



COMMISSIONER
Adelaide Horn

May 26, 2009

To: Nursing Facility (NF) Providers

Subject: Information Letter No. 09-50
Billing Process for Customized Power Wheelchairs (CPWC)

The purpose of this letter is to provide responses to the most frequently asked questions in regards to the process a Nursing Facility (NF) must follow to be reimbursed through the Texas Medicaid program for a CPWC for an eligible Medicaid resident.

For the NF to be reimbursed, the NF must first request the CPWC and receive prior authorization by the Texas Medicaid Healthcare Partnership (TMHP) for payment by the Texas Department of Aging and Disability Services (DADS) in accordance with *40 TAC, Part 1, §19.2614, Customized Power Wheelchairs*, and Information Letter No. 08-51 - Customized Power Wheelchairs Added as Medicaid Nursing Facility Program Service. Additional information, application and detailed instructions for CPWC are available at <http://www.dads.state.tx.us/providers/NF/index.cfm>.

FREQUENTLY ASKED QUESTIONS

1. How long after a request for prior authorization of a CPWC is submitted to TMHP before the NF receives a response?

A request for prior authorization of a CPWC will be processed and a determination made by TMHP within three to five business days of the receipt of a complete application. An application is only considered complete if all portions of every section have been completed by the provider(s). The information requested in sections A, B, D, and E is crucial and must be completed in full. Additionally, the Durable Medical Equipment (DME) supplier must provide the Manufacturer's Suggested Retail Pricing (MSRP) sheets in the submission.

2. What factors may delay the determination of prior authorization of a CPWC by TMHP?

A determination for the need of a CPWC may be delayed when additional information is required for a determination to be made. The request is placed in "pending contact" status up to 21 calendar days pending receipt of requested additional information.

When additional information is required, TMHP notifies the appropriate contact (NF, resident or resident's responsible party, the therapist completing the assessment, the DME supplier or the resident's physician) to request that additional information be submitted for consideration in making a determination. TMHP will make three attempts to obtain the additional information during this time period:

- first, a letter is sent to the NF requesting and describing the additional information that is required (a phone call may also be made to request the additional information);

- second, telephone contact is attempted with either the NF, therapist or supplier (depending on the information needed); and
- third, another attempt at telephone contact is made if the first telephone contact was unsuccessful.

If TMHP does not receive the requested information within the pending approval period, a denial letter is mailed to the NF and the resident, or the resident's responsible party. The denial letter is sent to the resident's responsible party only if one is indicated on Form 3706, Nursing Facility Customized Power Wheelchair Authorization Form. In this case, the letter is sent only to the resident's responsible party and not the resident. The resident's responsible party is determined by the name and contact information entered by the NF on Form 3706, Section A, Resident-Related Identifying Information; Resident's Responsible Party.

TMHP will use the information from DADS Form 3706 to make contacts for additional information. It is very important to ensure all contact information (especially telephone numbers and addresses) for the NF, the resident, the resident's responsible party (if applicable), the therapist, the supplier, and the resident's physician are correct and legible.

3. How will a NF be notified when a request for prior authorization of a CPWC is approved?

TMHP notifies the NF and the resident (or the resident's responsible party, if applicable) in writing that the CPWC has been authorized and the specific components approved. If applicable, the notice will also itemize components in the request that are not authorized.

DADS authorizes the CPWC in the Service Authorization System (SAS) after TMHP has authorized the wheelchair and before the NF may bill for the wheelchair. The NF must access a Medicaid Eligibility Services Authorization and Verification (MESAV) to verify that the service authorization for the CPWC, the amount authorized and the start and end dates of the authorization have been authorized by DADS for payment. The NF should call TMHP at 1-800-626-4117, Option 1, if unable to verify the authorization of the CPWC.

Prior to placing the order for the CPWC from the Durable Medical Equipment (DME) supplier, the NF must verify and print the MESAV and provide a copy of the Prior Authorization (PA) letter to DME supplier. The NF, the therapist, and the supplier should verify the authorized components of the CPWC and the amounts authorized for payment.

4. How will a NF be notified if a request for prior authorization of a CPWC is denied?

TMHP notifies the NF and the resident, or the resident's responsible party, in writing that the CPWC – or specific components of the requested CPWC - has been denied and the specific reason for the denial. All denial notifications also include information on the resident's right to appeal the denial.

5. When does a NF bill for the CPWC?

The NF must bill and pay for the CPWC following delivery by the supplier, any issues being resolved, and the following have been met:

- CPWC has been delivered to the facility,
- the CPWC meets the specifications made by the requesting therapist; and

- the resident, resident's responsible party, or designated staff has a signed/acknowledged receipt of, and satisfaction with, the CPWC.

The supplier invoices the NF for the CPWC. The NF must timely bill for the CPWC after receipt of the invoice and reimburse the supplier in accordance with the payment arrangements between the supplier and NF. The claim may not exceed the amount of the invoice or the amount authorized in MESAV. Upon receipt of payment, the NF must pay the DME supplier for the CPWC.

6. How does a NF bill for the CPWC?

When the invoice from the CPWC supplier is received by the NF, the facility must bill for the CPWC through TMHP (using TexMedConnect or paper billing).

NOTE: The NF bills the amount of the invoice as 'units' (equal to one dollar). The NF should bill one unit for every dollar on the invoice, in order to bill and be paid accurately.

Example: The prior authorized CPWC amount is \$18,000.00 and the invoice is for \$18,000.00. The facility bills 18,000 units at a \$1.00 rate. The NF will be paid \$18,000.00.

Example: The prior authorized CPWC amount is \$18,000.00 and the invoice is for \$18,850.00. The facility bills 18,000 units at a \$1.00 rate. The NF will be paid \$18,000.00, the maximum amount authorized in MESAV. Note that the party agreeing to or authorizing the supplier for the additional \$850.00 is responsible for payment to the supplier of the \$850.00.

The service code(s) indicated on the approval letter to the facility from TMHP correspond with the service code(s) appearing in the MESAV for the CPWC. If the service code(s) in the approval letter and MESAVE do NOT correspond, the NF should contact DADS to resolve the discrepancy. The NF uses these service code(s) to find which billing codes should be used when submitting the claim for the CPWC, by looking the service code(s) up in the Long Term Care (LTC) Bill Code Crosswalk. When the service code(s) is located in the LTC Bill Code Crosswalk, the NF will find the billing codes (service group, revenue code, etc.) that the NF will use when submitting the claim for the CPWC.

The NF should bill as follows for the CPWC:

Claim Type = Institutional
Bill Code = GO955
Procedure Code = HC
HCPCS Code = K0898
Revenue Code = 0290
Units = Amount authorized for the CPWC
Rate = \$1.00

The LTC Bill Code Crosswalk can be found at:
<http://www.dads.state.tx.us/providers/hippa/provider/>

If the NF has questions regarding the billing process, they should contact TMHP Billing at 1-800-626-4117, Option 1.

NOTE: A good resource for a NF to review when billing the CPWC is DADS Information Letter No. 08-51, dated April 24, 2008, which can be found at:
<http://www.dads.state.tx.us/providers/communications/2008/letters/IL2008-51.pdf>.

7. After a NF properly bills for the CPWC, how long does it take for the payment to show up in the system?

If the CPWC has been billed correctly, payment is processed and paid to the NF in five to seven business days. Once the NF has received payment, the NF is required to pay the DME supplier the full amount of the invoice for the CPWC not to exceed the amount TMHP prior authorized.

The NF **must** process the invoice for reimbursement and pay outside resources, such as the DME supplier, on a timely basis in accordance with [40 TAC §19.1925](#), *Financial Condition*.

NOTE: All modifications and adjustments to the CPWC that occur within the first six months after delivery are considered part of the purchase price and should not be billed separately. After the first six months, a request for adjustments or modifications may be submitted. These requests must be submitted in the same manner as the original request for the purchase, using Form 3076. For adjustments, only Sections A, B, D, and E of Form 3706 must be completed.

Should you have additional questions please contact Sean Ivie at (512) 438-5208 or by email at sean.ivie@dads.state.tx.us.

If you have questions or need assistance submitting a request of a CPWC or submitting claims for a CPWC or services related to a CPWC, please contact TMHP at 1-800-626-4117, option 1.

Sincerely,

[signature on file]

Tommy Ford
Director
Institutional Services

TF:gw