PROVIDER REIMBURSEMENT GUIDANCE			
Durable Medical Equipment			
Original Date Approved	Effective Date Senior Care Options/One Care	Effective Date Medicare Advantage*	Revision Date
01/01/2018	03/01/2022	03/01/2022	06/30/2022

Scope: Commonwealth Care Alliance (CCA) Product Lines

☒ Senior Care Options MA
☒ One Care MA
☒ CCA Medicare Preferred – (PPO) MA*
☒ CCA Medicare Value - (PPO) MA*
☒ CCA Medicare Preferred – (PPO) RI*
☒ CCA Medicare Value - (PPO) RI*
☒ Medicare Maximum – (HMO DNSP) RI*

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, it 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 (PMD): 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).

Standard power wheelchairs are capped rental DME. The purchase option is available for Group 3 complex, rehabilitative power wheelchairs (e.g., power wheelchairs with power seating systems and/or special controls needed by the plan member). Power wheelchairs are not covered for short-term use. The supplier will transfer the title to the plan member at the end of the capped rental period. The supplier must replace a capped rental item free of charge if it does not last the full 5-year period (i.e., is no longer serviceable or needs substantial repairs exceeding 60% of the cost to replace the item). This replacement equipment does not need to be new (42 CFR Section 414.210(e)(4).

A power mobility device only for use outside the home is noncovered.
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 disposable in nature. Surgical dressings are therapeutic or protective coverings applied directly to wounds or lesions.

Oxygen and oxygen equipment: The rental period for oxygen and oxygen equipment is 36 months. CCA will follow Medicare guidelines relating to reimbursement for oxygen and oxygen equipment.

AUTHORIZATION REQUIREMENTS:

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 to provide documentation upon request.

Other applicable CCA notification and authorization policies and procedures may apply. For more information on prior authorizations, please refer to the Prior Authorization Requirements in the plan specific Provider Manual.

REIMBURSEMENT GUIDELINES:

CCA will cover the following:

- The least costly equipment and/or supplies that meet 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 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.

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REIMBURSEMENT GUIDELINES (cont.):

CCA does not cover the following:

- Repair or replacement of items lost or damaged due to abuse or neglect.
- Sales tax, shipping and handling, or restocking charges associated with obtaining DME.
- Spare or back-up equipment.
- Standard “off the shelf” batteries including but not limited to battery sizes AAA, AA, A, C, D, etc.
- Replacement during the reasonable useful lifetime of the equipment. These reasonable useful lifetimes are item-specific and are based on Medicare guidelines.

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 ICD10-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.
- Ordering/Referring Provider NPI
    - o Effective January 1, 2022, all claims for items and services that are the result of an order or referral must include the ordering/referring provider’s name, qualifier (DN/DK), and valid NPI

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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 to 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 of a new item
UE	Used Purchased Item	Submit with HCPCS DME procedure code to indicate a purchase of a used item
LT	Left side * Please refer to CMS guidelines about proper use of these modifiers	• Ankle-Foot/Knee-Ankle-Foot Orthosis • External Breast Prosthesis • Eye Prosthesis • Facial Prosthesis • Lower Limb Prosthesis • Orthopedic Footwear • Refractive Lenses • Surgical Dressings • Therapeutic Shoes for Persons with Diabetes • • Wheelchair Option/Accessories
RT	Right Side * Please refer to CMS guidelines about proper use of these modifiers	• Ankle-Foot/Knee-Ankle-Foot Orthosis • External Breast Prosthesis • Eye Prosthesis • Facial Prosthesis • Lower Limb Prosthesis • Orthopedic Footwear • Refractive Lenses • Surgical Dressings • Therapeutic Shoes for Persons with Diabetes • • Wheelchair Option/Accessories
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 (National Drug Coverage Requirement - NDC)
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

RELATED SERVICE POLICIES:

Oxygen Payment Policy

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. Please refer to CPT/HCPCS for complete and updated list of codes. 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, 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:

- American Medical Association (AMA) Current Procedural Terminology (CPT®)
- CCA Website
- CMS Billing Guides
- Mass Health Provider Regulations
- Mass Health Durable Medical Equipment Manual
- Noridian DME Jurisdiction A Website
- CCA Provider Manual DME Codes: Provider manual Section 4_ContentDME
- Payment Policies: Massachusetts / Rhode Island
- Provider Manuals: Massachusetts / Rhode Island
- Prior Authorization Forms: Massachusetts / Rhode Island

POLICY TIMELINE DETAILS:

1. Effective: 01/01/2018
2. Revision: October 2021; added Medicare Advantage Part D
3. Revision: June 2022, updated formatting