

IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT2022103 NOVEMBER 17, 2022

IHCP clarifies customized wheelchair billing for members residing in a nursing facility

The Indiana Health Coverage Programs (IHCP) wants to clarify current durable medical equipment (DME) policy, regarding submission of claims for customized, nonstandard wheelchairs when a member is residing in the following extended care facilities:

- Nursing Facility (provider type 03, provider specialties 030 and 032)
- Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) (provider type 03, provider specialty 031)

Standard wheelchairs are included in a nursing facility's "per diem" reimbursement rate paid by the IHCP, and the IHCP reimburses only for wheelchairs outside of this per diem when the wheelchair is "customized." To align with the Centers for Medicare & Medicaid Services (CMS), the IHCP follows the definition of customized item in *Code of Federal Regulations 42 CFR Section 414.224*. To be considered a customized item, a covered item (including a wheelchair) must be "uniquely constructed or substantially modified for a specific beneficiary according to the description and orders of a physician, and be so different from another item used for the same purpose that the two items cannot be grouped together for pricing purposes." The IHCP uses this definition of customized for all reimbursement scenarios.



For example, a "customized" wheelchair, could be a wheelchair that is custom fabricated or substantially modified so that it can meet the needs of wheelchair-confined, conjoined twins facing each other. This wheelchair is unique and cannot be grouped with any other wheelchair used for the same purpose. It is a one-of-a-kind item fabricated to meet specific needs.

Customized or specialized wheelchairs are reimbursed using Healthcare Common Procedure Coding System (HCPCS) code E1399 – *Durable medical equipment, miscellaneous*. E1399 is manually priced, meaning a claim attachment must be submitted indicating each component's manufacturer's suggested retail price (MSRP) or cost invoice amount. Manually priced items are reimbursed at 75% of MSRP or 120% of cost invoice amount. E1399 requires prior authorization (PA). For PA approval of E1399 for a wheelchair meeting the definition of customized, a DME provider must submit the physician's order indicating the specifics about the member's physical condition that requires a customized wheelchair.

The following items do **not** meet the definition of customized items:

- Items that are measured, assembled, fitted or adapted in consideration of a patient's body size, weight, disability, period of need or intended use (that is, custom-fitted items)
- Items assembled by a supplier or ordered from a manufacturer that makes available customized features, modification or components for wheelchairs intended for an individual patient's use in accordance with instructions from the patient's physician

These items are not uniquely constructed or substantially modified and can be grouped with other items for pricing purposes. These items must be billed with existing, established HCPCS codes based on the descriptions of the components included. An approved PA does not guarantee claim payment. If a member receives an approved PA for HCPCS code E1399 for a component for which a more appropriate HCPCS code exists, the claim will still deny as this does not meet the definition of a customized wheelchair.

The following items continue to **not** be considered customized items:

- Items that are individually constructed but have standard costs and charges and can be billed using existing HCPCS codes
- A wheelchair that is ordered in individual parts from one or multiple manufacturers and assembled by a supplier
- A wheelchair that is ordered from a manufacturer that makes available special features, modifications or components



In the instance that a DME provider orders multiple components to construct a wheelchair for a member residing in a long-term care facility, if the components have existing HCPCS codes assigned, this is not considered a specialized wheelchair. Per *Indiana Administrative Code 405 IAC 5-19-3*, these items are considered standard wheelchairs whose reimbursement is included in the facility's per diem rate. If a wheelchair does not meet this definition of "customized" clarified in this bulletin, the DME provider must bill the nursing facility directly for reimbursement as direct billing to the IHCP will cause denial of the claim.

This policy clarification applies to both fee-for-service (FFS) Medicaid and IHCP managed care plans providing long-term care services on a short-term basis.

QUESTIONS?

If you have questions about this publication, please contact Customer Assistance at 800-457-4584.

TO PRINT

A [printer-friendly version](#) of this publication, in black and white and without photos, is available for your convenience.

COPIES OF THIS PUBLICATION

If you need additional copies of this publication, please download them from the [Bulletins](#) page of the IHCP provider website at in.gov/medicaid/providers.

SIGN UP FOR IHCP EMAIL NOTIFICATIONS

To receive email notices of IHCP publications, subscribe by clicking the blue subscription envelope or sign up from the [IHCP provider website](#) at in.gov/medicaid/providers.

