

Highmark Reimbursement Policy Bulletin



HISTORY VERSION

Bulletin Number: RP-070
Subject: Continuous Rental of Life Sustaining DME
Effective Date: July 12, 2021 **End Date:**
Issue Date: November 13, 2023 **Revised Date:** November 2023
Date Reviewed: October 2023
Source: Reimbursement Policy

Applicable Commercial Market	PA	☒	WV	☒	DE	☒	NY	☒
Applicable Medicare Advantage Market	PA	☐	WV	☐	DE	☐	NY	☐
Applicable Claim Type	UB	☒	1500	☒				

➔ 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:

Durable Medical Equipment (DME) is any equipment that provides therapeutic or healing benefits to members with a specific medical condition and/or illness. DME is further defined as any equipment that can withstand repeated use and is primarily and customarily used to serve a medical purpose. These reusable items are ordered or prescribed by the patient's doctor or health care provider for use in the patient's home. This equipment can be purchased or rented, and this policy provides direction on the reimbursement parameters for these items in those circumstances.

✓ Important Note

Reimbursement policies provide guidance regarding reimbursement direction for services and procedures only. Service benefit determinations are based on the member's applicable benefit contract language in all cases and service medical necessity requirements are determined by medical policies in all cases. The member's benefits and medical policies should be referenced.

REIMBURSEMENT GUIDELINES:

While some items of durable medical equipment (DME) are for purchase only, numerous DME items can be rented or purchased. However, when an item of DME is rented, the total rental payments may not exceed the allowable purchase price of the item, unless the item has been identified as life sustaining DME. Life sustaining DME items can be continuously rented as long as a medical need exists for the equipment.

Continuous Rental of Life Sustaining Durable Medical Equipment (DME) is typically an outpatient procedure which is only eligible for coverage as an inpatient procedure in special circumstances, including, but not limited to, the presence of a co-morbid condition that would require monitoring in a more controlled environment such as the inpatient setting. Experimental/Investigational (E/I) services are not covered regardless of place of service.

The following items are identified as life sustaining DME:

- Air Fluidized beds
- Portable gaseous oxygen system
- Portable liquid oxygen system
- Stationary liquid oxygen system
- Stationary gaseous oxygen system
- Volume control ventilator (invasive or non-invasive)
- Negative pressure ventilator
- Pressure support ventilator (invasive or non-invasive)
- Respiratory assist device (invasive or non-invasive)
- Oxygen concentrator
- Portable oxygen concentrator
- Portable gaseous oxygen system or home compressor used to fill cylinders

Applicable Codes:

E0194	E0424	E0431	E0433	E0434	E0439	E0465	E0466	E0467
E0471	E0472	E1390	E1391	E1392	K0738			

Note: In order for DME items to be eligible for reimbursement, the DME supplier must meet eligibility and/or credentialing requirements as defined by the Plan.

DEFINITIONS:

Term	Definition
Durable Medical Equipment	Equipment that provides therapeutic benefits to a member because of certain medical conditions and/or illnesses that can withstand repeated use, is primarily and customarily used to serve a medical purpose and is appropriate for use in the home.

Modifier	Definition
BP	The beneficiary has been informed of the purchase and rental options and has elected to purchase the item
BR	The beneficiary has been informed of the purchase and rental options and has elected to rent the item
BU	The beneficiary has been informed of the purchase and rental options and after 30 days has not informed the supplier of his/her decision
EX	Expatriate beneficiary (for Medicare beneficiaries--used when certain durable medical equipment, orthotics, prosthetics, and supplies (DMEPOS) are eligible for reimbursement for those Medicare

	beneficiaries with permanent addresses outside of the United States for whom items were furnished while the beneficiary was in the United States)
KH	DMEPOS item, initial claim, purchase or first month rental
KI	DMEPOS item, second- or third-month rental
KJ	DMEPOS item, parenteral enteral nutrition (PEN) pump or capped rental, months four to fifteen
KL	DMEPOS item delivered via mail
KR	Rental item, billing for partial month
NR	New when rented (use the NR modifier when DME which was new at the time of rental is subsequently purchased)
NU	New DME equipment
RR	Rental DME equipment
UE	Used DME equipment

RELATED POLICIES:

Refer to the following Commercial Medical Policies for additional information:

- E-19: Oxygen

Refer to the following Reimbursement Policies for additional information:

- RP-035: Correct Coding Guidelines
- RP-069: DME Maintenance, Repair and Replacement

ADDITIONAL BILLING INFORMATION AND GUIDELINES:

Services for DME monthly rentals should be range dated on the same claim line.

REFERENCES:

- Centers for Medicare and Medicaid Services. Pub. 100-02, Medicare Claims Processing Manual, Chapter 20, Sections 30.1.2, 30.5.2, 130.9.
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>
- Centers for Medicare & Medicaid Services. Durable Medical Equipment (DME) Center.
<https://www.cms.gov/Center/Provider-Type/Durable-Medical-Equipment-DME-Center?redirect=/center/dme.asp>

POLICY UPDATE HISTORY INFORMATION:

7 / 2021	Implementation
11 / 2021	Added New York region applicable to the policy
7 / 2022	Removed Medical Policy E-25
11 / 2023	Administrative policy review with no changes in policy direction

Highmark Reimbursement Policy Bulletin

HISTORY VERSION



Bulletin Number: RP-070
Subject: Continuous Rental of Life Sustaining DME
Effective Date: July 12, 2021
End Date:
Issue Date: July 25, 2022
Revised Date: July 2022
Date Reviewed: July 2022
Source: Reimbursement Policy

Applicable Commercial Market

PA ☒ WV ☒ DE ☒ NY ☒

Applicable Medicare Advantage Market

PA ☐ WV ☐ DE ☐ NY ☐

Applicable Claim Type

UB ☒ 1500 ☒

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:

Durable Medical Equipment (DME) is any equipment that provides therapeutic or healing benefits to members with a specific medical condition and/or illness. DME is further defined as any equipment that can withstand repeated use and is primarily and customarily used to serve a medical purpose. These reusable items are ordered or prescribed by the patient's doctor or health care provider for use in the patient's home. This equipment can be purchased or rented, and this policy provides direction on the reimbursement parameters for these items in those circumstances.

✓ Important Note

Reimbursement policies provide guidance regarding reimbursement direction for services and procedures only. Service benefit determinations are based on the member's applicable benefit contract language in all cases and service medical necessity requirements are determined by medical policies in all cases. The member's benefits and medical policies should be referenced.

REIMBURSEMENT GUIDELINES:

While some items of durable medical equipment (DME) are for purchase only, numerous DME items can be rented or purchased. However, when an item of DME is rented, the total rental payments may not exceed the allowable purchase price of the item, unless the item has been identified as life sustaining DME. Life sustaining DME items can be continuously rented as long as a medical need exists for the equipment.

Continuous Rental of Life Sustaining Durable Medical Equipment (DME) is typically an outpatient procedure which is only eligible for coverage as an inpatient procedure in special circumstances, including,

but not limited to, the presence of a co-morbid condition that would require monitoring in a more controlled environment such as the inpatient setting. Experimental/Investigational (E/I) services are not covered regardless of place of service.

The following items are identified as life sustaining DME:

- Air Fluidized beds
- Portable gaseous oxygen system
- Portable liquid oxygen system
- Stationary liquid oxygen system
- Stationary gaseous oxygen system
- Volume control ventilator (invasive or non-invasive)
- Negative pressure ventilator
- Pressure support ventilator (invasive or non-invasive)
- Respiratory assist device (invasive or non-invasive)
- Oxygen concentrator
- Portable oxygen concentrator
- Portable gaseous oxygen system or home compressor used to fill cylinders

Applicable Codes:

E0194 E0424 E0431 E0433 E0434 E0439 E0465 E0466 E0467
E0471 E0472 E1390 E1391 E1392 K0738

Note: In order for DME items to be eligible for reimbursement, the DME supplier must meet eligibility and/or credentialing requirements as defined by the Plan.

DEFINITIONS:

Term	Definition
Durable Medical Equipment	Equipment that provides therapeutic benefits to a member because of certain medical conditions and/or illnesses that can withstand repeated use, is primarily and customarily used to serve a medical purpose and is appropriate for use in the home.

Modifier	Definition
BP	The beneficiary has been informed of the purchase and rental options and has elected to purchase the item
BR	The beneficiary has been informed of the purchase and rental options and has elected to rent the item
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EX	Expatriate beneficiary (for Medicare beneficiaries--used when certain durable medical equipment, orthotics, prosthetics, and supplies (DMEPOS) are eligible for reimbursement for those Medicare

	beneficiaries with permanent addresses outside of the United States for whom items were furnished while the beneficiary was in the United States)
KH	DMEPOS item, initial claim, purchase or first month rental
KI	DMEPOS item, second- or third-month rental
KJ	DMEPOS item, parenteral enteral nutrition (PEN) pump or capped rental, months four to fifteen
KL	DMEPOS item delivered via mail
KR	Rental item, billing for partial month
NR	New when rented (use the NR modifier when DME which was new at the time of rental is subsequently purchased)
NU	New DME equipment
RR	Rental DME equipment
UE	Used DME equipment

RELATED HIGHMARK POLICIES:

Refer to the following Commercial Medical Policies for additional information:

- E-19: Oxygen

Refer to the following Reimbursement Policies for additional information:

- RP-069: DME Maintenance, Repair and Replacement

ADDITIONAL BILLING INFORMATION AND GUIDELINES:

Services for DME monthly rentals should be range dated on the same claim line.

REFERENCES:

- Centers for Medicare and Medicaid Services. Pub. 100-02, Medicare Claims Processing Manual, Chapter 20, Sections 30.1.2, 30.5.2, 130.9.
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>
- Centers for Medicare & Medicaid Services. Durable Medical Equipment (DME) Center.
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POLICY UPDATE HISTORY INFORMATION:

7 / 2021	Implementation
11 / 2021	Added New York region applicable to the policy
7 / 2022	Removed Medical Policy E-25

HISTORY

Highmark Reimbursement Policy Bulletin



HISTORY VERSION

Bulletin Number: RP-070
Subject: Continuous Rental of Life Sustaining DME
Effective Date: July 12, 2021
Issue Date: November 1, 2021
Date Reviewed: July 2021
Source: Reimbursement Policy

End Date:
Revised Date: July 2021

Applicable Commercial Market

Applicable Medicare Advantage Market

Applicable Claim Type

PA	☒	WV	☒	DE	☒	NY	☒
PA	☐	WV	☐	DE	☐	NY	☐
UB	☒	1500	☒				

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PURPOSE:

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REIMBURSEMENT GUIDELINES:

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but not limited to, the presence of a co-morbid condition that would require monitoring in a more controlled environment such as the inpatient setting. Experimental/Investigational (E/I) services are not covered regardless of place of service.

The following items are identified as life sustaining DME:

- Air Fluidized beds
- Portable gaseous oxygen system
- Portable liquid oxygen system
- Stationary liquid oxygen system
- Stationary gaseous oxygen system
- Volume control ventilator (invasive or non-invasive)
- Negative pressure ventilator
- Pressure support ventilator (invasive or non-invasive)
- Respiratory assist device (invasive or non-invasive)
- Oxygen concentrator
- Portable oxygen concentrator
- Portable gaseous oxygen system or home compressor used to fill cylinders

Applicable Codes:

E0194 E0424 E0431 E0433 E0434 E0439 E0465 E0466 E0467
E0471 E0472 E1390 E1391 E1392 K0738

Note: In order for DME items to be eligible for reimbursement, the DME supplier must meet eligibility and/or credentialing requirements as defined by the Plan.

DEFINITIONS:

Term	Definition
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NU	New DME equipment
RR	Rental DME equipment
UE	Used DME equipment

RELATED HIGHMARK POLICIES:

Refer to the following Commercial Medical Policies for additional information:

- E-25: Home Pulse Oximetry Device
- E-19: Oxygen

Refer to the following Reimbursement Policies for additional information:

- RP-069: DME Maintenance, Repair and Replacement

ADDITIONAL BILLING INFORMATION AND GUIDELINES:

Services for DME monthly rentals should be range dated on the same claim line.

REFERENCES:

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POLICY UPDATE HISTORY INFORMATION:

7 / 2021	Implementation
11 / 2021	Added New York region applicable to the policy

HISTORY

Highmark Reimbursement Policy Bulletin



Bulletin Number: RP-070
Subject: Continuous Rental of Life Sustaining DME
Effective Date: July 12, 2021
Issue Date: July 12, 2021
Date Reviewed: June 2021
Source: Reimbursement Policy

Applicable Commercial Market

Applicable Medicare Advantage Market

Applicable Claim Type

PA	☒	WV	☒	DE	☒
PA	☐	WV	☐		
UB	☒	1500	☒		

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Applicable Codes:

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- E-19: Oxygen

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<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>
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POLICY UPDATE HISTORY INFORMATION:

7 / 2021	Implementation
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HISTORY