Title: Durable Medical Equipment

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Description:

Durable Medical Equipment (DME) is any equipment that provides therapeutic or healing benefits to members with a specific medical condition and/or illness. DME includes, but is not limited to, wheelchairs (manual and electric), hospital beds, traction equipment, canes, crutches, walkers, ventilators, oxygen equipment, monitors, pressure mattresses, nebulizers, prosthetics, and continuous positive airway pressure equipment (CPAP). DME is further defined as any equipment that can withstand repeated use, is primarily and customarily used to serve a medical purpose, must not be useful to a person in the absence of illness or injury, and must be appropriate for use in the home. These reusable items are ordered or prescribed by the patient's doctor or health care provider for use in the patient's home. This policy provides reimbursement direction for this equipment when it is purchased or rented and at times may need repairs or replacement.

Reimbursement Guidelines:

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

DME Repairs, Maintenance, Replacement

Under the circumstances, reimbursement may be made for repair, maintenance, and replacement of medically required durable medical equipment which the individual owns or is purchasing, but not for rented DME. Reimbursement for repair and maintenance may not include payment for parts and labor covered under a manufacturer or supplier warranty.

When necessary, if not otherwise covered under an equipment warranty, reasonable and necessary repairs to make the equipment functional and operational is reimbursable. The repair charge may include the use of loaner equipment where this is required and reimbursement for loaner equipment is only considered for member owned DME (excluding oxygen for Mediare Advantage). Reimbursement will not be made for repair of equipment that was previously denied and not medically necessary or was otherwise not covered under the member's benefit. Repairs of equipment that are a result of abuse or neglect are not reimbursed.

Routine periodic maintenance, such as testing, cleaning, regulating, and checking of the DME is not reimbursed. However, if the manufacturers' recommendations require more extensive maintenance to be performed, this maintenance must be performed by authorized technicians and would be reimbursed for medically necessary member owned equipment. Reimbursement for rental DME equipment includes reimbursement for the expenses associated with maintaining it. Separately itemized charges for maintenance of rented equipment are generally not reimbursed.

Replacement of equipment is reimbursed when a change in the condition of the patient requires it. Reimbursement is also considered in cases of irreparable damage, irreparable wear, or loss of the equipment. Replacement 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 Centers for Medicare and Medicaid Services (CMS) 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 considered for reimbursement. Replacement of DME that is a result of abuse or neglect is not eligible for reimbursement. Cases suggesting malicious damage, culpable neglect, or wrongful disposition of DME will be investigated and denied as member liable when it is determined reimbursement is unreasonable under the circumstances.

Total reimbursement for a rental item may not exceed its allowable purchase price, except for those items identified as life sustaining DME.

Continuous Rental of Life Sustaining DME (Commercial only)

Continuous rental of life sustaining DME is typically an outpatient procedure which is only eligible for reimbursement (if covered) as an inpatient procedure in special circumstances. This would include, but not be limited to, the presence of a co-morbid condition that requires monitoring in a more controlled environment such as the inpatient setting.

While some items of DME are for purchase only, numerous DME items can be rented or purchased. However, when 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 if a medical need exists for the equipment. The following items are identified as life sustaining DME:

- Air Fluidized beds
- Negative pressure ventilator
- Pressure support ventilator (invasive or non-invasive)
- Volume control ventilator (invasive or non-invasive)
- Respiratory assistance device (invasive or non-invasive)
- Oxygen concentrator
- Portable oxygen concentrator
- Portable gaseous oxygen system
- Portable liquid oxygen system
- Stationary liquid oxygen systems
- Stationary gaseous oxygen system
- 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													

DME (Commercial only)

Purchase only applicable codes:

A4206	A4353	A4604	A4774	A6221	A6444	A6555	A7009	E0731	J7626	K0113	K0613	Q4030	S8423
A4207	A4360	A4606	A4780	A6222	A6445	A6556	A7010	E0735	J7627	K0168	K0614	Q4031	S8424
A4208	A4362	A4608	A4790	A6223	A6446	A6557	A7011	E0736	J7628	K0169	K0620	Q4032	S8425
A4209	A4438	A4613	A4800	A6224	A6447	A6558	A7012	E0749	J7629	K0172	K0621	Q4033	S8426
A4210	A4450	A4614	A4801	A6228	A6448	A6559	A7013	E0751	J7630	K0173	K0622	Q4034	S8427
A4211	A4452	A4615	A4802	A6229	A6449	A6560	A7014	E0752	J7631	K0175	K0623	Q4035	S8428
A4212	A4453	A4616	A4820	A6230	A6450	A6561	A7015	E0753	J7632	K0182	K0624	Q4036	S8429
A4213	A4454	A4617	A4850	A6231	A6451	A6562	A7016	E0756	J7633	K0183	K0625	Q4037	S8430
A4214	A4455	A4619	A4860	A6232	A6452	A6563	A7018	E0757	J7634	K0184	K0739	Q4038	S8431
A4215	A4458	A4620	A4870	A6233	A6453	A6564	A7019	E0765	J7635	K0185	K0740	Q4039	S8450
A4216	A4459	A4627	A4880	A6234	A6454	A6565	A7020	E0770	J7636	K0186	K0744	Q4040	S8451
A4217	A4460	A4628	A4890	A6235	A6455	A6566	A7023	E0785	J7637	K0187	K0745	Q4041	S8452
A4218	A4461	A4630	A4900	A6236	A6456	A6567	A7026	E1015	J7638	K0188	K0746	Q4042	S8490
A4220	A4462	A4632	A4901	A6237	A6457	A6568	A7027	E1016	J7639	K0189	K1005	Q4043	S8999
A4221	A4463	A4633	A4905	A6238	A6460	A6569	A7028	E1017	J7640	K0190	K1020	Q4044	S9109
A4222	A4465	A4634	A4910	A6239	A6461	A6570	A7029	E1018	J7641	K0192	K1026	Q4045	S9110
A4223	A4470	A4638	A4911	A6240	A6501	A6571	A7030	E1340	J7642	K0283	K1027	Q4046	T1500
A4224	A4480	A4639	A4912	A6241	A6502	A6572	A7031	E1352	J7643	K0409	K1037	Q4047	T1505
A4225	A4490	A4649	A4913	A6242	A6503	A6573	A7032	E1353	J7644	K0452	L8678	Q4048	T1999
A4226	A4495	A4651	A4914	A6243	A6504	A6574	A7033	E1500	J7645	K0503	L8679	Q4049	T4521
A4230	A4500	A4652	A4918	A6244	A6505	A6575	A7034	E1634	J7647	K0504	L8680	Q4050	T4522
A4231	A4510	A4653	A4919	A6245	A6506	A6576	A7035	E1637	J7648	K0505	L8682	Q4051	T4523
A4232	A4520	A4655	A4920	A6246	A6507	A6577	A7036	E1638	J7649	K0506	L8685	Q4074	T4524
A4233	A4521	A4656	A4921	A6247	A6508	A6578	A7037	E1639	J7650	K0507	L8686	Q4075	T4525
A4234	A4522	A4657	A4927	A6248	A6509	A6579	A7038	E1701	J7651	K0508	L8687	Q4076	T4526
A4235	A4523	A4660	A4928	A6250	A6510	A6580	A7039	E1702	J7652	K0509	L8688	Q4080	T4527
A4236	A4524	A4663	A4929	A6251	A6511	A6581	A7040	E2102	J7653	K0511	L8689	Q4093	T4528
A4238	A4525	A4670	A4930	A6252	A6512	A6582	A7041	E2210	J7654	K0512	Q0500	Q4094	T4529
A4239	A4526	A4671	A4931	A6253	A6513	A6583	A7042	E2212	J7655	K0513	Q0501	Q4099	T4530
A4244	A4527	A4672	A4932	A6254	A6516	A6584	A7043	E2213	J7657	K0514	Q0502	Q9994	T4531
A4245	A4528	A4673	A5057	A6255	A6517	A6585	A7044	E2215	J7658	K0515	Q0503	S0142	T4532

A4246	A4529	A4674	A6010	A6256	A6518	A6586	A7045	G0025	J7659	K0516	Q0504	S0143	T4533
A4247	A4530	A4680	A6011	A6257	A6519	A6587	A7046	G9018	J7660	K0518	Q0506	S0206	T4534
A4248	A4531	A4690	A6020	A6258	A6520	A6588	A7047	G9034	J7665	K0519	Q0507	S1015	T4535
A4250	A4532	A4700	A6021	A6259	A6521	A6589	A7048	J0133	J7667	K0520	Q0508	S1016	T4536
A4252	A4533	A4705	A6022	A6260	A6522	A6590	A7049	J1265	J7668	K0521	Q0509	S1030	T4537
A4253	A4534	A4706	A6023	A6261	A6523	A6591	A8002	J1811	J7669	K0522	Q4001	S1035	T4538
A4255	A4535	A4707	A6024	A6262	A6524	A6593	A8003	J1813	J7670	K0523	Q4002	S1036	T4539
A4256	A4536	A4708	A6025	A6263	A6525	A6594	A8004	J1817	J7672	K0524	Q4003	S1037	T4540
A4257	A4537	A4709	A6154	A6264	A6526	A6595	A9272	J7051	J7674	K0525	Q4004	S5560	T4541
A4258	A4538	A4712	A6196	A6265	A6527	A6596	A9273	J7340	J7675	K0526	Q4005	S5561	T4542
A4259	A4540	A4714	A6197	A6266	A6528	A6597	A9274	J7601	J7676	K0527	Q4006	S8096	T4543
A4262	A4550	A4719	A6198	A6402	A6529	A6598	A9275	J7602	J7677	K0528	Q4007	S8097	T4544
A4263	A4553	A4720	A6199	A6403	A6530	A6599	A9276	J7603	J7680	K0529	Q4008	S8100	T5999
A4264	A4554	A4721	A6200	A6404	A6531	A6600	A9281	J7604	J7681	K0535	Q4009	S8101	V5336
A4265	A4555	A4722	A6201	A6405	A6532	A6601	A9284	J7605	J7682	K0536	Q4010	S8130	Y0090
A4270	A4556	A4723	A6202	A6406	A6533	A6602	A9286	J7606	J7683	K0537	Q4011	S8131	Z0460
A4271	A4557	A4724	A6203	A6407	A6534	A6603	A9292	J7607	J7684	K0539	Q4012	S8186	Z0783
A4281	A4558	A4725	A6204	A6410	A6535	A6604	A9506	J7608	J7685	K0540	Q4013	S8190	Z4206
A4282	A4559	A4726	A6205	A6411	A6536	A6605	A9999	J7609	J7686	K0552	Q4014	S8210	Z4331
A4283	A4560	A4728	A6206	A6412	A6537	A6606	E0370	J7610	J7699	K0553	Q4015	S8260	Z4559
A4284	A4561	A4730	A6207	A6421	A6538	A6607	E0425	J7611	J7799	K0554	Q4016	S8265	99070
A4285	A4562	A4735	A6208	A6422	A6539	A6608	E0430	J7612	K0008	K0555	Q4017	S8270	
A4286	A4564	A4736	A6209	A6424	A6540	A6609	E0435	J7613	K0013	K0572	Q4018	S8300	
A4287	A4565	A4737	A6210	A6426	A6541	A6610	E0440	J7614	K0014	K0573	Q4019	S8301	
A4288	A4566	A4740	A6211	A6428	A6542	A6611	E0441	J7615	K0064	K0601	Q4020	S8400	
A4290	A4570	A4750	A6212	A6430	A6543	A7000	E0442	J7616	K0068	K0602	Q4021	S8401	
A4300	A4572	A4755	A6213	A6432	A6544	A7001	E0443	J7617	K0078	K0603	Q4022	S8402	
A4301	A4575	A4760	A6214	A6434	A6545	A7002	E0444	J7618	K0091	K0604	Q4023	S8403	
A4305	A4580	A4765	A6215	A6436	A6549	A7003	E0447	J7619	K0093	K0605	Q4024	S8404	
A4306	A4590	A4766	A6216	A6438	A6550	A7004	E0485	J7620	K0095	K0607	Q4025	S8405	
A4319	A4595	A4770	A6217	A6440	A6551	A7005	E0486	J7621	K0097	K0609	Q4026	S8415	
A4341	A4600	A4771	A6218	A6441	A6552	A7006	E0487	J7622	K0098	K0610	Q4027	S8420	
A4342	A4601	A4772	A6219	A6442	A6553	A7007	E0616	J7624	K0109	K0611	Q4028	S8421	
A4352	A4602	A4773	A6220	A6443	A6554	A7008	E0676	J7625	K0112	K0612	Q4029	S8422	

Rental only applicable codes:

A4639	E0433	E0454	E0465	E0469	E0619	E0681	E0733	E0766	E1391	E2402	K0534	K0738	S1031
E0194	E0434	E0461	E0466	E0472	E0678	E0682	E0734	E0769	E1392	E3000	K0538	K0741	S8105
E0424	E0439	E0463	E0467	E0530	E0679	E0683	E0735	E0781	E1832	K0462	K0606	K0742	S8120
E0431	E0450	E0464	E0468	E0618	E0680	E0732	E0743	E1390	E2001	K0533	K0671	K0743	S8121

DME Capped Rentals (Medicare Advantage only)

The Plan follows the CMS payment methodology on capped rental items for all Medicare Advantage products. These items are denoted as payment class “CR” (Capped Rental) on the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule.

Under the CMS payment methodology, items denoted as payment class “CR” are paid for as rentals only. Generally, they cannot be purchased upfront, except in certain situations (e.g., electric wheelchairs meeting certain criteria). Upon reaching the final monthly payment on items and services in this category, ownership will transfer to the member.

Note: Claims for rental items not designated as CR will continue to be paid at the monthly allowable fee until the purchase price is met at which time ownership of the item will transfer to the member.

The chart below outlines the payment schedule and required modifiers for capped rental items for Medicare Advantage:

Schedule	Reimbursement	Required Modifier
Month 1	10% of purchase price paid	KH
Months 2-3	10% of purchase price paid	KI
Months 4-13 (4-15 for PEN pumps)	7.5% of purchase price paid	KJ

Exception: Power wheelchairs will be reimbursed at 15% for months 1-3 and 6% for months 4-13. Modifiers are the same as above.

Applicable codes to DME capped rentals:

A4593	E0198	E0296	E0483	E0636	E0736	E0912	*E1007*	E1060	E1200	E1800	E1825	*E2312*	E2402
A4639	E0202	E0297	E0490	E0639	E0738	E0920	*E1008*	E1070	E1221	E1801	E1826	*E2313*	E3000
A7025	E0235	E0300	E0530	E0640	E0739	E0930	*E1010*	E1083	E1222	E1802	E1827	*E2321*	E3200
E0117	E0236	E0301	E0550	E0656	E0740	E0940	*E1012*	E1084	E1223	E1803	E1828	*E2322*	K0001
E0140	E0250	E0302	E0565	E0657	E0743	E0941	*E1014*	E1087	E1224	E1804	E1829	*E2325*	K0002
E0144	E0251	E0303	E0570	E0658	E0744	E0946	*E1020*	E1088	E1225	E1805	E1830	*E2326*	K0003
E0149	E0255	E0304	E0572	E0659	E0745	*E0955*	*E1028*	E1092	E1228	E1806	E1831	*E2327*	K0004
E0165	E0256	E0305	E0574	E0675	E0749	*E0958*	*E1029*	E1093	E1232	E1807	E1832	*E2328*	K0006
E0170	E0260	E0316	E0575	E0677	E0762	*E0968*	*E1030*	E1100	E1233	E1808	E1840	*E2329*	K0007
E0171	E0261	E0371	E0585	E0678	E0764	*E0983*	*E1031*	E1110	E1234	E1810	E1841	*E2330*	K0009
E0181	E0265	E0372	E0600	E0679	E0779	*E0984*	*E1032*	E1150	E1235	E1811	E1905	*E2368*	K0010
E0182	E0266	E0373	E0601	E0680	E0781	*E0985*	*E1033*	E1160	E1236	E1812	E2000	*E2369*	K0011
E0183	E0277	E0462	E0606	E0681	E0784	*E0986*	*E1034*	E1161	E1237	E1813	E2001	*E2370*	K0012
E0186	E0290	E0469	E0617	E0682	E0791	*E0988*	*E1035*	E1170	E1238	E1814	E2120	*E2373*	K0015
E0187	E0291	E0470	E0618	E0683	E0849	*E1002*	*E1036*	E1171	E1240	E1815	*E2227*	*E2374*	K0070
E0193	E0292	E0471	E0619	E0732	E0855	*E1003*	E1037	E1172	E1270	E1816	*E2228*	*E2375*	K0195
E0194	E0293	E0472	E0620	E0733	E0856	*E1004*	E1038	E1180	E1280	E1818	*E2298*	*E2376*	K0606
E0196	E0294	E0480	E0630	E0734	E0910	*E1005*	E1039	E1190	E1295	E1822	*E2310*	*E2377*	K0607
E0197	E0295	E0482	E0635	E0735	E0911	*E1006*	E1050	E1195	E1700	E1823	*E2311*	*E2378*	K0730

Note: Italicized codes above represent power wheelchair accessories that are only available to purchase IF the wheelchair has been approved for purchase. Power wheelchair and accessory codes should be submitted on the same claim to avoid unnecessary denials.

Applicable class 2 or 3 power wheelchair codes:

K0813	K0816	K0822	K0825	K0828	K0836	K0839	K0842	K0849	K0852	K0855	K0858	K0861	K0864
K0814	K0820	K0823	K0826	K0829	K0837	K0840	K0843	K0850	K0853	K0856	K0859	K0862	
K0815	K0821	K0824	K0827	K0835	K0838	K0841	K0848	K0851	K0854	K0857	K0860	K0863	

Oxygen Equipment (Medicare Advantage only)

In alignment with CMS, reimbursement for oxygen equipment is limited to 36 monthly rental payments. After the 36-month rental period ends, the Plan will reimburse for oxygen contents monthly and for maintenance once every 6 months. Ownership of the oxygen delivery equipment will remain with the equipment supplier. After the 36-month rental period ends, according to CMS policy, Highmark will pay for oxygen contents monthly and for maintenance once every six months. Ownership of the oxygen delivery equipment will remain with the equipment supplier.

Reimbursement for accessories (e.g., cannula, tubing, etc.), delivery, back-up equipment, maintenance, and repairs will be included in the rental allowance. Reimbursement for oxygen contents (stationary and/or portable) will also be included in the allowance for stationary equipment (E0424, E0439, E1390, E1391).

Supplier Responsibilities

The supplier who provides oxygen equipment for the first month must continue to provide any necessary oxygen equipment, and all related items and services, through the 36-month rental period unless one of the following exceptions is met:

- The beneficiary relocates temporarily or permanently outside of the supplier's service area;
- The beneficiary elects to obtain oxygen from a different supplier; or
- The Plan makes individual case exceptions.

Providing different oxygen equipment/modalities (e.g., concentrator [stationary or portable], gaseous, liquid, transfilling equipment) is not permitted unless one of the following requirements is met:

- The supplier replaces the equipment with the same or equivalent item;
- The physician orders different equipment;
- The member chooses to receive an upgrade and signs a Pre-Service Denial Notice; or
- The Plan determines that a change in equipment is warranted.

Reasonable Useful Lifetime (RUL)

After 36 rental reimbursements have been made, there will be no further reimbursement for oxygen equipment during the 5-year reasonable useful lifetime (RUL) of the equipment. The RUL is not based on the chronological age of the equipment. It starts on the initial date of service and runs for five years from that date. If use of portable equipment (E0431, E0433, E0434, E1392, K0738) begins after the use of stationary equipment begins, reimbursement for the portable equipment can continue after reimbursement for the stationary equipment ends until 36 rental reimbursements have been made for the portable equipment.

The supplier who provided the equipment during the thirty-sixth rental month is required to continue to provide the equipment, accessories, contents (if applicable), maintenance, and repair of the oxygen equipment during the 5-year RUL of the equipment. Any time after the end of the 5-year RUL period for oxygen equipment, the beneficiary may elect to receive new equipment, thus beginning a new 36-month rental period.

Reimbursement for Oxygen Content

Reimbursement for stationary and portable contents is included in the fee schedule allowance for stationary equipment. No reimbursement can be made for oxygen contents in a month in which reimbursement is made for stationary equipment. If the patient was using stationary gaseous or liquid oxygen equipment during the thirty-sixth rental month, reimbursement for stationary contents (E0441 or E0442) begins when the rental period for the stationary equipment ends.

Coding:

When the charge for the loaner DME is not included in the repair (labor) charge, code K0462 should be used for DME that has been rented by the member and code K0739 for DME (K0740 for oxygen) that has been purchased by the member.

Applicable Codes: K0462 K0739 K0740

Note: For Medicare Advantage, code K0740 is not eligible for reimbursement.

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

DME claims must indicate whether the item(s) is rented or purchased. Purchased equipment must specify whether it is new or used. If the claim does not indicate whether the item is new or used, the item may be denied for the appropriate modifier. Some modifiers are for informational purposes only, while other modifiers are used to report additional information to the code description of the product or service. Using a modifier inappropriately can result in the denial of a claim or an incorrect reimbursement. To increase specificity, other modifiers may be used in addition to those listed in this policy. The table in the definition section of this policy indicates the Healthcare Common Procedure Coding System (HCPCS) modifiers used for DME. The Plan expects providers to use the modifiers in this policy to increase efficiency and timely reimbursement.

Additional information on DME and billing can be found in the Provider Manual Chapter 4 Unit 4 on the Provider Resource Center.

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.
Irreparable Damage	Irreparable damage refers to a specific accident or to a natural disaster. While the term irreparable damage means the item is not repairable, in the context of this policy, irreparable damage also refers to equipment that is not cost effective to repair.
Irreparable Wear	Deterioration of equipment sustained from day-to-day usage over time and a specific event cannot be identified. Irreparable wear means the item is not repairable. However, in the context of this policy, irreparable wear also means equipment is not cost effective to repair.
Loaner Equipment	Equipment that is temporarily provided to the member by the provider while maintenance is performed on the primary DME.
Maintenance	Extensive maintenance to be performed by authorized technicians, based on the manufacturers' recommendations.
Repairs	Equipment repairs after damage or wear when necessary to make the equipment usable and fulfill its function adequately.
Replacement	Equipment which the member owns or is a capped rental item that needs replaced.

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 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)
KC	Replacement of special power wheelchair interface
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
KX	Requirements specified in the medical policy have been met
LL	Lease/rental (use when DME equipment rental is to be applied against the purchase price)
MS	Six-month maintenance and servicing fee for reasonable and necessary parts and labor which are not covered under any manufacturer or supplier warranty
NR	New when rented (use the NR modifier when DME which was new at the time of rental is subsequently purchased)
NU	New durable medical equipment purchase
RA	Replacement of a DME orthotic or prosthetic item furnished as part of a repair
RB	Replacement of a part of DME orthotic or prosthetic item furnished as part of a repair
RR	Rental (Use this 'RR' modifier when DME is to be rented)
UE	Used durable medical equipment purchase

References:

- Centers for Medicare and Medicaid Services (CMS); Pub. 100-02, Medicare Claims Processing Manual, Chapter(s) 15, 17, and 20.
- Centers for Medicare & Medicaid Services; Durable Medical Equipment (DME) Center.
- Centers for Medicare & Medicaid Services (CMS); DME, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

Related Plan Policies:

Refer to the following Commercial Medical Policies for additional information:

- E-1: Durable Medical Equipment
- E-2: Home Dialysis Equipment and Supplies
- E-6: Wheelchairs (WC) and Options/Accessories
- E-8: Patient Lifts
- E-12: Beds – Accessories and Related Items
- E-15: Diabetic Services, Continuous Glucose Monitoring, and Supplies
- E-17: Portable External Infusion Pump
- E-20: Devices Used for the Treatment of Obstructive Sleep Apnea in Adults
- E-32: Nebulizers
- E-34: Respiratory Assist Devices
- E-36: Speech Generating Devices
- E-40: Functional Neuromuscular Electrical Stimulation and Other Electrical Stimulators
- E-52: Home Cervical Traction Therapy
- E-68: High Frequency Chest Wall Oscillation Devices

Refer to the following Medicare Advantage Medical Policies for additional information:

- E-1: Durable Medical Equipment Reference List
- E-19: Oxygen Equipment
- E-20: Positive Airway Pressure Devices for the Treatment of Obstructive Sleep Apnea
- E-32: Nebulizers
- E-76: Walkers
- Z-81: Oximeter Services

- Z-99: Standard Documentation Requirements for All Claims Submitted to Durable Medical Equipment Medicare Administrative Contracts

Refer to the following Reimbursement Policies for additional information:

- RP-035: Correct Coding Guidelines

Policy Update History:

3 / 2024	Merged direction from MRP-005 into policy
7 / 2026	Added modifiers and direction for processes already occurring and merged RP-070 direction into policy with new template

Highmark Reimbursement Policy Bulletin

HISTORY VERSION

Bulletin Number:	RP-069		
Subject:	DME Maintenance, Repair and Replacement		
Effective Date:	July 12, 2021	**End Date:**	
Issue Date:	March 18, 2024	**Revised Date:**	March 2024
Date Reviewed:	March 2024		
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. At times this equipment may need repaired or replaced 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:

Under the circumstances specified below, reimbursement may be made for repair, maintenance, and replacement of medically required durable medical equipment which the individual owns or is purchasing. Reimbursement for repair and maintenance may not include payment for parts and labor covered under a manufacturer's or supplier's warranty.

Repairs

Repairs are reimbursed, when necessary, to make the equipment functional and operational. The repair

charge may include the use of loaner equipment where this is required. When the charge for the loaner equipment is not included in the repair charge, code K0462 should be used. Repairs of the DME that are a result of abuse or neglect are not reimbursed.

Maintenance
Routine periodic servicing, such as testing, cleaning, regulating, and checking of the equipment is not reimbursed. However, more extensive maintenance which, based on the manufacturers' recommendations, is to be performed by authorized technicians, would be reimbursed as repairs. This maintenance must be performed by an authorized technician.

Replacement
Replacement of equipment is reimbursed when due to a change in the condition of the patient that requires it. Reimbursement is also made in cases of irreparable damage, irreparable wear, or loss of the equipment. Replacement of equipment due to irreparable wear takes into consideration the reasonable useful lifetime of the equipment. Replacement of the DME that are a result of abuse or neglect are not reimbursed.

Total reimbursement for a rental item may not exceed its allowable purchase price, except for those items identified as life sustaining DME. (see RP-070, Continuous Rental of Life Sustaining Durable Medical Equipment)

Reimbursement for code K0462 is only made for DME that has been rented by the member and K0739 is only considered reimbursable for DME that has been purchased by the member.

Applicable Codes:

Code	Description
K0462	Temporary replacement for patient owned equipment being repaired, any type
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

Additional Reimbursement Guidelines for Medicare Advantage

Repairs
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.

Reimbursement 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.

Suppliers should not bill K0462 when repairing supplier owned oxygen equipment. Reimbursement will not be made for loaner equipment furnished during periods when repairs, maintenance, or servicing services are performed on rented equipment, since rental equipment is not owned by the member. Reimbursement for loaner equipment is only considered for member owned DME equipment.

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.

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.

Suppliers should use code K0739 to bill for labor associated with the reasonable and necessary repair of member owned durable medical equipment. Suppliers should use code K0740 to bill for labor associated with the repair of stationary or portable, member owned oxygen equipment. K0740 is a non-covered code and claims or claim lines for code K0740 will be denied.

Replacement
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.

ADDITIONAL BILLING INFORMATION AND GUIDELINES:

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 reimbursement under the circumstances.

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.
Irreparable Damage	Irreparable damage refers to a specific accident or to a natural disaster. While the term irreparable damage means the item is not repairable, in the context of this policy, irreparable damage also refers to equipment that is not cost effective to repair.
Irreparable Wear	Deterioration of equipment sustained from day-to-day usage over time and a specific event cannot be identified. Irreparable wear means the item is not repairable. However, in the context of this policy, irreparable wear also means equipment is not cost effective to repair.
Loaner Equipment	Equipment that is temporarily provided to the member by the provider while maintenance is performed on the primary DME.
Maintenance	More extensive maintenance which, based on the manufacturers' recommendations, is to be performed by authorized technicians.
Repairs	Repairs to equipment after damage or wear when necessary to make the equipment usable and fulfill its function adequately.
Replacement	Equipment which the member owns or is a capped rental item that needs replaced.

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
KC	Replacement of special power wheelchair interface
MS	Six-month maintenance and servicing fee for reasonable and necessary parts and labor which are not covered under any manufacturer or supplier warranty
RA	Replacement of a DME orthotic or prosthetic item
RB	Replacement of a part of DME orthotic or prosthetic item furnished as part of a repair

RELATED POLICIES:

Refer to the following Commercial Medical Policies for additional information:

- E-1: Durable Medical Equipment
- E-2: Home Dialysis Equipment and Supplies
- E-6: Wheelchairs (WC) and Options/Accessories
- E-8: Patient Lifts
- E-12: Beds – Accessories and Related Items
- E-20: Devices Used for the Treatment of Obstructive Sleep Apnea in Adults
- E-32: Nebulizers
- E-34: Respiratory Assist Devices
- E-52: Home Cervical Traction Therapy
- E-68: High Frequency Chest Wall Oscillation Devices

Refer to the following Reimbursement Policies for additional information:

- RP-035: Correct Coding Guidelines
- RP-070: Continuous Rental of Life Sustaining Durable Medical Equipment

REFERENCES:

- Centers for Medicare and Medicaid Services. Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 110.2. https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf
- Medicare Carriers Manual Claims Process Part 3, Transmittal 1815
- Temporary Replacement Equipment (K0462) Billing Reminder (GEN), DME MAC Jurisdiction A, Posted April 20, 2007.
- Centers for Medicare and Medicaid Services Pub. 100-04, Medicare Claims Processing Manual, Chapter 20, Sections 40, 50.
- Centers for Medicare and Medicaid Services Pub. 100-20 One Time Notification, Transmittal 443, CR 6296.

POLICY UPDATE HISTORY INFORMATION:

7 / 2021	Implementation
11 / 2021	Added New York region applicable to the policy
7 / 2022	Removed Medical Policies E-3, E-21, E-37
10 / 2023	Administrative policy review with no changes in policy direction
3 / 2024	Merged direction from MRP-005 into policy