an item per Medicare Policy, however a product selection restriction exists, NSM may provide the item at no additional charge to the client. In this scenario no ABN needs to be obtained if expecting Medicare payment. For an upgrade, the GL modifier is used to indicate a supplier upgrade is being provided at no charge to the client. Follow the instructions in Policy F-100 for Equipment Write-Offs to secure approval to proceed.
    a. Example: A Group 2 Power Wheelchair with both Tilt and Recline is being prescribed, however there is a product restriction in which there is not an available wheelchair in this category on the market that meets the client's needs. The wheelchair clinically recommended is coded as a Group 3 and the client does not meet the medical need for a Group 3 Wheelchair. However, the client does have a medical need for a Group 2 Power Wheelchair, Tilt and Recline. In this instance a supplier upgrade is allowed.
2. **Client-Paid Upgrade:** This is the process to follow for a client-paid upgrade or client-paid upcharge. If a client does not meet the Medicare medical coverage criteria for an item, and requests an upgraded item, NSM will charge the client for the upgraded item provided or seek alternate funding. A properly completed ABN must be obtained, the GA modifier is used to indicate a noncovered upgrade, and NSM Pricing Policy is utilized to determine the client responsibility amount of the upgrade.

a. Example: A client requests a Group 4 Power wheelchair for the additional features they would like to have, in which there is no medical need. The client has a medical need for a Group 3 Power Wheelchair. NSM would be able to provide the Group 4 wheelchair and receive payment from the client for the upgrade with an ABN while receiving payment from Medicare for the Group 3 Power Wheelchair.

Accepting Assignment vs. Non-Assigned **

As a Medicare supplier, NSM typically accepts assignment of Medicare payment. In scenarios in which the client may want a specific model of an item or upcharge to an item in which is above and beyond Medicare's coverage and/or reimbursement, NSM may choose not to accept assignment and file the claim non-assigned.

Scenarios below marked with ** will need to refer to the following guidelines:

- Providers may file the Medicare claim non-assigned when a true supplemental plan is secondary.
- Providers cannot file non-assigned claims for clients with Medicaid. Therefore, filing a claim non-assigned is not an option for dual eligible clients (clients with Medicare & Medicaid).
- NSM's contracts with commercial payers do not allow claims to be filed non-assigned, therefore it is not an option for most clients with commercial payers. Verify eligibility of this option using the Universal Payer Database (UPD).
- When a claim is filed non-assigned, any Medicare reimbursement will be sent directly to the client in lieu of NSM. Select the appropriate non-assigned payer on the order and collect full payment for all items on the work order from the client prior to purchase and/or delivery.
- When a claim is filed non-assigned, all options, accessories, and items on the work order are also filed non-assigned.
- To be eligible for Medicare reimbursement of the item, all required documentation and authorizations must be collected as required prior to delivery.
- An ABN is not required and should not be obtained if Medicare coverage is expected. ABNs should only be secured if item(s) are expected to deny.

Upgrade or Upcharge Scenarios (not an all-inclusive list)

Group 2 Power Wheelchair to Group 3 Power Wheelchair ***refer to guidelines***
NSM can provide this as a client-paid or supplier upgrade.

Group 3 Power Wheelchair to Group 4 Power Wheelchair (i.e.: Permobil F3 to F5) ***refer to guidelines***
NSM can provide this as a client-paid upgrade. The upgrade is from a Group 3 base to a Group 4 Power Wheelchair Base. For Permobil specifically, this may also include a potentially noncovered Power Standing option. The upgrade is not for the upcharge portion shown as the conversion package on the Permobil order form.

Keep in mind the following:

- K0108 cannot be used to bill for the upgrade between bases nor the conversion package. For Permobil, the upgrade is for an F5 Group 4 Power Wheelchair Base (K0884) as PDAC verified.
- Group 3 power standing power wheelchairs should be selected when an upgrade to a Group 4 is not allowed or not possible.
- For other payers, if the payer allows coverage of the Group 4 wheelchair or considers it noncovered and does not allow upgrades, an upgrade is not applicable and the proper wheelchair base HCPC must be billed. Please refer to the payer's UPD or your Funding Leader for guidance.

Power Wheelchair Electronics and Expandable Controllers * *refer to guidelines*

NSM can provide these items as a client-paid or supplier upgrade in scenarios in which they are noncovered. If the only reason the electronics are required are due to needing to operate a client-requested noncovered item such as a Power Standing feature, or a Power Seat Elevator in which the client does not meet criteria, etc. the client would also be responsible for the upgraded electronics such as an expandable controller (E2377), Harness (E2313) and/or may be responsible for the upgrade from a single electronic connection between the controller and power seating system (E2310) to a multiple electronic connection (E2311) or the entire electronic connection item.

Accessories or Wheelchair Base to Accommodate Noncovered Power Options * *refer to guidelines*

NSM can provide these as a client-paid or supplier upgrade. If the only reason for the upgrade is to accommodate a noncovered Power Option, all accessories, electronics, base upgrades, or other upgrades related to that item must also be factored into the total upgrade charge. Upgrade examples are, but not limited to:

- Examples listed above under Power Wheelchair Electronics and Expandable Controllers.
- When providing a Power Standing feature as a single power option, the noncovered standing feature and any upgrade for electronics or wheelchair bases (i.e.: from a No Power Option or Single Power Option (SPO) Base to a SPO or Multiple Power Option Base) are required to be calculated into the upgrade charge.
- When providing a noncovered Power Standing Feature, all options and accessories to allow the client to utilize the power standing feature, such as knee blocks, are required to be calculated into the upgrade charge.

Enhanced Display Kits or Other Displays * *refer to guidelines*

NSM can provide an upcharged option to the client when medically necessary. NSM cannot bill for these items separately when also billing for a thru-drive control (E2310 or E2311) as all displays and switches are included with the thru-drive control.

- If a client is not receiving a thru-drive control, but still wants a display, NSM can bill for the item and charge the client. An ABN would be required.

Titanium or Carbon Fiber Materials ** *refer to assignment guidelines*

NSM can provide this option as an upcharge. This option may only be provided on a non-assigned basis (traditional Medicare only). This upcharge cannot be billed separately as a K0108.

Premium Rear Wheels, Tires and/or Handrims for Manual Wheelchairs (MWC) * *refer to guidelines*

NSM can bill for pneumatic tires (E2211), pneumatic tire tube inserts (E2212) or flat-free inserts (E2213), but not solid tires, wheels, or handrims at the time a MWC is being provided. Upcharge examples include Spinergy Wheels or Natural Fit Handrims, etc. If a premium upcharged wheel, tire and/or handrim is being provided, there are two scenarios to consider:

1. If there is a clear medical need, NSM will accept the total allowable as full payment for the rear wheels, tires and/or handrims. Follow the instructions in Policy F-100 for Equipment Write-Offs to secure approval to proceed.
2. If premium wheels, tires and/or handrims are requested by the client, the medically necessary standard tires should be provided with the equipment request and on the same work order as the premium item(s). The client can then elect to purchase the premium wheels, tires, and/or handrims as a second set. An ABN would be required and needs to outline Medicare will not pay for a second set of wheels, tires, and/or handrims and that the request is not medically necessary.

Keep in mind the following:

- Wheels, solid tires, and handrims are included in all MWC base codes per Medicare policy and NCCI Edits. NSM cannot bill any funding source separately for the initial set provided with a MWC.
- The appropriate HCPC code for the second set of equipment must be utilized and the item(s) cannot be coded as K0108 unless a non-Medicare payer exception exists.
- The work order notes should be clear that the client has requested the second set of upcharged item(s). The client must receive both the standard set and the second set.
- The line-item description for the premium item(s) in Mobility Advisor's detail should include the verbiage "client requested upcharge for second set" to confirm this was at the client's request.
- When replacing these items, they must be coded with the appropriate HCPC codes and reimbursement may be insufficient.

Premium Casters on Manual Wheelchairs * *refer to guidelines*

NSM can bill for pneumatic casters (E2214) and tubes (E2215). Premium casters may be considered an upcharge and how to process is situational based on caster type. Upcharge examples include soft roll casters, etc. If a premium upcharged caster is being provided, there are two scenarios to consider:

1. If there is a clear medical need, NSM will accept the total allowable as full payment for the casters. Follow the instructions in Policy F-100 for Equipment Write-Offs to secure approval to proceed.
2. If premium casters are requested by the client, the medically necessary standard casters should be provided with the equipment request and on the same work order as the premium casters. The client can then elect to purchase the premium casters as a second set. An ABN would be required and needs to outline Medicare will not pay for a second set of casters and that the request is not medically necessary.

Keep in mind the following:

- The appropriate HCPC code for the second set of equipment must be utilized and the item(s) cannot be coded as K0108 unless a non-Medicare payer exception exists.
- The work order notes should be clear that the client has requested the second set of premium casters. The client must receive both the standard set and the second set.
- The line-item description for the premium casters in Mobility Advisor's detail should include the verbiage "client requested upcharge for second set" to confirm this was at the client's request.
- When replacing these items, they must be coded with the appropriate HCPC codes and reimbursement may be insufficient.

Arm Pads

NSM can provide an upcharged option to the client when medically necessary. Upcharge examples include Gel Arm pads or custom arm pads. Arm Pads cannot be separately billed at the time a wheelchair is provided nor coded as K0108 unless a non-Medicare payer exception exists. When replacing these items, they must be coded with the appropriate HCPC code and reimbursement may be insufficient. There are two scenarios to consider:

3. If there is a clear medical need, NSM will accept the total allowable for the wheelchair base as full payment for the arm pads.
4. If premium arm pads are requested by the client, the medically necessary standard arm pads should be provided with the equipment request and on the same work order as the premium arm pads. The client can then elect to purchase the premium arm pads as a second set. An ABN would be required and needs to outline Medicare will not pay for a second set of arm pads and that the request is not medically necessary. The client must receive both the standard set and the second set.

Color
NSM cannot bill for color separately. **Standard colors should be selected when possible.** Commercial payers that do not follow NCCI Edits may pay separately if the client is not a Medicare or Medicaid beneficiary, and it is documented within the payer's UPD.

Trays / Upper Extremity Supports
NSM cannot bill separately for upgcharged tray parts, hardware or custom/premium tray upgcharges separately. All trays and custom trays must be billed as E0950. K0108 or E1028 cannot be utilized for any part of the tray or tray hardware as these are included in the reimbursement of the tray.

Wheeled Walker to Rollator ***** *refer to guidelines* **or** ****** *refer to assignment guidelines*
NSM can provide the rollator as an upcharge. The upcharge cannot be billed separately as a K0108 for Medicare or payers that follow NCCI edits.
If a premium rollator is being provided, there are two scenarios to consider:
1. Provide on a non-assigned basis (Medicare only). **
2. Collect payment for noncovered A9270 specialty hand brakes and basket (if applicable) and seek Medicare reimbursement for the walker/rollator and/or seat if provided. *

Semi-Electric to Total Electric Hospital Bed ***** *refer to guidelines*
NSM can provide this option as a client-paid upgrade.

Hydraulic to Electric Patient Lift ***** *refer to guidelines* **or** ****** *refer to assignment guidelines*
Medicare does allow payment for Electric Patient Lifts if coverage criteria is met, and the electric feature is not for caregiver convenience (caregiver's medical need is considered). NSM can provide this option as a client-paid upgrade if documentation does not support it being medically necessary due to caregiver convenience. In the scenario in which the lift has features that are above and beyond a standard hydraulic or electric patient lift, NSM may choose to provide the lift on a non-assigned basis (traditional Medicare only). The features cannot be billed separately as K0108.

Most common noncovered items (not an all-inclusive list)

An item that is considered noncovered by Medicare will be denied as noncovered, regardless of medical need. Medicare publishes a list of statutorily noncovered items and scenarios in which equipment is noncovered. In these scenarios alternate funding should be secured and/or the Pricing Policy should be followed to determine the amount due from the client. Keep in mind that future repairs or replacements of these items are also noncovered.

Transit Options
NSM can provide these options as a client-paid option. These items are separately billable as A9720 and are noncovered.

Power Standing Feature
NSM can provide this option as a client-paid option. These items are separately billable and noncovered.

Rehab Shower/Bath Chair (i.e., Raz or Manatee):
NSM can provide these items as a client-paid option. Based on the equipment and PDAC Verification E0240 or E1399 should be utilized for all payers/funding sources.