

Durable Medical Equipment Orthotics and Prosthetics Policy, Professional

IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY

You are responsible for submission of accurate claims. This reimbursement policy is intended to ensure that you are reimbursed based on the code or codes that correctly describe the health care services provided. UnitedHealthcare Individual Exchange reimbursement policies may use Current Procedural Terminology (CPT®*), Centers for Medicare and Medicaid Services (CMS) or other coding guidelines. References to CPT or other sources are for definitional purposes only and do not imply any right to reimbursement.

This reimbursement policy applies to all health care services billed on CMS 1500 form. Coding methodology, industry-standard reimbursement logic, regulatory requirements, benefits design and other factors are considered in developing reimbursement policy.

This information is intended to serve only as a general reference resource regarding UnitedHealthcare Individual Exchange’s reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare Individual Exchange may use reasonable discretion in interpreting and applying this policy to health care services provided in a particular case. Further, the policy does not address all issues related to reimbursement for health care services provided to UnitedHealthcare Individual Exchange enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates, the physician or other provider contracts, the enrollee’s benefit coverage documents and/or other reimbursement, medical or drug policies. Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by UnitedHealthcare Individual Exchange due to programming or other constraints; however, UnitedHealthcare Individual Exchange strives to minimize these variations.

UnitedHealthcare Individual Exchange may modify this reimbursement policy at any time by publishing a new version of the policy on this Website. However, the information presented in this policy is accurate and current as of the date of publication.

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Application

This reimbursement policy applies to UnitedHealthcare Individual Exchange products.

This reimbursement policy applies to services reported using the 1500 Health Insurance Claim Form (a/k/a CMS-1500) or its electronic equivalent or its successor form. This policy applies to all products, all network and non-network physicians and other qualified health care professionals, including, but not limited to, non-network authorized and percent of charge contract physicians and other qualified health care professionals.

Applicable States:

This reimbursement policy **applies to Individual Exchange benefit plans in all states except for Massachusetts, Nevada, and New York.**

Policy						
Overview						
<p>This policy describes how UnitedHealthcare Individual Exchange reimburses for the rental and/or purchase of certain items of Durable Medical Equipment (DME), Prosthetics and Orthotics. The provisions of this policy apply to the Same Specialty Physicians and Other Health Care Professionals, which includes DME, Prosthetic and Orthotic vendors, renting or selling DME, Prosthetics or Orthotics.</p> <p>Refer to the UnitedHealthcare Individual Exchange's "Maximum Frequency per Day" policy for additional information pertaining to reimbursement for physician claims submitted with multiple units for the same Current Procedural Terminology, (CPT®) or Healthcare Common Procedure Coding System (HCPCS) code on the same date of service.</p>						
Reimbursement Guidelines						
Rental or Purchase Modifiers						
<p>Some DME items are eligible for rental as well as for purchase. The codes representing these items are listed in Modifier Required Code List in the "Attachments" section below and must be reported with the appropriate rental or purchase modifier in order to be considered for reimbursement.</p> <p>Some DME items are eligible for rental only and must be reported with an appropriate rental modifier.</p>						
DME Items Eligible for Rental Only						
E0424	E0431	E0433	E0434	E0439	E1392	K0738
<p>Rental guidelines are explained further in the sections titled "Monthly Rental" and "Daily Rental".</p>						
<u>Rental Modifiers</u>						
The vendor must specify monthly rental of equipment using one or more of the following modifiers:						
<ul style="list-style-type: none"> • KH • KI • KR Partial month • LL (use the LL modifier when DME equipment rental is to be applied against the purchase price). • RR 						
<u>Purchase Modifiers</u>						
The following modifiers indicate that an item has been purchased:						
<ul style="list-style-type: none"> • KM • KN • NR (use the NR modifier when DME which was new at the time of rental is subsequently purchased) • NU • UE 						
<u>Other Allowable DME Modifiers</u>						
<ul style="list-style-type: none"> • MS Six-month maintenance and servicing fee for reasonable and necessary parts and labor which are not covered under any manufacturer or supplier warranty. 						

Monthly Rental

Monthly Rental

Monthly rental of DME, orthotics, or prosthetics identified by the applicable code with a rental modifier RR and/or modifiers KH, KI, KJ, KR, LL appended will be reimbursed once per Calendar Month to the Same Specialty Physician or Other Health Care Professional. A Calendar Month is the period of duration from a day of one month to the corresponding day of the next month (please see Definitions) and is determined based on the "From" date reported on the claim.

If a code is submitted with modifier RR and/or modifiers KH, KI, KJ, KR, LL with units greater than 1, or multiple times during the same Calendar Month, UnitedHealthcare Individual Exchange will only reimburse one monthly rate per Calendar Month to the Same Specialty Physician or Other Health Care Professional except where noted below.

Modifiers RT and LT

An additional rental rate will be allowed in the same Calendar Month for codes with a rental modifier when both modifiers RT and LT are submitted for the same HCPCS code on separate lines. Modifiers RT and LT may be used to report an item for the right or left side of the body and convey that multiples of that item are being utilized.

Second Ventilator

It may be necessary for a patient to rent two ventilators in the same month. Examples of situations where a second ventilator may be necessary include:

- A patient requires one type of ventilator (e.g., a negative pressure ventilator with a chest shell) for part of the day and needs a different type of ventilator (e.g., a positive pressure ventilator with a nasal mask) during the rest of the day.
- A patient who is confined to a wheelchair requires a ventilator mounted on the wheelchair for use during the day and needs another ventilator of the same type for use while in bed. Without both pieces of equipment, the patient may be prone to certain medical complications, may not be able to achieve certain appropriate medical outcomes, or may not be able to use the medical equipment effectively.

One additional rental rate will be allowed in the same Calendar Month for a second ventilator reported with a rental modifier plus modifier KX (Requirements specified in the medical policy have been met), appended to HCPCS codes E0465, E0466, OR E0467.

Codes with Extension/Flexion, Supination/Pronation, or Each in the Description

Up to two rental rates will be allowed in the same Calendar Month for codes with "extension/flexion," "supination/pronation" or "each" in the description. These codes describe services where multiple devices may be reported. If these codes are reported with modifiers RT and LT and multiple units, UnitedHealthcare Individual Exchange will consider for separate reimbursement up to two units for each side for a total of up to four rental rates in the same Calendar Month.

For additional information, refer to the "[Questions and Answers](#)" section, Q&A #4, and the "[Attachments](#)" section.

Reporting Monthly Rental

Monthly rental of DME, Orthotics, or Prosthetics should be reported on a 1500 Health Insurance Claim Form (a/k/a CMS-1500) or its electronic equivalent or its successor form according to the National Uniform Billing Committee (NUBC) and the National Uniform Claim Committee (NUCC) guidelines.

The appropriate HCPCS code and rental modifier are submitted with one unit for each Calendar Month time span. The rental initiation date is entered in the "From" field, and the end date in the "To" field.



In the following example, the rental for HCPCS code E1130 is initiated on 1/10/2013, and the item is rented for 3 months. The claim should be submitted as follows:

Code	Modifier	Units	From Date	To Date
E1130	RR	1	1/10	2/9
E1130	RR	1	2/10	3/9
E1130	RR	1	3/10	4/9

E1130-RR reported with 3 units, a From Date of 1/10 and a To Date of 4/9 on one line will result in reimbursement of only 1 unit.

Daily Rental

UnitedHealthcare Individual Exchange will allow a daily rental for the following items to the Same Specialty Physician or Other Health Care Professional.

HCPCS codes E0935 & E0936 are reimbursed on a daily basis consistent with CMS guidelines.

Other devices will be allowed in accordance with CMS, Pricing, Data, Analysis and Coding (PDAC) or state requirements

Rental to Purchase

Rental fees from a single vendor are payable up to the lesser of either the purchase price of an item or a maximum number of rental months (not to exceed 13 months). The maximum number of rental months for comparison to the purchase price varies according to the vendor's contract. Once the Rent-to-Purchase maximum (or Rental Cap) specified in the contract is reached, the item is considered purchased and is not reimbursable. Daily rental items may also be subject to rental limits, depending on the vendor's contract. These rental limits do not apply to oxygen equipment or to ventilators.

The vendor is responsible for complying with all the terms of their contract with UnitedHealthcare Individual Exchange, including the provision that requires the vendor to stop billing for rental of items when the maximum rental amount for those items specified in their contract has been reached.

Identification of whether the equipment was rented or purchased must be documented by the use of the applicable modifier referenced in the "[Rental or Purchase Modifiers](#)" section above.

Maintenance and Service Fees

The UnitedHealthcare Individual Exchange allows for reimbursement of maintenance and service once every six months to the Same Specialty Physician or Other Health Care Professional. The appropriate HCPCS code appended with modifier MS is required to identify such services. The Maintenance and Service modifier (MS) must be reported on a separate line in order to be considered for separate reimbursement from the rental or purchase of the equipment.

Maintenance and Service includes the following:

- Regular routine maintenance and performance checks as required to maintain the warranty or performance standards
- Re-education
- Compliance with alerts and recalls
- Necessary supplies in accordance with the applicable agreement
- Back-up equipment
- Emergency availability and replacement equipment when out-of-service for repair

For the purposes of this policy, maintenance and servicing does not apply to Orthotics or Prosthetics.



HCPCS Codes A9900, A9901 and L9900		
Delivery, set-up, and supplies are included in the payment rates associated with a DME, Orthotic, or Prosthetic item. They are not reimbursable services when submitted alone or with another service.		
Therefore, UnitedHealthcare Individual Exchange will not separately reimburse the following codes:		
A9900	A9901	L9900
Place of Service		
DME Suppliers		
Consistent with CMS guidelines, reimbursement of certain DME items is limited to a place of service (POS) that qualifies as the patient's home. The following POS codes would qualify as the patient's home: 01, 04, 09, 12, 13, 14, 16, 31, 32, 33, 54, 55, 56, and 65.		
DME suppliers should report the POS code where the device is intended to be used. DME dispensed for use in a POS other than the patient's home are not reimbursable.		
Refer to the UnitedHealthcare Individual Exchange "Supply" policy for additional information pertaining to place of service 31 or 32.		
Devices Not Intended for Home Use		
There are specific DME items or implantable devices that are not suitable for dispensing or using in the home setting and are therefore not reimbursed with a home POS.		
Initial Purchase and/or Rental		
CMS guidelines indicate when DME items are purchased or rented; there are certain supplies that are included in the initial purchase or during the rental period.		
For example, upon initial issue of a walker (E0141), if brakes are being provided at the same time, the charges for these are included in the reimbursement for the walker and may not be billed separately.		

Definitions	
Calendar Month	The period from a day of one month to the corresponding day of the next month.
Durable Medical Equipment	Medical equipment which: <ul style="list-style-type: none"> • Can withstand repeated use • Is not disposable • Is used to serve a medical purpose • Is generally not useful to a person in the absence of sickness or injury • Is appropriate for use in the home
Orthotic	An external appliance such as a brace or splint that prevents or assists movement of the spine or limbs. A brace is used for the purpose of supporting a weak or deformed body part of a Customer or restricting or eliminating motion in a diseased or injured part of the body.
Prosthetic	A device that replaces all or part of an external body organ or all or part of the function of a permanently inoperative or malfunctioning external body organ.
Same Specialty Physician or Other Qualified Health Care Professional	Physicians and/or other qualified health care professionals of the same group and same specialty reporting the same Federal Tax Identification number

Questions and Answers

1	<p>Q: Why is a rental month defined as a Calendar Month when months vary as to their number of days?</p> <p>A: The rationale for reimbursing rental once per Calendar Month rather than once per 30-day period is due to the fact that some months are less or greater than 30 days. Vendor billing trends indicate that rentals are reported on a cycle billing method, i.e., item dispensed on 1/9/13, and rented for 3 continuous months. Resulting bills will be submitted with 1/9/13 and 2/9/13 and 3/9/13 dates of service.</p>
2	<p>Q: How should monthly rental of DME items be reported?</p> <p>A: According to the National Uniform Billing Committee (NUBC) and the National Uniform Claim Committee (NUCC), monthly rental of an item should be reported on a single claim line with one unit and a single calendar month date span—that is, for one month, enter the rental initiation date in the From field and the end date of that month's rental in the To field. Rental charges for multiple months should not be reported on the same line. If two claims are submitted that show from dates in the same month for the same item from the Same Specialty Physician or Other Health Care Professional, only one claim will be allowed and the second claim for the same month will not be covered. See the policy section titled Reporting Monthly Rental for an example of how to report more than one month's rental for the same item. Note that each line in the example has a from date in a different month.</p>
3	<p>Q: Why does UnitedHealthcare Individual Exchange pay a full Calendar Month rental rate when modifier KR is used, which indicates the item is only rented for a partial Calendar Month?</p> <p>A: Regardless of whether the item is used for a full Calendar Month or only a few days within a Calendar Month, UnitedHealthcare's Individual Exchange contracted rental rates will be allowed once per Calendar Month to the same vendor. For example, E0202 is reported with modifier KR and 7 units to indicate the number of days it was used in a Calendar Month. Regardless of the number of days it is used within that Calendar Month, UnitedHealthcare Individual Exchange pays a single monthly rate to the same vendor and does not prorate the services to allow a daily rate. This is consistent with the terms of our participating agreements. The exceptions to the above are the items listed in the section titled "Daily Rental".</p>
4	<p>Q: How should a vendor report a device that has been provided for extension and flexion on both sides of the body, e.g., code E1800?</p> <p>A: Because two devices were used on both sides of the body, it is appropriate to report this as E1800-RR-RT with two units for the right side, and E1800-RR-LT with two units for the left side.</p>
5	<p>Q: Are repair codes K0739, K0740, or K0462 reimbursed during the rental period for Durable Medical Equipment?</p> <p>A: Repair of DME items is included in the rental payment and not separately reimbursed. Repair may be allowed for DME items that are purchased (patient-owned).</p>

Attachments

Codes with Each in Description	A list of codes indicating that more than one device or service may be reported.
Codes with Flexion, Extension, Pronation or Supination in Description	A list of codes indicating that more than one device or service may be reported.
DME Policy Modifier Required Code List	List of codes requiring a Rental or Purchase modifier for Medicaid



Resources

American Medical Association, *Current Procedural Terminology (CPT®) Professional Edition* and associated publications and services
Centers for Medicare and Medicaid Services, CMS Manual System and other CMS publications and services
Centers for Medicare and Medicaid Services, Healthcare Common Procedure Coding System, HCPCS Release and Code Sets
Noridian Healthcare Solutions, CMS DME MAC Contractor Local Coverage Determinations (LCD)
CGS Administrators, CMS DME MAC Contractor Local Coverage Determinations (LCD)

History

1/1/2023	Policy Version Change Update policy template
1/1/2022	Policy Version Change Update policy template Attachment Section: Converted table(s) to list(s) and added to Attachment Section
10/28/2021	Policy Version Change Reimbursement Guidelines Section: DME Suppliers verbiage updated
9/17/2021	Policy Version Change Reimbursement Guidelines Section: DME Suppliers & Daily Rental verbiage updated.
5/21/2021	Policy Version Change Attachments Section: Removed attachment(s) and converted to table(s)
5/1/2021	Annual Anniversary Date and Version Change Definitions section: Updated definition
1/1/2021	Policy implemented by UnitedHealthcare Value & Balance Exchange