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| <b><u>Payment Policy:</u>                    Durable Medical Equipment Services (DME)</b>   |  |                                    |
| <b>Purpose:</b> To provide guidance to contracted providers on Commonwealth Care Alliance's® (CCA) Durable Medical Equipment (DME) payment policy. CCA reimburses network providers for DME when the equipment or service is medically necessary. In general, the Plan uses the Medicare capped rental fee schedule to determine whether an item is rented or purchased. Rental of DME is appropriate when the prescribing provider specifies the item is medically necessary for a limited duration of time. |  |                                    |
| <b><u>Original Date Approved:</u></b><br>12/7/2017  | <b><u>Effective Date</u></b><br>1/1/2018 | <b><u>Date Revised:</u></b><br>N/A |
| <b><u>Scope:</u> Commonwealth Care Alliance (CCA) Product Lines:</b><br><input checked="" type="checkbox"/> All product lines<br><input type="checkbox"/> Senior Care Options<br><input type="checkbox"/> One Care  |  |                                    |
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**PAYMENT POLICY SUMMARY**

DME equipment or services must be medically necessary, ordered by a CCA network provider and ordered to address a specific condition/diagnosis. Providers should adhere to CMS guidelines when providing DME services.

**Durable Medical Equipment (DME):** Defined as an item for external use that can withstand repeated use and is primarily and customarily used to serve a medical purpose. Generally is not useful to a person in the absence of illness or injury and is appropriate for use in a member's home.

**Power Mobility Device:** A device that is battery-driven, is designed for use by people with mobility impairments, and is used for the main purpose of indoor and/or outdoor locomotion. The term power mobility device (PMD) includes power-operated vehicles (POV) and power wheelchairs (PWC).

**Medical Supplies and Surgical Dressings:** Medical supplies consist of items which are primarily and customarily used to serve a medical purpose, are ordered or prescribed by a physician, and are not useful to a person in the absence of illness or injury. Medical supplies cannot withstand repeated use and are usually disposable in nature. Surgical dressings are therapeutic or protective coverings applied directly to wounds or lesions.



## **AUTHORIZATION REQUIREMENTS**

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A dedicated list of DME service codes can be found in the CCA Provider Manual. Listed service codes require prior authorization and should be submitted using the CCA Standard Request Form. In the absence of specific plan guidance, CCA follows CMS DME guidelines.

CCA requires a submitted invoice for the following medical supplies and/or surgical dressings:

- Miscellaneous medical supply codes
- Not Otherwise Specified (NOS) medical supply codes
- Therapeutic molded shoes and shoe inserts for diabetics only  
*\*\*If a member has a condition that meets medical necessity requirements for therapeutic shoes, CCA will authorize under Individual Consideration\*\**
- Wig codes

The provider must obtain orders, maintain medical record documentation, and be able provide documentation upon request.

## **REIMBURSEMENT REQUIREMENTS**

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CCA will reimburse for the following:

- The least costly equipment that meets the member's needs.
- To ensure industry standards, CCA applies unit limits for certain HCPCS codes that appear on the CMS DME fee schedule – refer to CMS guidelines for details on unit limits.
- Costs associated with replacement parts and labor for DME that is member-owned
- If equipment is allowed under Medicare, CCA will reimburse according to the Medicare fee schedule.
- If equipment is not allowed under Medicare but allowed under Medicaid, CCA will reimburse according to the Medicaid fee schedule.
- Claims billed using miscellaneous codes (HCPCS) that require Individual Consideration (IC) must be submitted with a manufacturer's invoice and will be reimbursed on a cost-plus basis.
- Providers with contracts that allow for cost-plus pricing on equipment not otherwise listed on a fee schedule will need to submit a manufacturer's invoice for reimbursement.
- Claims for DME items that are eligible for rental as well as for purchase will be reimbursed according to the prior authorization and must include the appropriate modifier to be paid
- Therapeutic shoes are covered as a prosthetic for members who have a diabetic foot disease, as diagnosed by a participating provider.
- Wigs are reimbursed as a prosthetic and will need to be submitted with an invoice.

CCA does not reimburse the following:

- Automatic dispensing of supplies, accessories, or equipment on a predetermined regular basis to members. The member must contact the DME provider when additional supplies are required.



- The rental or the purchase of backup or standby supplies, accessories or equipment, except in certain limited circumstances
- Sales tax and/or shipping and handling fees, as these payments are included in the DME fee schedule amount

**Submitting Claims:**

When submitting claims for reimbursement, providers should do the following:

- Use the most up-to-date industry standard procedure and diagnosis codes
- Include modifiers where applicable
- Procedure codes should be referenced from the current CPT, HCPCS Level II, and ICD-10-CM manuals, as recommended by the American Medical Association (AMA) and Centers for Medicare and Medicaid Services (CMS)
- Providers should adhere to the following medical necessity criteria for DME, related supplies and orthotics:
  - Ordered by a physician; and
  - The item(s) meets CMS medically necessary definition
  - CMS DME MAC criteria are met
  - The item is not otherwise excluded from coverage

**BILLING AND CODING GUIDELINES**

Submit multiple same-day services on one line. The number of services/units should reflect all services rendered. All claims should be submitted with the appropriate modifiers. The following list includes, but is not limited to, modifiers which can be billed to indicate purchase, rental or maintenance and service of equipment:

**Modifiers:**

| Modifier | Description                       | When to Submit  |
|----------|-----------------------------------|---|
| RR       | Rental equipment                  | Submit with HCPCS DME procedure code to indicate rental                               |
| KH       | First rental month                | Submit as secondary modifier to RR  |
| KI       | Second and third rental month     | Submit as secondary modifier to RR  |
| KJ       | Fourth to thirteenth rental month | Submit as secondary modifier to RR  |
| MS       | Maintenance and servicing fee     | Submit with HCPCS DME procedure code to indicate maintenance and service of equipment |
| NU       | New equipment                     | Submit with HCPCS DME procedure code to indicate a purchase                           |

|    |   |  |
|----|---|--|
| UE | Used Purchased Item   | Submit with HCPCS DME procedure code to indicate a purchase of a used item   |
| LT | Left Side   | <ul style="list-style-type: none"> <li>• Ankle-Foot/Knee-Ankle-Foot Orthosis</li> <li>• External Breast Prosthesis</li> <li>• Eye Prosthesis</li> <li>• Facial Prosthesis</li> <li>• Lower Limb Prosthesis</li> <li>• Orthopedic Footwear</li> <li>• Refractive Lenses</li> <li>• Surgical Dressings</li> <li>• Therapeutic Shoes for Persons with Diabetes</li> <li>• Wheelchair Option/Accessories</li> </ul> <p><i>Please refer to CMS guidelines in reference to proper use of these modifiers</i></p> |
| RT | Right Side  | <ul style="list-style-type: none"> <li>• Ankle-Foot/Knee-Ankle-Foot Orthosis</li> <li>• External Breast Prosthesis</li> <li>• Eye Prosthesis</li> <li>• Facial Prosthesis</li> <li>• Lower Limb Prosthesis</li> <li>• Orthopedic Footwear</li> <li>• Refractive Lenses</li> <li>• Surgical Dressings</li> <li>• Therapeutic Shoes for Persons with Diabetes</li> <li>• Wheelchair Option/Accessories</li> </ul> <p><i>Please refer to CMS guidelines in reference to proper use of these modifiers</i></p> |
| SQ | Item ordered by home health   | Submit with HCPCS DME procedure code to indicate item was ordered by a home health care provider   |
| BO | Orally administered nutrition, not by feeding tube                              | Submit with oral enteral formula claims ( <i>National Drug Coverage Requirement - NDC</i> )  |
| RA | Replacement of a DME, orthotic or prosthetic item                               | Submit with HCPCS DME procedure code to indicate replacement   |
| RB | Replacement of a part of DME, orthotic or prosthetic item furnished as a repair | Submit with HCPCS DME procedure code to indicate replacement of a part as a repair   |

CCA has recently adopted the requirements and intent of the National Correct Coding Initiative (NCCI) and will adhere to accurate coding and billing industry standards. CMS has contracted with Noridian to manage pricing, data and coding for DME, Prosthetics, Orthotics and Supplies.

**AUDIT AND DISCLAIMER:**

As every claim is unique, the use of this policy is neither a guarantee of payment nor a final prediction of how specific claim(s) will be adjudicated. Claims payment is subject to member eligibility and benefits on the date of service, coordination of benefits, referral/authorization and



utilization management guidelines when applicable and adherence to plan policies and procedures and claims editing logic. CCA has the right to conduct audits on any provider and/or facility to ensure compliance with the guidelines stated in this payment policy. If such an audit determines that your office/facility did not comply with this payment policy, CCA has the right to expect your office/facility to refund all payments related to non-compliance.

#### **REFERENCES:**

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CCA Provider Manual DME Codes:

[http://www.commonwealthcarealliance.org/getmedia/3a26caf6-5c06-4811-b282-f6d5b04162bf/Provider-Manual-Section-4\\_ContentDME- modified 2-14-2017\\_1](http://www.commonwealthcarealliance.org/getmedia/3a26caf6-5c06-4811-b282-f6d5b04162bf/Provider-Manual-Section-4_ContentDME- modified 2-14-2017_1)

CCA Standard Request Form: <http://www.commonwealthcarealliance.org/getmedia/4f473a3a-7c73-4667-98a9-bd49de17264d/PA-Standardized-Request-Form-11-2016>

CMS Website: <https://www.medicare.gov/what-medicare-covers/part-b/durable-medical-equipment.html> [MedicaidCoordination.html](#)

CCA Website: <http://www.commonwealthcarealliance.org/>

Noridian Website Jurisdiction A: <https://med.noridianmedicare.com/web/jadme>

Massachusetts Health and Human Services Website: <http://www.mass.gov/eohhs/gov/laws-regs/masshealth/provider-library/provider-manual/durable-medical-equipment-manual.html>

Noridian Website List of DME Modifier:

<https://med.noridianmedicare.com/web/jadme/topics/modifiers>