

Fee Schedule Guidelines

Durable Medical Equipment



**North Dakota Workforce
Safety & Insurance**

January 2021

Notice

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The WSI Fee Schedule is not a guarantee of payment. The fact that WSI assigns a procedure or service a HCPCS code and a payment rate does not imply coverage by WSI, but indicates the maximum allowable payment for approved services. Services represented are subject to provisions of WSI including: compensability, claim payment logic, applicable medical policy, benefit limitations and exclusions, bundling logic, and licensing scope of practice limitations.

Any changes made to Pricing Methodology are subject to the North Dakota Public Hearing process. WSI reserves the right to implement changes to the Payment Parameters, Billing Requirements, and Reimbursement Procedures as needed. WSI incorporates all applicable changes into the relevant Fee Schedule Guideline at the time of implementation, and communicates these changes in Medical Providers News, available on the WSI website at www.workforcesafety.com/news/medical-providers. WSI reviews and updates all Fee Schedule rates on an annual basis, with additional updates made on a quarterly basis when applicable.

For reference purposes, the sections of the North Dakota Administrative Code (N.D.A.C.) that regulate medical services are **92-01-02-27 through 92-01-02-46**. The complete N.D.A.C. is accessible on the North Dakota Legislative Council [website](http://www.legis.nd.gov/agency-rules/north-dakota-administrative-code): <http://www.legis.nd.gov/agency-rules/north-dakota-administrative-code>.

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North Dakota Workforce Safety & Insurance

Durable Medical Equipment Pricing Methodology

Durable Medical Equipment (DME) Pricing Methodology outlines the methods used by Workforce Safety and Insurance (WSI) to determine the final rates represented on the DME Fee Schedule. The DME Fee Schedule uses the applicable procedure codes and descriptions as defined by the Healthcare Common Procedure Coding System (HCPCS), their respective payment status indicators, and payment amounts. In accordance with [North Dakota Administrative Code 92-01-02-29.2](#), any provider who provides DME to a claimant under the jurisdiction of WSI is reimbursed according to the rates assigned in the DME Fee Schedule. A provider may access the complete [DME Fee Schedule](#) and other resources referenced within this document by visiting the Medical Provider section of the WSI website: www.workforcesafety.com.

Status Indicators

WSI assigns one of the following status indicators to each HCPCS code within the DME Fee Schedule:

Indicator	Description	Pricing Methodology
A	Active Code	Service is payable under the applicable WSI Fee Schedule.
B	Packaged Code	Service is not separately payable. Payment is packaged into the payment for another service.
C	Custom Priced Code	Service is payable using usual and customary or WSI-negotiated rates.
D	Discontinued Code	Service is not payable. Code was discontinued effective beginning of the calendar year.
P	Excluded Code	Service is not payable under the WSI Fee Schedule.

Calculation of the Reimbursement Rate

- For HCPCS codes assigned a status indicator “A” WSI applies the following formula to determine the maximum allowable reimbursement rate:

Medicare DME Fee Schedule Rate* for ND X 120%

- WSI prices HCPCS codes assigned a status indicator of “C” at the 50th percentile of the U&C amount established by Optum Insight Inc., according to the billing provider’s zip code. Where Optum does not produce a U&C amount, WSI pays the charge at 85% of the billed amount.

*Where Medicare publishes both a rural and a non-rural Fee Schedule rate, WSI utilizes the rural rate.

Annual Updates

WSI updates the DME Fee Schedule annually based on the rate changes published by The Centers for Medicare and Medicaid (CMS).

Limitations of the Durable Medical Equipment Fee Schedule

The payment rates listed on the DME Fee Schedule indicate the maximum allowable payment for approved services only. The fact that a procedure or service is assigned a HCPCS code and a payment rate does not imply coverage by WSI, but indicates the maximum allowable payment for approved services. The final payment rate may be impacted by the payment parameters and billing requirements enforced by WSI. A provider is encouraged to carefully review WSI’s Payment Parameters, Billing Requirements, and Reimbursement Procedures to avoid unnecessary delays and denials of payment.

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Durable Medical Equipment Payment Parameters

Durable Medical Equipment Payment Parameters outline the rules for payment adopted by WSI. While WSI has adopted many of Medicare's rules for payment, WSI has developed a set of unique rules that are applied to the final payment of approved services. The complete payment parameters enforced by WSI are as follows:

Advanced Beneficiary Notice (ABN)- A provider may utilize the ABN form to notify an injured employee of the costs associated with a recommended procedure that is: statutorily excluded from coverage, statutorily limited in quantity, deemed by WSI as not medically necessary to treat the work injury. To identify a charge accompanied with a signed ABN, a provider should append modifier GA to each applicable bill line. A provider should then submit the signed ABN along with the bill and medical documentation to WSI.

Authorization- Certain DME services require prior authorization. A provider should refer to the [Durable Medical Equipment Guide](#) for information on which services require authorization and the steps required to obtain authorization.

Continuous-Flow Cryotherapy Units- WSI does not reimburse for continuous flow cryotherapy or Game Ready units.

H-Wave Units- WSI does not reimburse for H-Wave electrical stimulation units.

Hot/Cold Packs- WSI does not reimburse for ice packs, ice caps or collars, or heating pads.

“Lesser of” Payments- The rates listed on the DME Fee Schedule represent the maximum amount payable for services rendered. WSI pays the “lesser of” the billed charge or the Fee Schedule amount.

Miscellaneous Codes- WSI does not reimburse for the billing of miscellaneous DME and medical supplies when a more specific, appropriate code is available.

NCCI Edits- WSI incorporates all applicable NCCI edits.

Payment Packaging- WSI packages the payment of HCPCS codes assigned a status indicator “B” into the pricing for other related services.

Used Durable Medical Equipment- WSI does not reimburse for used (UE) DME.

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Durable Medical Equipment Billing Requirements

Durable Medical Equipment Billing Requirements outline the rules for billing adopted by WSI. WSI returns or denies inappropriately submitted bills. WSI notifies a provider of inappropriately submitted bills via a return letter or remittance advice. A provider must correct any returned bills prior to resubmission.

Bill Form- A provider must submit a medical bill for DME services on a standard CMS 1500 form, UB-04 form, or via EDI.

Bill Form Submission- WSI offers the following options for bill submission:

Electronic Billing- A provider may submit medical charges via EDI through Carisk. This option allows a provider to electronically submit professional (837p) and institutional (837i) charges along with supporting medical documentation. Contact Carisk EDI Support Services at 973-795-1641 (option 2) for additional information.

Paper Billing- A provider may submit bills in red and white paper format with supporting medical documentation to WSI at the following address:

Workforce Safety & Insurance
PO Box 5585
Bismarck, ND 58506

Coding- A provider is required to bill using only current and appropriate HCPCS Level II codes for DME services.

Medical Documentation- A provider must submit medical documentation to support all billed charges. WSI's [Documentation Policies](#) are available for detailed information on documentation requirements.

Medical Necessity- A provider is required to bill using the same medical necessity guidelines used for Medicare.

Modifiers- WSI requires a provider to bill DME services using the NU, RR, MS, KM, and KN modifiers, as appropriate.

National Provider Identification (NPI)- WSI requires entities who are eligible for NPI to be registered with National Plan & Provider Enumeration System. When applicable, WSI requires a provider to include the NPI at both the rendering provider and billing provider levels.

Timely Filing- A provider must submit bills to WSI within 365 days of the date of service.

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Durable Medical Equipment Reimbursement Procedures

Durable Medical Equipment Reimbursement Procedures outline how WSI communicates bill processing information and issues payment to a provider. In addition, it outlines WSI requirements for reimbursement. A provider is encouraged to follow WSI Reimbursement Procedures to prevent delays in the payment processing of medical charges submitted to WSI.

Provider Registration- Prior to reimbursement for treatment, a provider is required to register the applicable Billing NPIs with WSI by completing the [Medical Provider Payee Registration](#) form. For additional information, visit the [Provider Registration](#) section of WSI's website.

Payment Address- WSI issues payment to the Pay-to Address registered on the [Medical Provider Payee Registration](#) form, regardless of the address submitted on the bill form. To update a payment address, a provider must resubmit the registration form for each applicable Billing NPI.

Remittance Advice- WSI issues remittance advices for processed medical bills each Friday. The remittance advice includes important information about a medical charge, including: patient name, date of service, procedure billed, billed amount, paid amount, and remittance advice reason codes. A provider should refer to the [How to Read the WSI Remittance Advice](#) document for assistance with interpretation of the remittance advice. This reference includes a sample remittance advice, along with definitions for significant fields within the remittance advice. Contact customer service at 1-800-777-5033 with questions or to obtain a duplicate remittance advice.

Reason Codes- The [WSI Remittance Advice Reason Codes](#) document provides a comprehensive listing and description of the reason codes utilized by WSI. Each reason code identifies a cause for the adjudication of a medical charge and specifies whether a provider may bill a patient. When a reason code specifies a provider may bill a patient, WSI sends a "Notice of Non-Payment" letter to the patient informing them of their responsibility for the charge. In accordance with [North Dakota Administrative Code 92-01-02-45.1](#), if a reason code does not state that a provider may bill a patient, the provider cannot bill the charge for the reduced or denied service to the patient, the employer, or another insurer.

Bill Status Inquiries- A provider must refer to the WSI Remittance Advice for bill status information when possible. WSI requests a provider allow 2 months from the date of bill submission prior to contacting WSI for bill status, which permits adequate time for bill receipt, bill processing, and payment and/or remittance advice mailing. WSI will not process requests for bill status inquiries of large volume or repetitive requests for the status of processed medical bills that do not meet the above requirements.

Overpayments- When an overpayment occurs on a medical bill, WSI will notify the provider of the overpayment in a letter. WSI allows 30 days from the date of the letter for a provider to issue the requested refund. If a provider does not issue the refund within 30 days of the date of the letter, WSI will withhold the overpayment from future payments.

Medical Services Disputes- [North Dakota Administrative Code 92-01-02-46](#) provides the procedures followed for managed care disputes. A provider who wishes to dispute a denial or reduction of a service charge must submit the [Medical Bill Appeal \(M6\)](#) form, along with supporting documentation, within 30 days of the remittance advice issue date. WSI will not address a provider dispute submitted without the M6 form.



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