

# Highmark Reimbursement Policy Bulletin



HISTORY VERSION

**Bulletin Number:** MRP-005  
**Subject:** Repairs, Maintenance, and Replacement of Durable Medical Equipment  
**Effective Date:** November 22, 2021      **End Date:** March 18, 2024  
**Issue Date:** March 18, 2024      **Revised Date:** March 2024  
**Date Reviewed:** March 2024  
**Source:** Reimbursement Policy

<b>Applicable Commercial Market</b>	<b>PA</b>	<input type="checkbox"/>	<b>WV</b>	<input type="checkbox"/>	<b>DE</b>	<input type="checkbox"/>	<b>NY</b>	<input type="checkbox"/>
<b>Applicable Medicare Advantage Market</b>	<b>PA</b>	<input checked="" type="checkbox"/>	<b>WV</b>	<input checked="" type="checkbox"/>	<b>DE</b>	<input checked="" type="checkbox"/>	<b>NY</b>	<input checked="" type="checkbox"/>
<b>Applicable Claim Type</b>	<b>UB</b>	<input type="checkbox"/>	<b>1500</b>	<input checked="" type="checkbox"/>				

➔ A checked box indicates the policy is applicable to that market either entirely, or partially, as indicated within the policy.

Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this policy.

## PURPOSE:

Under the circumstances specified in this policy, payment may be made for repair, maintenance, and replacement of medically required durable medical equipment (DME). Payments for repair and maintenance may not include payment for parts and labor covered under a manufacturer's or supplier's warranty.

## REIMBURSEMENT GUIDELINES:

**Repairs:** To repair means to fix or mend and to put the equipment back in good condition after damage or wear. Repairs to equipment which a beneficiary owns are covered when necessary to make the equipment serviceable. However, payment will not be made for repair of equipment that was previously denied and not medically necessary or was otherwise not covered.

Payment is allowed for reasonable and necessary repairs or non-routine service of member owned DME (not to include Oxygen) if not otherwise covered under an equipment warranty. Procedure code K0739 was established for repair of member owned DME.

**Maintenance:** Routine periodic servicing, such as testing, cleaning, regulating, and checking of the member's equipment, is not covered. However, more extensive maintenance, based on the manufacture's recommendations, is covered for medically necessary member owned equipment. This maintenance must be performed by an authorized technician.

Durable Medical Equipment companies' reimbursement for rental equipment includes reimbursement for the expenses associated with maintaining their rental equipment. Separately itemized charges for maintenance of rented equipment are generally not covered.

Applicable Codes:

Code	Description
K0739	Repair or nonroutine service for durable medical equipment other than oxygen requiring the skill of a technician, labor component, per 15 minutes
K0740	Repair or nonroutine services for oxygen equipment requiring the skill of a technician, labor component, per 15 minutes

Suppliers should use K0739 on DME claims to bill for labor associated with the reasonable and necessary repair of member owned durable medical equipment.

Suppliers should use K0740 on DME claims to bill for labor associated with the repair of stationary or portable, member owned oxygen equipment. K0740 is a non-covered code. Claims for this code will be denied.

**Replacement:** Replacement refers to the provision of an identical or nearly identical item. Equipment which the member owns may be replaced in cases of loss or irreparable damage or wear or when required because of a change in the patient's condition. Irreparable damage refers to a specific accident or to a natural disaster.

Irreparable wear refers to deterioration sustained from day-to-day usage over time and a specific event cannot be identified. Replacement of equipment due to irreparable wear takes into consideration the reasonable useful lifetime of the equipment. If the item of equipment has been in continuous use by the member on either a rental or purchase basis for the equipment's useful lifetime, the member may elect to obtain a new piece of equipment.

The reasonable useful lifetime of DME is determined through the Medicare Claims process program instructions. In the absence of program instructions, the reasonable useful lifetime of equipment may be determined, but in no case can it be less than five (5) years. Computation of the useful lifetime is based on when the equipment is delivered to the member, not the age of the equipment. Replacement due to wear is not covered during the reasonable useful lifetime of the equipment. During the reasonable useful lifetime, repair up to the cost of replacement (but not actual replacement) for medically necessary equipment owned by the member will be covered.

Cases suggesting malicious damage, culpable neglect, or wrongful disposition of equipment will be investigated and denied when it is determined it is unreasonable to make payment under the circumstances.

Applicable Code:

Code	Description
K0462	TEMPORARY REPLACEMENT FOR PATIENT OWNED EQUIPMENT BEING REPAIRED, ANY TYPE

Suppliers should not bill K0462 when repairing *supplier owned oxygen equipment*. Payment shall not be made for loaner equipment furnished during periods when repairs or maintenance and servicing services

are performed since the equipment is not owned by the member and the loaner equipment policy only applies to member owned DME equipment.

#### **RELATED HIGHMARK POLICIES:**

Refer to the following Reimbursement Policies for additional information:

- RP-069: DME Maintenance, Repair and Replacement

#### **REFERENCES:**

- Medicare Carriers Manual Claims Process Part 3, Transmittal 1815
- Temporary Replacement Equipment (K0462) Billing Reminder (GEN), DME MAC Jurisdiction A, Posted April 20, 2007.
- CMS Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 110.2
- CMS Pub. 100-04, Medicare Claims Processing Manual, Chapter 20, Sections 40, 50.
- CMS Pub. 100-20 One Time Notification, Transmittal 443, CR 6296.

#### **POLICY UPDATE HISTORY INFORMATION:**

11 / 2021	Implementation
3 / 2022	Updated policy header
9 / 2022	Added Delaware Med Advantage applicable to the policy direction
3 / 2024	End dated policy and migrated direction to RP-069

# Highmark Reimbursement Policy Bulletin



HISTORY VERSION

**Bulletin Number:** MRP- 005  
**Subject:** Repairs, Maintenance, and Replacement of Durable Medical Equipment  
**Effective Date:** November 22, 2021      **End Date:**  
**Issue Date:** September 1, 2022      **Revised Date:** August 2022  
**Date Reviewed:** August 2022  
**Source:** Reimbursement Policy

<b>Applicable Commercial Market</b>	PA	<input type="checkbox"/>	WV	<input type="checkbox"/>	DE	<input type="checkbox"/>	NY	<input type="checkbox"/>
<b>Applicable Medicare Advantage Market</b>	PA	<input checked="" type="checkbox"/>	WV	<input checked="" type="checkbox"/>	DE	<input checked="" type="checkbox"/>	NY	<input checked="" type="checkbox"/>
<b>Applicable Claim Type</b>	UB	<input type="checkbox"/>	1500	<input checked="" type="checkbox"/>				

➔ A checked box indicates the policy is applicable to that market either entirely, or partially, as indicated within the policy.

Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this policy.

## PURPOSE:

Under the circumstances specified in this policy, payment may be made for repair, maintenance, and replacement of medically required durable medical equipment (DME). Payments for repair and maintenance may not include payment for parts and labor covered under a manufacturer's or supplier's warranty.

## REIMBURSEMENT GUIDELINES:

**Repairs:** To repair means to fix or mend and to put the equipment back in good condition after damage or wear. Repairs to equipment which a beneficiary owns are covered when necessary to make the equipment serviceable. However, payment will not be made for repair of equipment that was previously denied and not medically necessary or was otherwise not covered.

Payment is allowed for reasonable and necessary repairs or non-routine service of member owned DME (not to include Oxygen) if not otherwise covered under an equipment warranty. Procedure code K0739 was established for repair of member owned DME.

**Maintenance:** Routine periodic servicing, such as testing, cleaning, regulating, and checking of the member's equipment, is not covered. However, more extensive maintenance, based on the manufacture's recommendations, is covered for medically necessary member owned equipment. This maintenance must be performed by an authorized technician.

Durable Medical Equipment companies' reimbursement for rental equipment includes reimbursement for the expenses associated with maintaining their rental equipment. Separately itemized charges for maintenance of rented equipment are generally not covered.

Applicable Codes:

Code	Description
K0739	Repair or nonroutine service for durable medical equipment other than oxygen requiring the skill of a technician, labor component, per 15 minutes
K0740	Repair or nonroutine services for oxygen equipment requiring the skill of a technician, labor component, per 15 minutes

Suppliers should use K0739 on DME claims to bill for labor associated with the reasonable and necessary repair of member owned durable medical equipment.

Suppliers should use K0740 on DME claims to bill for labor associated with the repair of stationary or portable, member owned oxygen equipment. K0740 is a non-covered code. Claims for this code will be denied.

**Replacement:** Replacement refers to the provision of an identical or nearly identical item. Equipment which the member owns may be replaced in cases of loss or irreparable damage or wear or when required because of a change in the patient's condition. Irreparable damage refers to a specific accident or to a natural disaster.

Irreparable wear refers to deterioration sustained from day-to-day usage over time and a specific event cannot be identified. Replacement of equipment due to irreparable wear takes into consideration the reasonable useful lifetime of the equipment. If the item of equipment has been in continuous use by the member on either a rental or purchase basis for the equipment's useful lifetime, the member may elect to obtain a new piece of equipment.

The reasonable useful lifetime of DME is determined through the Medicare Claims process program instructions. In the absence of program instructions, the reasonable useful lifetime of equipment may be determined, but in no case can it be less than five (5) years. Computation of the useful lifetime is based on when the equipment is delivered to the member, not the age of the equipment. Replacement due to wear is not covered during the reasonable useful lifetime of the equipment. During the reasonable useful lifetime, repair up to the cost of replacement (but not actual replacement) for medically necessary equipment owned by the member will be covered.

Cases suggesting malicious damage, culpable neglect, or wrongful disposition of equipment will be investigated and denied when it is determined it is unreasonable to make payment under the circumstances.

Applicable Code:

Code	Description
K0462	TEMPORARY REPLACEMENT FOR PATIENT OWNED EQUIPMENT BEING REPAIRED, ANY TYPE

Suppliers should not bill K0462 when repairing *supplier owned oxygen equipment*. Payment shall not be made for loaner equipment furnished during periods when repairs or maintenance and servicing services

are performed since the equipment is not owned by the member and the loaner equipment policy only applies to member owned DME equipment.

#### RELATED HIGHMARK POLICIES:

Refer to the following Reimbursement Policies for additional information:

- RP-069: DME Maintenance, Repair and Replacement

#### REFERENCES:

- Medicare Carriers Manual Claims Process Part 3, Transmittal 1815
- Temporary Replacement Equipment (K0462) Billing Reminder (GEN), DME MAC Jurisdiction A, Posted April 20, 2007.
- CMS Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 110.2
- CMS Pub. 100-04, Medicare Claims Processing Manual, Chapter 20, Sections 40, 50.
- CMS Pub. 100-20 One Time Notification, Transmittal 443, CR 6296.

#### POLICY UPDATE HISTORY INFORMATION:

11 / 2021	Implementation
3 / 2022	Updated policy header
9 / 2022	Added Delaware Med Advantage applicable to the policy direction

# Highmark Reimbursement Policy Bulletin

HISTORY VERSION



**Bulletin Number:** MRP- 005  
**Subject:** Repairs, Maintenance, and Replacement of Durable Medical Equipment  
**Effective Date:** November 22, 2021      **End Date:**  
**Issue Date:** July 4, 2022      **Revised Date:** June, 2022  
**Date Reviewed:** June, 2022  
**Source:** Reimbursement Policy

<b>Applicable Commercial Market</b>	PA	<input type="checkbox"/>	WV	<input type="checkbox"/>	DE	<input type="checkbox"/>	NY	<input type="checkbox"/>
<b>Applicable Medicare Advantage Market</b>	PA	<input checked="" type="checkbox"/>	WV	<input checked="" type="checkbox"/>	DE	<input checked="" type="checkbox"/>	NY	<input type="checkbox"/>
<b>Applicable Claim Type</b>	UB	<input type="checkbox"/>	1500	<input checked="" type="checkbox"/>				

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## PURPOSE:

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## REIMBURSEMENT GUIDELINES:

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Durable Medical Equipment companies' reimbursement for rental equipment includes reimbursement for the expenses associated with maintaining their rental equipment. Separately itemized charges for maintenance of rented equipment are generally not covered.

Applicable Codes:

Code	Description
K0739	Repair or nonroutine service for durable medical equipment other than oxygen requiring the skill of a technician, labor component, per 15 minutes
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**Replacement:** Replacement refers to the provision of an identical or nearly identical item. Equipment which the member owns may be replaced in cases of loss or irreparable damage or wear or when required because of a change in the patient's condition. Irreparable damage refers to a specific accident or to a natural disaster.

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Applicable Code:

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#### RELATED HIGHMARK POLICIES:

Refer to the following Reimbursement Policies for additional information:

- RP-069: DME Maintenance, Repair and Replacement

#### REFERENCES:

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Temporary Replacement Equipment (K0462) Billing Reminder (GEN), DME MAC Jurisdiction A, Posted April 20, 2007.

[Local Coverage Determination for Power Mobility Devices \(L33789\) \(cms.gov\)](#)

CMS Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 110.2

[Medicare Benefit Policy Manual \(cms.gov\)](#)

CMS Pub. 100-04, Medicare Claims Processing Manual, Chapter 20, Sections 40, 50.

[Medicare Claims Processing Manual \(cms.gov\)](#)

CMS Pub. 100-20 One Time Notification, Transmittal 443, CR 6296.

[www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R443OTN.pdf](http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R443OTN.pdf)

#### POLICY UPDATE HISTORY INFORMATION:

November / 2021	Implementation
March / 2022	Changed Policy Header
July / 2022	Updated reference links as the previous ones were not accessible

# Highmark Reimbursement Policy Bulletin



**Bulletin Number:** MRP- 005  
**Subject:** Repairs, Maintenance, and Replacement of Durable Medical Equipment  
**Effective Date:** November 22, 2021      **End Date:**  
**Issue Date:** March 14, 2022      **Revised Date:** March, 2022  
**Date Reviewed:** March, 2022  
**Source:** Reimbursement Policy

<b>Applicable Commercial Market</b>	PA	<input type="checkbox"/>	WV	<input type="checkbox"/>	DE	<input type="checkbox"/>	NY	<input type="checkbox"/>
<b>Applicable Medicare Advantage Market</b>	PA	<input checked="" type="checkbox"/>	WV	<input checked="" type="checkbox"/>	DE	<input checked="" type="checkbox"/>	NY	<input type="checkbox"/>
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#### RELATED HIGHMARK POLICIES:

Refer to the following Reimbursement Policies for additional information:

- RP-069: DME Maintenance, Repair and Replacement

#### REFERENCES:

Medicare Carriers Manual Claims Process Part 3, Transmittal 1815  
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Temporary Replacement Equipment (K0462) Billing Reminder (GEN), DME MAC Jurisdiction A, Posted April 20, 2007.

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CMS Pub. 100-04, Medicare Claims Processing Manual, Chapter 20, Sections 40, 50.  
[www.cms.gov/Regulations-and-Guidance/Manuals/Downloads/clm104c20.pdf](http://www.cms.gov/Regulations-and-Guidance/Manuals/Downloads/clm104c20.pdf)

CMS Pub. 100-20 One Time Notification, Transmittal 443, CR 6296.  
[www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R443OTN.pdf](http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R443OTN.pdf)

#### POLICY UPDATE HISTORY INFORMATION:

November / 2021	Implementation
March / 2022	Changed Policy Header