DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 414

[CMS-6080-N]

Medicare Program; Update to the Required Prior Authorization List of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Items That Require Prior Authorization as a Condition of Payment

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Update to list.

SUMMARY: This document announces the addition of 31 Healthcare Common Procedure Coding System (HCPCS) codes to the Required Prior Authorization List of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Items that require prior authorization as a condition of payment. Prior authorization for these codes will be implemented nationwide.

DATES: Implementation is effective on September 1, 2018.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

I. Background

Sections 1832, 1834, and 1861 of the Social Security Act (the Act) establish that the provision of durable medical equipment, prosthetic, orthotics, and supplies (DMEPOS) is a covered benefit under Part B of the Medicare program.

Section 1834(a)(15) of the Act authorizes the Secretary to develop and periodically update a list of DMEPOS items that the Secretary determines, on the basis of prior payment experience, are frequently subject to unnecessary utilization and to develop a prior authorization process for these items.

In the December 30, 2015 final rule (80 FR 81674) titled "Medicare Program; Prior Authorization Process for Certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies," we implemented section 1834(a)(15) of the Act by establishing an initial Master List (called the Master List of Items Frequently Subject to Unnecessary Utilization) of certain DMEPOS that the Secretary determined, on the basis of prior payment experience, are frequently subject to unnecessary utilization and by establishing a prior authorization process for these items. In the same final rule, we also stated that we would inform the public of those DMEPOS items on the Required Prior Authorization List in the **Federal Register** with 60-day notice before implementation. The Required Prior Authorization List specified in § 414.234(c)(1) is selected from the Master List of Items Frequently Subject to Unnecessary Utilization (as described in § 414.234(b)(1)), and items on the Required Prior Authorization List require prior authorization as a condition of payment.

In addition to the prior authorization process for certain DMEPOS items that we established under section 1834(a)(15) of the Act, on September 1, 2012, we implemented the Medicare Prior Authorization for Power Mobility Devices (PMDs) Demonstration that would operate for a period of 3 years (September 1, 2012 through August 31, 2015). This demonstration was established under section 402(a)(1)(J) of the Social Security Amendments of 1967 (42 U.S.C. 1395b–1(a)(1)(J)), which authorizes the Secretary to

conduct demonstrations designed to develop or demonstrate improved methods for the investigation and prosecution of fraud in the provision of care or services provided under the Medicare program. The demonstration was initially implemented in California, Florida, Illinois, Michigan, New York, North Carolina, and Texas. These states were selected for the demonstration based upon their history of having high levels of improper payments and incidents of fraud related to PMDs. On October 1, 2014, we expanded the demonstration to 12 additional states (Pennsylvania, Ohio, Louisiana, Missouri, Washington, New Jersey, Maryland, Indiana, Kentucky, Georgia, Tennessee, and Arizona) that have high expenditures and improper payments for PMDs based on 2012 billing data. On July 15, 2015, we announced we were extending the demonstration for 3 years, through August 31, 2018.

II. Provisions of the Document

The purpose of this document is to inform the public that we are updating the Required Prior Authorization List of DMEPOS items that require prior authorization as a condition of payment to include all of the power mobility devices that are part of the PMD demonstration, which are also included on the Master List of Items Frequently Subject to Unnecessary Utilization. To assist stakeholders in preparing for implementation of the prior authorization program, CMS is providing 90 days' notice.

The following 31 DMEPOS items are being added to the Required Prior Authorization List:

HCPCS Code	Description
K0813	Power wheelchair, group 1 standard, portable, sling/solid seat and back, patient weight capacity up to and including 300 pounds
K0814	Power wheelchair, group 1 standard, portable, captains chair, patient weight capacity up to and including 300 pounds
K0815	Power wheelchair, group 1 standard, sling/solid seat and back, patient weight capacity up to and including 300 pounds

HCPCS Code	Description
K0816	Power wheelchair, group 1 standard, captains chair, patient weight capacity up to and including 300 pounds
K0820	Power wheelchair, group 2 standard, portable, sling/solid seat/back, patient weight capacity up to and including 300 pounds
K0821	Power wheelchair, group 2 standard, portable, captains chair, patient weight capacity up to and including 300 pounds
K0822	Power wheelchair, group 2 standard, sling/solid seat/back, patient weight capacity up to and including 300 pounds
K0823	Power wheelchair, group 2 standard, captains chair, patient weight capacity up to and including 300 pounds
K0824	Power wheelchair, group 2 heavy duty, sling/solid seat/back, patient weight capacity 301 to 450 pounds
K0825	Power wheelchair, group 2 heavy duty, captains chair, patient weight capacity 301 to 450 pounds
K0826	Power wheelchair, group 2 very heavy duty, sling/solid seat/back, patient weight capacity 451 to 600 pounds
K0827	Power wheelchair, group 2 very heavy duty, captains chair, patient weight capacity 451 to 600 pounds
K0828	Power wheelchair, group 2 extra heavy duty, sling/solid seat/back, patient weight capacity 601 pounds or more
K0829	Power wheelchair, group 2 extra heavy duty, captains chair, patient weight 601 pounds or more
K0835	Power wheelchair, group 2 standard, single power option, sling/solid seat/back, patient weight capacity up to and including 300 pounds
K0836	Power wheelchair, group 2 standard, single power option, captains chair, patient weight capacity up to and including 300 pounds
K0837	Power wheelchair, group 2 heavy duty, single power option, sling/solid seat/back, patient weight capacity 301 to 450 pounds
K0838	Power wheelchair, group 2 heavy duty, single power option, captains chair, patient weight capacity 301 to 450 pounds
K0839	Power wheelchair, group 2 very heavy duty, single power option, sling/solid seat/back, patient weight capacity 451 to 600 pounds
K0840	Power wheelchair, group 2 extra heavy duty, single power option, sling/solid seat/back, patient weight capacity 601 pounds or more
K0841	Power wheelchair, group 2 standard, multiple power option, sling/solid seat/back, patient weight capacity up to and including 300 pounds
K0842	Power wheelchair, group 2 standard, multiple power option, captains chair, patient weight capacity up to and including 300 pounds
K0843	Power wheelchair, group 2 heavy duty, multiple power option, sling/solid seat/back, patient weight capacity 301 to 450 pounds
K0848	Power wheelchair, group 3 standard, sling/solid seat/back, patient weight capacity up to and including 300 pounds
K0849	Power wheelchair, group 3 standard, captains chair, patient weight capacity up to and including 300 pounds
K0850	Power wheelchair, group 3 heavy duty, sling/solid seat/back, patient weight capacity 301 to 450 pounds
K0851	Power wheelchair, group 3 heavy duty, captains chair, patient weight capacity 301 to 450 pounds
K0852	Power wheelchair, group 3 very heavy duty, sling/solid seat/back, patient weight capacity 451 to 600 pounds

HCPCS Code	Description
K0853	Power wheelchair, group 3 very heavy duty, captains chair, patient weight capacity 451 to 600 pounds
K0854	Power wheelchair, group 3 extra heavy duty, sling/solid seat/back, patient weight capacity 601 pounds or more
K0855	Power wheelchair, group 3 extra heavy duty, captains chair, patient weight capacity 601 pounds or more

These codes will be subject to the requirements of the prior authorization program for certain DMEPOS items as outlined in § 414.234. We believe continued prior authorization of these codes will help further our program integrity goals of reducing fraud, waste, and abuse, while protecting access to care. We will implement a prior authorization program for these codes nationwide, for dates of service beginning September 1, 2018. This approach will allow continuity for those suppliers in the 19 states familiar with prior authorization of PMDs under the demonstration, and allows sufficient time for education and outreach to suppliers in the remaining states. HCPCS codes K0856 and K0861, which we placed on the Required Prior Authorization List in a December 21, 2016 notice (81 FR 93636), will continue to be subject to the requirements of prior authorization as well.

Although the PMD demonstration's prior authorization process is similar to the process used for those items on the Required Prior Authorization List, some differences do exist. In particular, items on the Required Prior Authorization List require prior authorization as a condition of payment. As such, lack of a provisionally affirmed prior authorization request will result in a claim denial. Under the PMD demonstration, requesting prior authorization is optional, and claims submitted for payment without an associated prior authorization decision are subject to prepayment review and assessed a 25-percent reduction in Medicare payment if found payable. Additionally, under the

PMD demonstration, physicians/treating practitioners may submit prior authorization requests and are eligible to bill HCPCS code G9156 for an incentive payment. This process is not available for items on the Required Prior Authorization List.

Prior to furnishing the item to the beneficiary and prior to submitting the claim for processing, a requester must submit a prior authorization request that includes evidence that the item complies with all applicable Medicare coverage, coding, and payment rules. Consistent with § 414.234(d), such evidence must include the order, relevant information from the beneficiary's medical record, and relevant supplier-produced documentation. After receipt of all applicable required Medicare documentation, CMS or one of its review contractors will conduct a medical review and communicate a decision that provisionally affirms or non-affirms the request.

We will issue specific prior authorization guidance in subregulatory communications, including final timelines, which are customized for the DMEPOS items subject to prior authorization, for communicating a provisionally affirmed or non-affirmed decision to the requester. In the December 30, 2015 final rule, to allow us to safeguard beneficiary access to care, we stated that this approach to final timelines provides the flexibility to develop a process that involves fewer days, as may be appropriate. If at any time we become aware that the prior authorization process is creating barriers to care, we can suspend the program.

The updated Required Prior Authorization list is available in the download section of the following CMS website: https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/DMEPOS/Prior-

Authorization-Process-for-Certain-Durable-Medical-Equipment-Prosthetic-Orthotics-Supplies-Items.html. We will post additional educational resources to the website.

III. Collection of Information Requirements

This notice announces the addition of DMEPOS items on the Required Prior Authorization List and does not impose any new information collection burden under the Paperwork Reduction Act of 1995. However, there is an information collection burden associated with this program that is currently approved under OMB control number 0938–1293 which expires February 28, 2019.

CMS-6080-N

Dated: May 14, 2018.

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Seema Verma,

Administrator,

Centers for Medicare & Medicaid Services.

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