

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
HEALTH AND RECOVERY SERVICES ADMINISTRATION
Olympia, Washington**

To: Durable Medical Equipment (DME) **Memo # : 08-40**
Providers **Issued:** June 30, 2008
Pharmacists
Managed Care Organizations

From: Douglas Porter, Assistant Secretary **For information contact**
Health and Recovery Services (800) 562-3022, option 2, or go to:
Administration (HRSA) <http://maa.dshs.wa.gov/contact/prucontact.asp>

**Subject: Wheelchairs, Durable Medical Equipment (DME) and Supplies, and
Nondurable Medical Supplies and Equipment (MSE): Fee Schedule Changes
and New Billing Modifier for Destination Based Sales Tax**

Effective for dates of service on and after July 1, 2008, the Health and Recovery Services Administration (HRSA) will:

- Update the fee schedules with new maximum allowable fees for the Wheelchairs, Durable Medical Equipment (DME) and Supplies program and the Nondurable Medical Supplies and Equipment (MSE) program; and
- Use a new billing modifier for destination-based sales tax on taxable items delivered to locations within Washington State.

Maximum Allowable Fees

Effective for dates of service on and after July 1, 2008, HRSA will update the fee schedules for the Wheelchairs, DME, and supplies program and the Nondurable MSE program.

Visit HRSA's web site at <http://maa.dshs.wa.gov/RBRVS/Index.html> to view the new fee schedule, effective July 1, 2008.

Bill HRSA your usual and customary charges.

New Billing Requirement for Destination Based Sales Tax

Beginning July 1, 2008 Substitute Senate Bill 5089 (also known as “Streamlined Sales Tax”) will require retailers to report taxable items delivered to locations within Washington State. For more information about these new requirements, refer to the Department of Revenue website at: <http://dor.wa.gov>

Effective for dates of service on and after July 1, 2008, HRSA will require providers to bill with a UD modifier for any taxable item delivered within Washington State. **The UD modifier must be placed after all other applicable modifiers** and must be reported with each procedure code that is taxable and delivered to a client’s residence within Washington State.

Example: A new taxable product delivered to a client’s home should be billed as follows:
XXXXX NU UD

HRSA will generate a mass adjustment and reimburse according to the client’s delivery location on file for delivered, taxable items following the successful implementation of ProviderOne in 2009.

HRSA will base adjustments on whether:

- The item is taxable;
- The taxable item has been reported on the claim with a UD modifier; and
- The taxable item was delivered to a location within Washington State.

HRSA will base the sales tax reimbursement adjustment upon the client’s address on file with DSHS.

How do I conduct business electronically with HRSA?

You may conduct business electronically with HRSA by accessing the WAMedWeb at <http://wamedweb.acs-inc.com>.

How can I get HRSA's provider documents?

To obtain DSHS/HRSA provider numbered memoranda and billing instruction, go to the DSHS/HRSA website at <http://hrsa.dshs.wa.gov> (click *the Billing Instructions and Numbered Memorandum* link). These may be downloaded and printed.