

First Month Purchase Option Letter for Electric Wheelchairs

10/31/2003

If you need an electric wheelchair prescribed by your doctor, you may already know that Medicare can help pay for it. Medicare requires

_____ (specify name of supplier) to give you the option of either renting or purchasing it. If you decide the purchase is more economical, for example, because you will need the electric wheelchair for a long time, Medicare pays 80 percent of the allowed purchase price in a lump sum amount. You are responsible for the 20 percent co-insurance amounts or, for unassigned claims, the supplier's entire charge. However, you must elect to purchase the electric wheelchair at the time your medical equipment supplier furnishes you with the item. If you elect to rent the electric wheelchair, you are again given the option of purchasing it during your 10th rental month. The option will not be extended at any other time.

If you continue to rent the electric wheelchair for 10 months, Medicare requires _____ (specify name of supplier) to give you the option of converting your rental agreement to a purchase agreement. This means that if you accept this option, you would own the medical equipment. If you accept the purchase option, Medicare continues making rental payments for your equipment for 3 additional rental months. You are responsible for the 20 percent coinsurance amounts or, for unassigned claims, the supplier's entire charge. After these additional rental payments are made, title to the equipment is transferred to you. You have until _____ (specify the date which is one month from the date the supplier notifies the patient of the option) to elect the purchase option. If you decide not to elect the purchase option, Medicare continues making rental payments for an additional 5 rental months, or a total of 15 months. After a total of 15 rental months have been paid, title to the equipment remains with the medical equipment supplier, however, the supplier may not charge you any additional rental amounts.

In making your decision to rent or purchase the equipment, you should know that for purchased equipment, you are responsible for 20 percent of the service charge each time your equipment is actually serviced or, for unassigned claims, the supplier's entire charge. However, for equipment that is rented for 15 months, your responsibility for such service is limited to 20 percent coinsurance on a maintenance and servicing fee payable twice per year whether or not the equipment is actually serviced.

Supplier's Name _____

Option Chosen: Purchase [] Rental []

Beneficiary's Signature _____

Date _____