

# Industry **update**

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A division of The VGM Group

## Feeling Fine in 2009

By Brad Peterson, Motion Concepts

The clock struck midnight and, just like that, it was 2009. I lay aside my reports, margin



analysis sheets and funding guidelines to walk outside, take a deep breath and gaze heavenward. Yes, the sky

was still firmly affixed beyond the stars and tomorrow would bring a new day, the sky had not fallen. Like many of you, I looked forward to the dawning of this New Year with about as much joy as my next dentist appointment. No matter how many times I tried to tell myself that we had 'been through this before' I just couldn't muster the same optimism I had found in previous years.

Perhaps my trepidation sprung

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## VGM Insurance Brings you Accurate and Important Surety Bond Information

By Warren Freeman, VGM Insurance

The Centers for Medicare and Medicaid Services (CMS) have issued final regulations, which require most existing DMEPOS suppliers to have a surety bond in place by October 2, 2009. This date is moved up to May 4, 2009 for new suppliers. A new supplier is defined as having a brand new NPI number, change in addresses, or change in ownership.

This bond is required for all providers with a National Provider Identifier (NPI) number, and every NPI number will be required to have at least a \$50,000 surety bond. Companies will be notified by CMS no later than May 2, 2009 if they are deemed a higher risk. Higher risk companies will need to obtain additional bond amounts in increments of \$50,000.

VGM Insurance understands these regulations are confusing

and burdensome. There are few exceptions and it is important to determine if you qualify for an exception.

VGM Insurance is working diligently to provide the best bonds on the market. We strongly discourage anyone from purchasing a bond before checking with VGM Insurance. VGM Insurance is working

with members of the Surety and Fidelity Association of America and members of the National Association of Surety Bond Producers to clarify outstanding questions and approve a bond form. The bond form is needed before any company will be able to issue surety bonds.



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## Surety Bond continued from page 1

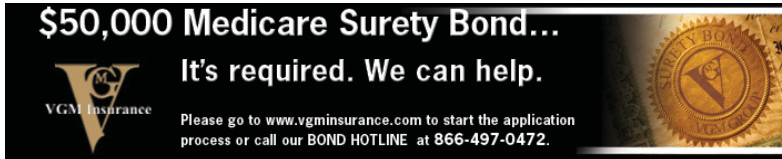
VGM Insurance wants to help provide education and clarify misconceptions regarding this bond. In order to facilitate this, we have set up a BOND HOTLINE at 866-497-0472. We are also posting information on our Web site at [www.vgminsurance.com](http://www.vgminsurance.com). Once you are on the Web site click on the bond information tab. Please call or

visit the Web site to help determine your need for a bond and to register with VGM Insurance. Once you are registered, we will send you regular updates and notify you of any changes. You can trust VGM Insurance is working for you, so you can continue to work on your business.

VGM Insurance is your partner and we are providing knowledge and education so you can make

the correct decision regarding this CMS requirement. People are standing by to answer your questions, explain how a financial guarantee bond works, help you determine if you need a bond, and provide the best solution for your company. ■

*Warren Freeman is Director of Sales and Marketing for VGM Insurance.*



**\$50,000 Medicare Surety Bond...**  
**It's required. We can help.**

Please go to [www.vgminsurance.com](http://www.vgminsurance.com) to start the application process or call our BOND HOTLINE at 866-497-0472.

## Upcoming Events

### **Reimbursement Rules: Do the Right Thing at the Right Time with Peggy Walker**

February 19, 2009  
Sarasota, FL

### **International Seating Symposium**

March 12-14, 2009  
Orlando, FL

### **Sales Training for the HME Industry**

March 24, 2009  
Las Vegas, NV

### **Medtrade Spring 2009 Continuum of Care**

March 24, 2009  
Las Vegas, NV

### **Medtrade Spring 2009**

March 25-26, 2009  
Las Vegas, NV

### **Reimbursement Rules: Do the Right Thing at the Right Time with Peggy Walker**

April 2, 2009  
Sarasota, FL

### **IAMES Annual Conference**

April 2, 2009  
Lisle, IL

### **Big Sky Assn. Member/Board Meeting**

April 10, 2009  
Butte, MT

### **HME Expo/CELA 2009**

April 21-13, 2009  
Baltimore Convention Center  
Baltimore, MD

### **Assistive Technology for the ATP with Elizabeth Cole**

April 28-29, 2009  
Sacramento, CA

### **IAMES Annual Conference**

April 2, 2009  
Lisle, IL

### **U.S. Rehab Tech Training Seminar**

June 9-11, 2009  
Waterloo, IA

### **U.S. Rehab Tech Training Seminar**

August 31 - September 2, 2009  
Location TBA

### **Assistive Technology for the ATP with Elizabeth Cole**

September 15-16, 2009  
Richmond, VA

# Peggy Walker

# Reimbursement Update

## New Modifiers and Coding for Repair and Replacement Items 2009

### RA and RB



The modifier RP has now been deleted for the use of repair and replacement items and two new

modifiers have been added in its place. The **RA** modifier is used when **replacing** the whole item (beneficiary-owned) due to the expiration of the equipment's reasonable useful lifetime or to loss, irreparable damage, or theft. This could include replacement of oxygen equipment when starting a new cap after 60 months billing, or replacing a new wheelchair base after 5 years of use, or replacing an item that has been irreparably damaged in a flood or fire (bill as RRRR for first month for oxygen). The **RB** modifier is for use when replacing parts and accessories necessary in order to **repair** beneficiary-owned DMEPOS. These are both informational modifiers so would come after the NU/RR or UE modifiers.

### KE Modifier

Certain accessories were included in Round One of Competitive Bidding if they were to be used with a product that was in a competitively bid product category. However, many of

these accessories might also be used with a product that was not included under competitive bidding. Starting 1/1/2009, if any of these accessories are provided for a product that was not included in round one, the KE modifier should be used with the claim. KE is a very important modifier for your billing staff to understand, because using this modifier indicates that for this claim this item should be paid under the fee schedule that includes a 5% increase in allowable. If the KE modifier is not used, this indicates that the item will be used on a product that was included in Round One of Competitive Bidding and therefore should be paid with the fee schedule that includes the 9.5% reduction in your allowable for that item. The KE modifier is considered a pricing modifier and needs to go directly after the other pricing modifiers. Note: if an accessory is provided on a product that was included in Round One of Competitive Bidding, then the KE modifier should not be used.

The requirement for this additional modifier can be an issue with many of the accessories that also require a right (RT) and/or a left (LT) modifier, since no more than 4 modifiers fit on each line. This is compounded if the items are replacements needed for repairs, such as when replacing a pair of adjustable height armrests on a manual wheelchair. In this case, the claim line would read E0973NUKEKX99. This indicates

that it is a new item(NU) which could have been billed on a power wheelchair, however it is being used on a manual wheelchair (KE), it is medically necessary (KX) and there are more than 4 modifiers required on the claim (99). You then need to include the rest of the modifiers (RBRTL) in the narrative field. The narrative would read (RBRTLAdjhgntamrst4ptond INVlgtwgtmwc#12345pur1/1/08) indicating that you are replacing (RB) the right (RT) and left (LT) height adjustable armrests on a patient owned Invacare lightweight manual wheelchair #1234 which was purchased on 1/1/08.

### E1340

For repairs for dates of service on or after April 1, 2009, code E1340 will no longer be valid and will be replaced by K0739 (Repair or non-routine service for durable medical equipment other than oxygen requiring the skill of a technician, labor component, per 15 minutes). Under this code, one unit of service = 15 minutes. In addition, for specific items there will be a maximum number of labor units that can be charged for repairs as listed in the chart on page 6.

Note that separate payment cannot be made for travel costs associated with repairing DMEPOS items, nor can suppliers bill beneficiaries directly for service or travel charges, including pick-up and delivery. It is my understanding that some suppliers never did **See Update Page 6**

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from the dire predictions that had been ringing in my ears for months, maybe this would be the year when the industry I loved so much would truly change. The year that the passion and caring of individuals would be trumped by the cold, hard figures of our faltering economy and a 9.5 percent cut. Sure, we had dealt with change and uncertainty before, but this seemed different.

In advance of this cut we all took a hard look in the mirror. Manufacturers, providers and clinicians all girded for the changes that would come with the impending reduction in reimbursement. By increasing efficiencies, cutting here and there and streamlining operations we were able to offset a portion of the reductions. Furthermore, product simplification and a better understanding of when and where equipment will be used, has allowed us to design and dispense products that are geared to the functional needs of each individual user.

However, we must not lose sight of the people we see on a daily basis that require more attention, special considerations and unique products. It is for them, and because of them that we have grown and must continue to expect product evolution. If everyone we saw on a daily basis fit neatly into

a pre-sized little box, it would be a simpler, albeit more boring, world.

It is common for many of us to stand on our “soap box” and preach to any audience that may be gracious enough to listen. Whether that audience is a room of seminar attendees, a therapist at your weekly wheelchair clinic or your peers in the workplace, the wonderful thing about this industry is the people that comprise its core. These are the people in the trenches on a daily basis that tilt at the windmills of funding agencies, and the ones that pour all of their creative and combative energies into truly making a difference in someone’s life. They are the same people that have never found a



soap box they didn’t like — no matter how small, or how hostile the crowd.

As manufacturers, we must embrace such people and build products designed for one purpose — to enhance the independence and/or function of someone’s life. We cannot always build to suit a code lest we lose the creative zeal that spawned enabling technology like the power tilt system, switched

head-array, mid-wheel drive power chair, software based electronics or the lightweight manual wheelchair. These pieces of technology, that we now largely take for granted, were developed for one reason only. Someone, usually from very personal experience, recognized a way our industry could grow. This person recognized a void in current technology that once filled, may go a long way toward enabling more people to find greater independence and function.

The stark reality is that we are all faced with an ever changing funding environment that often does not recognize the medical necessity of current technology, leaving some people to fend without. The upside is that enabling technology has never been better or more accessible. The only way we arrived at this place is through education, determination and the dogged persistence of the many people saying — on their soapbox — that the status quo is not good enough. What all of us need to do is educate the funding sources, expect more, and demand evolution in the products. As long as we continue to do this, with an eye toward what really makes this industry so special, I have every confidence that we will be just fine in 2009, and beyond. ■

*Brad Peterson is VP of Sales and Education for Motion Concepts.*

# Tech Tip Corner

## Freedom CGX™

Freedom Designs, Inc. recently introduced the Freedom CGX™ - a new center of gravity, tilt in space wheelchair - the first chair of its kind built from the ground up to be cable-free! Cables, with their inherent limitations of stretching and wear are a constant source of service for adjustment and replacement. The Freedom CGX's cable-free design results in fewer moving parts and consequently less maintenance which reduces the total life cycle costs while increasing overall profitability. The foot activated tilt lever, located on the rear base of the frame, is positively linked to the tilt release and positioning device, providing the caregiver a smooth and nearly effortless tilt motion. The foot lever also has a user operated safety lock out device to eliminate unintentional tilting.

The entire tilt mechanism is comprised of three curved tubes located under the center of the

chair and not on the sides – adding to the aesthetics of the chair and protecting the system from debris, fluids, etc. Two outer anodized aluminum curved tubes are sandwiched between 1-1/8" OD x 1/2" ID stainless steel wheel bearings providing stable and smooth travel as the Freedom CGX tilts from -10° to +50°. The third tube constructed of solid anodized aluminum located in the center has multiple beefy grooves that positively lock into a spring loaded dual tooth, 1/4" stainless steel hold and release shaft. (Each groove equals approximately 3° of tilt.)

The Freedom CGX offers a flared front end for greater stability, allowing for 90° front riggings without caster interference while providing ample room for footplates, wide shoe holders, and foot boxes. The spring-loaded pop-up hangers are an extra benefit allowing any one piece footrest or footbox to be easily removed as a single unit.

The bracket, which attaches the rear canes to the seat rail, was also designed to make adjustment of the back angle easy and eliminates the need for curved spacers. Moving the canes for growth has never been faster or easier!

Other features include: 1) An open design with 1" seat rails easily accommodates all types of hardware and seating; 2) Adjustable back angle (80°, 90°, 100°, 110°, 120°); 3) Up to 4" of width x 4" depth growth adjustment is built in with an optional 2" rail plug for additional depth on the Medium and Wide frames; 4) Transport readiness and WC-19 crash tested 5) Depth adjustable axle plates are standard to reduce caster loading or increase stability; 6) Vent tray optional. ■



## Vendor Spotlight



specialized wheelchair frames, custom seating and positioning systems, hardware, and accessories for more than 26 years. Utilizing an in-house machine shop and highly specialized staff, Freedom Designs offers functional, durable, and cost effective

Freedom Designs, Inc., a member of the Helixx Group, has designed and manufactured

products – all manufactured in the U.S.A.

Major company goals have been, and continue to be, the provision of both innovation and high quality products complemented by a seasoned, knowledgeable, and caring customer service and support staff. For more information on Freedom Designs' products and educational programs call 1-800-331-8551 or visit our Web site at [www.freedomdesigns.com](http://www.freedomdesigns.com)

## Update

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charge the beneficiary a “service” fee anyway, but until now there has never been a statement indicating that this was not allowed. Now (unless we can get this changed) no one can charge a “service” fee for repairing any item. This may mean that you have to change the way you do repairs, especially if you are in a remote area that requires longer distances to travel. You may need to do all repairs on items you did not provide on a non-assigned basis only, or require the client to bring the item to you, and/or set up a schedule (routes) for general maintenance and service

areas. You can also provide your customers with the telephone numbers of their legislators and encourage them to call with their concerns.

#### K0462

Make sure you do not forget that you can bill the K0462 for up to one month rental for a loaner piece of equipment while patient owned equipment is being repaired. In these cases, you must include in the narrative field, the type of loaner chair, the type of chair being repaired (manufacturer and model) and an indication that it will require more than 1 day to repair. For example, loanK0823pwcwhleptondK0823(invm51)bingrp>1daytorp

#### K0108

To bill for a miscellaneous replacement item using the K0108 code, the first thing in the narrative field is a description of the item, followed by the manufacturer, model or item number and the MSRP. This provides the reviewer with pricing information. The remainder of the information in the narrative field is whatever else is appropriate for that item, such as manufacturer and SN of the base wheelchair and purchase date. The following is an example for a custom footbox:

```
RBCust.ftboxby(manufacturer)#9876MSRP($$$)-ptondinvtil#11111purl108byMedicare
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## Getting the Most Out of Evaluation Forms and Letters of Medical Necessity

By Elizabeth Cole

**O**ur ultimate goal in this crazy industry is to provide the most optimal equipment for our clients and to receive appropriate reimbursement in a timely manner. In order to do this we must identify medical need, demonstrate that coverage criteria is met, follow funding policies and receive approval the first time around. Clear and complete documentation is imperative for success in this process. This includes the evaluation form used in the client assessment and



the letter of medical necessity (LMN) written to support clinical needs. Here are some helpful hints to incorporate into your own documentation or pass on to your therapists.

#### Tips for the Evaluation Form

First and foremost, the evaluation must be easy to read and legible! There should be adequate space for all information to be written without cramping. Reviewers should not have to “decipher” the information. Make sure that all areas are filled in – if it’s not applicable, just write NA. If you skip non-applicable areas, you may inadvertently skip an important line as well. Also be careful when checking boxes. Inadvertently putting a check mark in the box for posterior pelvic tilt instead of anterior pelvic tilt can make a significant difference in demonstrating need for a specific type of seating. And always provide any appropriate client-specific comments to support the

objective facts.

The evaluation form must contain any and all information that will help to justify the recommended equipment. An introductory section should identify the primary diagnosis, along with onset, progression and prognosis. Other related diagnoses should be listed as well as pertinent past or anticipated surgeries or medical interventions. Weight and height might be needed for certain types of equipment. Information regarding current equipment should include its age, manufacturer and model and the reason that new equipment is necessary (disrepair, does not meet current needs, change in medical condition). Also include what the client likes or doesn’t like about it, and his/her goals.

The section on physical status should include: general muscle

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## Evaluation Forms continued from page 6

strength and gross and fine motor control of the right and left upper and lower extremities, neck and trunk; spasticity/tone (location, type, effects on function); primitive reflexes; range of motion and postural deformities of the extremities, neck, pelvis and trunk; skin integrity (ability to weight shift, location and stage of past or current skin breakdown, risk factors); pain and discomfort (location, impact on function); static and dynamic balance in sitting and standing; endurance; cognition (learning, memory, attention); behavior (judgment, reliability, control); visual limitations; cardiopulmonary status; and bowel and bladder status.

Check boxes and/or narrative information in a section on functional status should describe the client's ambulatory status, including ability to ambulate with/without an assistive device to complete ADLs, distance and terrain traveled and risk or presence of fatigue, pain, cardiopulmonary risk or falls. Similarly the client's ability to propel a manual chair should include ease of propulsion, ability to complete ADLs, distance and terrain traversed and risk or presence of fatigue, pain, spasticity, repetitive strain injury or cardiopulmonary compromise when propelling. If appropriate, this section should also document the client's ability to operate a scooter or power chair, including safety, maneuverability and distance and terrain traversed. In all cases, the information should

support or indicate why a lower cost alternative is not sufficient to meet the client's needs. Transfer methods should also be described along with the need for any assistance. A brief description (or check boxes) should describe the client's activity level (low, moderate, high) and a list of usual indoor and outdoor activities (MRADLs in the home, and work, school, community, volunteer, and religious activities). The type of residence should be identified along with the method(s) of transportation.

Therapists' evaluation forms should have an area at the end to enter the name of the supplier and to indicate their involvement in the assessment. Remember that this is not the attestation required by Medicare. The attestation is written by the supplier and indicates that their company has no financial ties with the therapist involved in the evaluation.

### LMN - Tips to Write By

In order to write an LMN that will justify your client's needs, you must know the policies and coverage criteria, you must know features of available equipment and you must be able to link the equipment parameters with your client's clinical needs. The information should be presented in an organized format that makes sense to the reader. It should be concise, but complete (too long and it will not be read). The writing should be clear and professional, with proper spelling and grammar. It is also important to respect the limitations of the medical reviewers, who may not have extensive training in seating

and mobility products. Avoid any therapist/supplier-specific "lingo" and abbreviations.

The LMN should present a summary of the evaluation findings, including primary and secondary diagnosis, prognosis and a brief general description of issues with strength, range of motion, motor control, tone, posture and balance that interfere with function. An overview of the client's activity level and lifestyle should be presented along with a brief description of the current means of mobility, equipment and reason for new equipment.

The LMN should then paint a picture of the client and his/her needs. What are the specific reasons why the client cannot perform ADLs safely, efficiently and in timely manner with the current mode of mobility or equipment? Is this due to decreased strength, poor motor control, limited ROM, postural deformities, fatigue, pain.....? Each item, option or accessory that is separately billed should be listed along with the specific clinical justification of why it is needed for that client and how the client meets the coverage criteria for that item. There should also be an indication of any adverse effects that would likely occur without this item. The justifications should be specific to that client, with minimal "cookie cutter" verbiage. And most importantly, the information in the evaluation form and that in the LMN must agree and support each other. ■

*Elizabeth Cole is the Director of Clinical Rehab Services for U.S. Rehab.*

# Did you Know?

- ◆ 2009 dates for Tech Training and the ATP Course have been released - check out upcoming events on page 2.
- ◆ The average person makes about 1,140 telephone calls each year.
- ◆ U.S. Rehab has a Standardized Rate Manual available for Members. Interactive labor rate tables are on our Web site ([www.usrehab.com](http://www.usrehab.com)) for use.
- ◆ Heartland 2009 is scheduled for June 8-11.
- ◆ Henry Ford produced the Model T only in black because the black paint available at the time was the fastest to dry.
- ◆ U.S. Rehab is a member of F.E.A.T. (Fraud Eradication Advisory Team).
- ◆ The first product to have a bar code was Wrigley's gum.
- ◆ The 57 on Heinz ketchup bottles represents the number of varieties of pickles the company once had.



## Rehab Word Scramble

1. rneaalhdtoeeennfrcc \_\_\_\_\_
2. mitmrseeenubr \_\_\_\_\_
3. vfiiitdeornasc \_\_\_\_\_
4. hetc narntigi \_\_\_\_\_
5. itknenorwg \_\_\_\_\_
6. gtlalineosi \_\_\_\_\_
7. ychootgeln \_\_\_\_\_
8. lpcistaye erwtkon \_\_\_\_\_
9. ewcoaphrri \_\_\_\_\_
10. uhonsic \_\_\_\_\_
11. rrpaei \_\_\_\_\_
12. cirtairba \_\_\_\_\_
13. nnniictugo acdeinotu \_\_\_\_\_

E

H

R

B

A

See page 4 for answers