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SUBJECT Coverage of Home Accessibility Durable Medical Equipment and Procedure for Obtaining an 1150 Administrative Waiver in the Fee-for-Service Delivery System		BY  Sally A. Kozak, Deputy Secretary Office of Medical Assistance Programs

IMPORTANT REMINDER: All providers must revalidate the Medical Assistance (MA) enrollment of each service location every 5 years. Providers should log into PROMISE to check the revalidation dates of each service location and submit revalidation applications at least 60 days prior to the revalidation dates. Enrollment (revalidation) applications may be found at:
http://www.dhs.pa.gov/provider/promise/enrollmentinformation/S_001994.

PURPOSE:

The purpose of this bulletin is to inform providers of the:

- Coverage of home accessibility durable medical equipment that is used by a Medical Assistance (MA) beneficiary with a mobility impairment to enter and exit the home or residence or to support activities of daily living;
- Procedures for requesting an 1150 Administrative Waiver/Program Exception (PE) for home accessibility durable medical equipment in the fee-for-service delivery system; and,
- Issuance of updated provider handbook pages.

SCOPE:

This bulletin applies to MA Program enrolled physicians, physician assistants, certified registered nurse practitioners, certified nurse midwives, podiatrists, medical suppliers, and pharmacies in the MA fee-for-service and managed care delivery systems. MA Program enrolled providers who prescribe or provide durable medical equipment for MA beneficiaries in the managed care delivery system should direct any authorization or payment questions to the appropriate managed care organization.

BACKGROUND/DISCUSSION:

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

Fee-for-service provider service center: 1-800-537-8862

Visit the Contact Information/Help for MA Providers website at:

<https://www.dhs.pa.gov/providers/Providers/Pages/Health%20Care%20for%20Providers/Contact-Information-for-Providers.aspx>

The Department of Human Services (Department) will pay for an item that is not on the MA Program Fee Schedule through the PE process. See 55 Pa. Code § 1150.63(b). The Department issued MA bulletin 09-16-09, titled "Procedure for Obtaining an 1150 Administrative Waiver for Durable Medical Equipment, Medical Supplies or Prosthetics and Orthotics," on April 19, 2016, to advise providers of the procedure for obtaining an 1150 Administrative Waiver, referred to as a PE, for durable medical equipment, medical supplies or prosthetics, and orthotics that are either not on or that exceed the limits of the MA Program Fee Schedule.

On February 2, 2016, The Centers for Medicare & Medicaid Services (CMS) issued the final rule, titled "Medicaid Program; Face-to-Face Requirements for Home Health Services; Policy Changes and Clarifications Related to Home Health." The final rule revised the definition of equipment and appliances at 42 CFR 440.70(b)(3), to include items that are primarily and customarily used to serve a medical purpose, generally are not useful to an individual in the absence of a disability, illness or injury, can withstand repeated use, and can be reusable or removable. The rulemaking did not change federal Medicaid program coverage policy related to structural or home modifications, and these continue to not be covered under the Medicaid home health benefit.

Consistent with the rule, the MA Program will cover home accessibility durable medical equipment, including but not limited to, wheelchair lifts, stair glides, ceiling lifts, and metal accessibility ramps, which are medically necessary to enter and exit the home or to support activities of daily living and meets the definition of 42 CFR Section 440.70 (b)(3)(i-ii).

The MA Program will pay for the installation of covered home accessibility durable medical equipment by qualified personnel. The MA Program will also pay for medically necessary repairs to the equipment.

Installation includes, but is not limited to:

1. Parts or supplies provided or recommended by the manufacturer for attaching or mounting the item to the surface at the home or residence.
2. Labor to attach or mount the item to a surface per the manufacturer's installation guide.
3. Required permits.
4. Installing an electrical outlet or connection to an existing electrical source.
5. Pouring a concrete foundation (slab) according to the manufacturer's instructions (which may include leveling the ground under the concrete foundation).
6. External supports, such as bracing a wall.
7. Removing a portion of an existing railing or bannister, only as needed to accommodate the equipment.

Home modifications are not covered. Home modifications include:

1. Modification to the home or place of residence.
2. Repairs of the home, including repairs caused by the installation, use or removal of the medical equipment or appliance.
3. Changes to the internal or external infrastructure of the home or residence, including:
 - a. Adding internal supports such that the support requires access to the area behind a wall or ceiling or underneath the floor.
 - b. Constructing retaining walls or footers for a retaining wall.
 - c. Installation of or modification of a deck.
 - d. Installation of a driveway or sidewalk.
 - e. Upgrading the electrical system.
 - f. Plumbing.
 - g. Ventilation or HVAC work.
 - h. Widening a doorway.
 - i. Drywall.
 - j. Painting.
 - k. Installation of flooring.
 - l. Tile work.
 - m. Demolition of existing property or structure.

Prescribers in the fee-for-service delivery system must comply with the face-to-face encounter requirements for home health services, including durable medical equipment, also implemented under the final rule.

PROCEDURE:

The Department will evaluate PE requests for home accessibility durable medical equipment in the fee-for-service delivery system using the environmental and clinical guidelines below and will authorize payment for the item if the item is provided to enter and exit the home or residence or to support activities of daily living. Payment will be made to medical suppliers enrolled in the MA Program.

Environmental Guidelines (To be documented/verified by the medical supplier, qualified installer, or therapist):

- A. The item is reusable or removable without damage to the item.
- B. The customary location for the beneficiary to use the item is conducive to the use of the item.
- C. The environment should have, or there should be a plan to obtain, sufficient door, stairway, hallway, room dimensions, and structural support for the particular item to be safely installed and used.
- D. Permission from the property owner to install the item has been obtained.

The Department will consider the following clinical guidelines to determine whether the item is medically necessary:

Clinical Guidelines (To be completed/verified by the physician or therapist):

- A. The beneficiary has a mobility limitation that significantly impairs their ability to perform an activity of daily living.
 - a. A mobility limitation is one that:
 - i. Prevents the beneficiary from accomplishing the activity entirely; or
 - ii. Places the beneficiary at a reasonably determined heightened risk of morbidity or mortality secondary to the attempts to perform the activity; or
 - iii. Prevents the beneficiary from completing the activity within a reasonable time frame; and
- B. The beneficiary possesses the ability to activate and control the requested item or with or without assistance; and
- C. The beneficiary's prognosis demonstrates an ongoing need for the item; or
- D. The item is otherwise medically necessary.

Submitting a Program Exception Request for Home Accessibility Durable Medical Equipment

Authorization requests for home accessibility durable medical equipment that is not on the MA Program Fee Schedule must be submitted as a PE and must include documentation more fully described below. If the item is determined to be medically necessary, the Department will approve the authorization request and provide a price for the home accessibility durable medical equipment including the proposed installation costs, using the information described below. Thus, a two-step process is necessary for payment of the home accessibility medical equipment including installation.

The PE request must include documentation of:

- The Manufacturer's Suggested Retail Price (MSRP), which is the price at which the manufacturer recommends retailers sell their product(s).
- The adjusted acquisition cost which is the actual cost of an item, after discounts and rebates, to the medical supplier/manufacturer.
- Delivery and/or shipping costs (including postage and handling) specific to the item.
- At least two (2) bids for proposed installation costs, which should include:
 - The itemized labor costs. Quotes should be on the installer's or contractor's letterhead and specify:
 - The entity responsible for the installation.
 - An itemization of costs (e.g., estimated number of hours and cost per hour to complete the installation or a total cost per installation.
 - Associated material costs including:
 - Item numbers, product descriptions, number of items and cost of any materials needed to complete the installation (example: nuts or bolts that are not included with the home accessibility durable medical equipment).
 - Where the materials will be purchased.

When the manufacturer, durable medical equipment supplier, and installer all operate as one entity, having the same federal tax identification number, the Department will accept one bid.

- Providers that have already purchased the item must submit an invoice for the item with the PE request.
- Providers that have not purchased the item, but have received a cost quote from the manufacturer, must submit the cost quote with the PE request.
- If the PE request is being submitted by a medical supplier that is not the manufacturer, the documentation should be submitted on the letterhead of the manufacturer or distributor from whom the medical supplier ordered the item.
- If the PE request is being submitted by a manufacturer, the documentation should be submitted on its own letterhead with a statement that it is the manufacturer.
- If the PE request is being submitted by a distributor, the distributor should submit the documentation on the letterhead of the company from which the requested item was acquired.

This information, along with the information provided to establish medical necessity, must be provided for the Department to process PE requests for home accessibility durable medical equipment.

Acceptable documentation for all cost quotes for PE requests to the Department must be unaltered, fully legible, on the medical supplier, manufacturer, or distributor letterhead from which the item(s) are being ordered, and must include the following:

1. The supplier/manufacturer/distributor's:
 - a. Name
 - b. Complete address
 - c. Customer Service telephone number
 - d. Customer Service fax number
2. Complete "Quote To" information
3. Complete "Ship To" information which includes the name of the supplier receiving the item, street address, city, state, and zip code
4. The date of the quote
5. The date the quote expires
6. Quote number
7. Product name
8. Serial number (if applicable)
9. Product model number
10. Item number
11. Full item description
12. The unit of measure and quantity of defined unit, (e.g., pair = 2, set = 3, case = 35, box = 10 and package = 60)
13. The MSRP per unit of measure
14. The adjusted acquisition cost including any and all other discount(s), rebates, refunds, or other price-reducing allowances (e.g., full payment terms)

15. Sales tax, shipping, handling, delivery, postage, insurance costs operating expenses, and any other charges imposed by the manufacturer or distributor shall be individually identified
16. Durable Medical Equipment supplier customer number
17. Applicable national procedure code(s)
18. Delivery and/or shipping costs to deliver the item to the location it will be installed
19. Documentation of proposed installation:
 - a. Itemized costs for installation by qualified professional on the installer letterhead or other document identifying the installer, which includes costs for:
 - i. Labor
 - ii. Materials
 - iii. Permits

Billing and Payment

Providers may bill for the home accessibility durable medical equipment once the item has been installed.

For all PE requests approved based upon a cost quote for the item, and proposed installation costs, providers must submit the final paid invoice(s) referencing an approved PE number that includes the below information to the Department at the following address within 30 days after the home accessibility durable medical equipment has been installed:

Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
Bureau of Fiscal Management
Division of Hospital and Outpatient Rate Setting
Revenue Tower, 11th floor
P.O. Box 2675
Harrisburg, Pennsylvania 17105

All invoices for PE requests sent to the Department must be unaltered, fully legible, on the medical supplier, manufacturer, or distributor letterhead, and must include the following:

1. The supplier/manufacturer/distributor's:
 - a. Name
 - b. Complete address
 - c. Customer Service telephone number
 - d. Customer Service fax number
2. Complete "Invoice To" information
3. Complete "Ship To" information which includes name of the beneficiary/supplier receiving the item, street address, city, state, and zip code
4. The date of the invoice
5. The invoice number
6. Product name

7. Serial number (if applicable)
8. Product model number
9. Item number
10. Full item description
11. The unit of measure and quantity of defined unit, (e.g., pair = 2, set = 3, case = 35, box = 10 and package = 60)
12. The MSRP per unit of measure
13. The adjusted acquisition cost per unit of measure for each item purchased, including any and all other discount(s), rebates, refunds, or other price-reducing allowances (i.e., full payment terms)
14. Sales tax, shipping, handling, delivery, postage, insurance costs, labor costs, operating expenses, and any other charges imposed by the manufacturer or distributor shall be individually identified.
15. Invoice or receipt for delivery or shipping costs to deliver the item to the location it was installed
16. Final installation cost:
 - a. Paid receipt providing the itemized cost for the professional installation of the item on the installer's letterhead
 - b. Pictures of the area showing the installed equipment
 - c. Receipts for the costs for materials noting any changes from the proposed installation costs

All MSRPs, invoices or cost quotes, and proposed installation costs submitted to the Department as required documentation in association with a PE request must be personally signed (including printed name) and dated by an authorized representative of the medical supplier, manufacturer, or distributor. Additional documentation may be requested.

MA regulations at 55 Pa. Code § 1101.63(a) prohibit a provider from seeking or accepting supplementary payment from the Department. Therefore, the Department will not accept requests for modified payment when a claim has already been submitted by the medical supplier for the item and paid by the Department.

ATTACHMENT:

Provider Handbook - 7.3.2 1150 Administrative Waiver (Program Exception) Process and Payment Methodology

7.3.2 Documentation Requirements for 1150 Administrative Waiver Requests for Durable Medical Equipment and Medical Supplies

Providers must include documentation of the adjusted acquisition cost and the MSRP with PE requests.

- Providers that have already purchased the item must submit an invoice for the item with the PE request.
- Providers that have not purchased the item, but have received a cost quote from the manufacturer, must submit the cost quote with the PE request.
- If the PE request is being submitted by a medical supplier that is not the manufacturer, the documentation should be submitted on the letterhead of the manufacturer or distributor from whom the medical supplier ordered the item.
- If the PE request is being submitted by a manufacturer, the documentation should be submitted on its own letterhead with a statement that it is the manufacturer.
- If the PE request is being submitted by a distributor, the distributor should submit the documentation on the letterhead of the company from which the requested item was acquired.

This information, along with the information provided to establish medical necessity, must be provided in order for the Department to process PE requests for durable medical equipment, medical supplies, prosthetics, and orthotics.

All invoices for PE requests to the Department must be unaltered, fully legible, on the medical supplier, manufacturer, or distributor letterhead, and must include the following:

1. The supplier/manufacturer/distributor's:
 - a. Name
 - b. Complete address
 - c. Customer Service telephone number
 - d. Customer Service fax number
2. Complete "Invoice to" information
3. Complete "Ship To" information which includes name of the beneficiary/supplier receiving the item, street address, city, state and zip code
4. The date of the invoice
5. The invoice number
6. Product name
7. Serial number (if applicable)
8. Product model number
9. Item number
10. Full item description
11. The unit of measure and quantity of defined unit (examples: pair= 2, set= 3, case= 35, box= 10, and package= 60)
12. The MSRP per unit of measure
13. The adjusted acquisition cost per unit of measure for each item purchased, including any and all other discount(s), rebates, refunds, or other price-reducing allowances (e.g., full payment terms)
14. Sales tax, shipping, handling, delivery, postage, insurance costs, labor costs, operating

Expenses, and any other charges imposed shall be individually identified

All invoices for home accessibility durable medical equipment must also include:

15. Invoice or receipt for delivery or shipping costs to deliver the item to the location it was installed
16. Final installation cost:
 - a. Paid receipt providing the itemized cost for professional installation on installer's letterhead.
 - b. Pictures of the area showing the installed equipment
 - c. Receipts for the costs for materials noting any changes from the proposed installation costs.

Acceptable documentation for all cost quotes for PE requests to the Department must be unaltered, fully legible, on the medical supplier, manufacturer, or distributor letterhead from which the item(s) are being ordered, and must include the following:

1. The supplier/manufacturer/distributor's:
 - a. Name
 - b. Complete address
 - c. Customer Service telephone number
 - d. Customer Service fax number
2. Complete "Quote To" information
3. Complete "Ship To" information which includes the name of the supplier receiving the item, street address, city, state and zip code
4. The date of the quote
5. The date the quote expires
6. Quote number
7. Product name
8. Serial number (if applicable)
9. Product model number
10. Item number
11. Full item description
12. The unit of measure and quantity of defined unit (e.g., pair = 2, set = 3, case = 35, box = 10 & package = 60)
13. The MSRP per unit of measure
14. The adjusted acquisition cost per unit of measure for each item purchased, including any and all other discount(s), rebates, refunds, or other price-reducing allowances (e.g., full payment terms)
15. Sales tax, shipping, handling, delivery, postage, insurance costs, labor costs, operating expenses, and any other charges imposed shall be individually identified
16. Customer number
17. Applicable national procedure code(s)

All cost quotes for home accessibility durable medical equipment must also include:

18. Delivery and/or shipping costs to deliver the item to the location it will be installed
19. Documentation of proposed installation:
 - a. Itemized costs for installation by qualified professional on the installer's letterhead or document identifying the installer which includes costs for:
 - i. Labor
 - ii. Materials
 - iii. Permits

For all PE requests approved based upon a cost quote, providers must submit the final paid invoice depicting the above information to the Department at the following address within 30 days after the item is purchased:

Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
Bureau of Fiscal Management
Division of Hospital and Outpatient Rate Setting
Revenue Tower, 11th Floor
P.O. Box 2675
Harrisburg, Pennsylvania 17105

The MSRP may be incorporated into the document that contains the invoice or cost quote. All MSRPs, invoices or cost quotes submitted to the Department as required documentation in association with a PE request must be personally signed (including printed name) and dated by an authorized representative of the medical supplier, manufacturer or distributor.