

# DURABLE MEDICAL EQUIPMENT, ORTHOTICS AND PROSTHETICS POLICY

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**Related Policies**

- Refer to the [Overview](#) and [Reimbursement Guidelines](#) sections of the policy

## INSTRUCTIONS FOR USE

The services described in Oxford policies are subject to the terms, conditions and limitations of the member's contract or certificate. Unless otherwise stated, Oxford policies do not apply to Medicare Advantage members. Oxford reserves the right, in its sole discretion, to modify policies as necessary without prior written notice unless otherwise required by Oxford's administrative procedures or applicable state law. The term Oxford includes Oxford Health Plans, LLC and all of its subsidiaries as appropriate for these policies.

Certain policies may not be applicable to Self-Funded members and certain insured products. Refer to the member specific benefit plan document or Certificate of Coverage to determine whether coverage is provided or if there are any exclusions or benefit limitations applicable to any of these policies. If there is a difference between any policy and the member specific benefit plan document or Certificate of Coverage, the member specific benefit plan document or Certificate of Coverage will govern.

UnitedHealthcare may also use tools developed by third parties, such as the MCG™ Care Guidelines, to assist us in administering health benefits. The MCG™ Care Guidelines are intended to be used in connection with the independent professional medical judgment of a qualified health care provider and do not constitute the practice of medicine or medical advice.

## APPLICABLE LINES OF BUSINESS/PRODUCTS

This policy applies to Oxford Commercial plan membership.

## APPLICATION

This reimbursement policy applies to services reported using the UB-04 claim form, the 1500 Health Insurance Claim Form (a/k/a CMS-1500), or their electronic equivalents or their successor forms. This policy applies to all network and non-network providers, including hospitals, ambulatory surgical centers, 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.

## OVERVIEW

This policy describes how Oxford 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, Hospitals, Ambulatory Surgical Centers and Other Health Care Professionals, which includes DME, Prosthetic and Orthotic vendors, renting or selling DME, Prosthetics or Orthotics.

For purposes of this policy, Same Specialty Physician, Hospital, Ambulatory Surgical Center or Other Health Care Professional is defined as physicians, hospitals, ambulatory surgical centers and/or other health care professionals of the same group and same specialty reporting the same Federal Tax Identification number (TIN).

Refer to the *Maximum Frequency Per Day* policy for additional information pertaining to reimbursement for claims submitted with multiple units for the same CPT or HCPCS code on the same date of service.

## REIMBURSEMENT GUIDELINES

### **Rental and Purchase Modifiers**

Some DME items are eligible for rental as well as for purchase. The codes representing these items are listed in *Items Eligible for Rental or Purchase* in the [Attachments](#) section below and must be reported with the appropriate rental or purchase modifier in order to be considered for reimbursement.

Some DME items are eligible for rental only. The codes representing these items are listed in *Items Eligible for Rental Only* in the [Attachments](#) section below and must be reported with the appropriate rental modifier in order to be considered for reimbursement.

Total reimbursement of fees reported for a single code (modified with RR and/or NU) from a single vendor is limited to either the purchase price of an item or a maximum number of rental months, whichever is less. These rental limits do not apply to oxygen equipment or to ventilators.

Rental guidelines are explained further in the sections titled [Monthly Rental](#) and [Daily Rental](#).

### **Rental Modifiers**

The following modifiers indicate that an item has been rented:

- RR - Rental
- KH - Initial claim, purchase or first month rental
- KI - Second or third monthly rental
- KJ - Capped rental months four to fourteen
- KR - Partial month

### **Purchase Modifiers**

The following modifiers indicate that an item has been purchased:

- NU - New equipment (use the NR modifier when DME which was new at the time of rental is subsequently purchased)
- UE - Used equipment
- NR - New when rented
- KM - Replacement of facial prosthesis including new impression/moulage
- KN - Replacement of facial prosthesis using previous master model

### **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 appended will be reimbursed once per Calendar Month to the Same Specialty Physician, Hospital, Ambulatory Surgical Center 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 (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 with units greater than 1, or multiple times during the same Calendar Month, Oxford will only reimburse one monthly rate per Calendar Month to the Same Specialty Physician Hospital, Ambulatory Surgical Center 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. Use of these modifiers may 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 and E0466.

**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, Oxford 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 & Answers](#) and [Attachments](#) sections.

**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 (Standard wheelchair, fixed full-length arms, fixed or swing-away detachable footrests), is initiated on 1/10, and the item is rented for 3 months, ending on 4/9. 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**

Oxford will allow a daily rental for the following items to the Same Specialty Physician, Hospital, Ambulatory Surgical Center or Other Health Care Professional.

HCPCS codes E0935 (Continuous passive motion exercise device for use on knee only), and E0936 (Continuous passive motion exercise device for use other than knee) are reimbursed on a daily basis consistent with CMS guidelines.

The following HCPCS codes are also reimbursed on a daily basis:

- E0193 - Powered air flotation bed (low air loss therapy)
- E0194 - Air fluidized bed
- E0277 - Powered pressure-reducing air mattress
- E0304 - Hospital bed, heavy duty, extra wide, with weight capacity greater than 600 pounds, with any type side rails, with mattress
- E0371 - Nonpowered advanced pressure reducing overlay for mattress, standard mattress length and width
- E0372 - Powered air overlay for mattress, standard mattress length and width
- E0373 - Nonpowered advanced pressure reducing mattress
- E1639 - Scale, each
- E2402 - Negative pressure wound therapy electrical pump, stationary or portable

**Maintenance and Service Fees**

Oxford allows for reimbursement of maintenance and service once every six months to the Same Specialty Physician Hospital, Ambulatory Surgical Center or Other Health Care Professional. The appropriate HCPCS code appended with

modifier MS (maintenance/service fee) 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 agreements include 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, Oxford will not separately reimburse the following codes:

- A9900 - Miscellaneous DME supply, accessory, and/or service component of another HCPCS code
- A9901 - DME delivery, set up, and/or dispensing service component of another HCPCS code
- L9900 - Orthotic and prosthetic supply, accessory, and/or service component of another HCPCS "L" code

### **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 Oxford's *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:

- 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 Hospital, Ambulatory Surgical Center or Other Health Care Professional:**

Physicians, hospitals, ambulatory surgical centers and/or other health care professionals of the same group and same specialty reporting the same Federal Tax Identification number (TIN).

**QUESTIONS AND ANSWERS**

1	Q:	Why is a rental month defined as a Calendar Month when months vary as to their number of days?
	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. Billing trends indicate that rentals are reported on a cycle billing method; i.e., item dispensed on 1/9, and rented for 3 continuous months. Resulting bills will be submitted with 1/9 and 2/9 and 3/9 dates of service.
2	Q:	How should monthly rental of DME items be reported?
	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, Hospital, Ambulatory Surgical Center 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.
3	Q:	Why does Oxford pay a full Calendar Month rental rate when modifier KR is used, which indicates the item is only rented for a partial Calendar Month?
	A:	Regardless of whether the item is used for a full Calendar Month or only a few days within a Calendar Month, Oxford allows reimbursement only once per Calendar Month to the Same Specialty Physician Hospital, Ambulatory Surgical Center, or Other Health Care Professional. For example, E0202 (phototherapy [bilirubin] light with photometer) 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, Oxford pays a single monthly rate and does not prorate the services to allow a daily rate. The exceptions to the above are the items listed in the section titled <a href="#">Daily Rental</a> .
4	Q:	How should a vendor report devices that has been provided for extension and flexion on both sides of the body, e.g., code E1800 (dynamic adjustable elbow extension/flexion device, includes soft interface material)?
	A:	Because two devices are needed for each side 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.
5	Q:	Are repair codes K0739 (repair or nonroutine service for durable medical equipment other than oxygen equipment), K0740 (repair or nonroutine service for oxygen, per 15 minutes), or K0462 (temporary replacement for patient-owned equipment being repaired) reimbursed during the rental period for Durable Medical Equipment?
	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).

**ATTACHMENTS**

**Codes with "Each" in Description**

A list of codes indicating that more than one device or service may be reported



Codes with Each in Description

### Codes with "Flexion/Extension," or "Pronation/Supination" in Description

A list of codes indicating that more than one device or service may be reported



Codes with Flexion,  
Extension, Pronation

### Items Eligible for Rental or Purchase

A list of codes representing items that may be eligible for rental or purchase and that must be reported with an appropriate rental or purchase modifier



DME Eligible for  
Rental or Purchase

### Items Eligible for Rental Only

A list of codes representing items that may be eligible for rental only and that must be reported with an appropriate rental modifier



DME Items Eligible  
for Rental Only

## REFERENCES

The foregoing Oxford policy has been adapted from an existing UnitedHealthcare national policy that was researched, developed and approved by UnitedHealthcare Payment Policy Oversight Committee. [2018R0109C]

Centers for Medicare and Medicaid Services, CMS Manual System and other CMS publications and services.

UnitedHealthcare/Oxford Durable Medical Equipment Services All Payer Appendix.

## POLICY HISTORY/REVISION INFORMATION

Date	Action/Description
01/01/2019	<ul style="list-style-type: none"><li>• Changed policy title; previously titled <i>Durable Medical Equipment, Orthotics and Prosthetics Multiple Frequency Policy</i></li><li>• Revised reimbursement guidelines; added language to indicate: <b>Place of Service</b> <i>DME Suppliers</i><ul style="list-style-type: none"><li>○ 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</li><li>○ 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</li><li>○ Refer to Oxford's <i>Supply Policy</i> for additional information pertaining to place of service 31 or 32</li></ul><i>Devices Not Intended For Home Use</i><ul style="list-style-type: none"><li>○ 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</li></ul><b>Initial Purchase and/or Rental</b><ul style="list-style-type: none"><li>○ 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</li></ul></li><li>• Updated Questions and Answers (Q&amp;A):<ul style="list-style-type: none"><li>○ Removed Q&amp;A pertaining to rental of a second ventilator</li></ul></li></ul>

Date	Action/Description
	<ul style="list-style-type: none"><li>○ Added Q&amp;A #5 pertaining to reimbursement of repair codes K0462, K0739, and K0740 during rental period</li><li>• Archived previous policy version ADMINISTRATIVE 237.19 T0</li></ul>