

# Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

Reimbursement Policy ID: RPC.0074.72KF

Recent review date: 03/2024

Next review date: 12/2025

*Keystone First Community HealthChoices reimbursement policies and their resulting edits are based on guidelines from established industry sources, such as the Centers for Medicare and Medicaid Services (CMS), the American Medical Association (AMA), state and federal regulatory agencies, and medical specialty professional societies. Reimbursement policies are intended as a general reference and do not constitute a contract or other guarantee of payment. Keystone First Community HealthChoices may use reasonable discretion in interpreting and applying its policies to services provided in a particular case and may modify its policies at any time.*

*In making claim payment determinations, the health plan also uses coding terminology and methodologies based on accepted industry standards, including Current Procedural Terminology (CPT); the Healthcare Common Procedure Coding System (HCPCS); and the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM), and other relevant sources. Other factors that may affect payment include medical record documentation, legislative or regulatory mandates, a provider's contract, a member's eligibility in receiving covered services, submission of clean claims, and other health plan policies, and other relevant factors. These factors may supplement, modify, or in some cases supersede reimbursement policies.*

*This reimbursement policy applies to all health care services billed on a CMS-1500 form or its electronic equivalent, or when billed on a UB-04 form or its electronic equivalent.*

## Policy Overview

This policy outlines Keystone First Community HealthChoices guidelines for reimbursement of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) submitted on claim form CMS-1500.

## Exceptions

For DMEPOS reimbursement purposes, a Skilled Nursing Facility (SNF) is not treated as an Inpatient Facility.

DMEPOS items dispensed by a hospital or other facility and reported on claim form CMS-1450 are excluded from this policy.

## Reimbursement Guidelines

According to the Centers for Medicare and Medicaid Services (CMS), “DME is equipment that:

- a. Can withstand repeated use.
- b. Is primarily and customarily used to serve a medical purpose.
- c. Generally, is not useful to a person in the absence of an illness or injury; and
- d. Is appropriate for use in the home.”

Consistent with CMS, Pennsylvania Medicaid (PAMA), and industry standard coding guidelines, Keystone First Community HealthChoices, Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) is eligible for reimbursement when prescribed by a physician or other qualified health care provider for treatment of a covered illness or condition and supported in the medical record.

DMEPOS is categorized by CMS into the following payment classes:

- Inexpensive or other routinely purchased DME
- Items requiring frequent and substantial servicing
- Certain customized items
- Other prosthetic and orthotic devices
- Capped rental items
- Oxygen and oxygen equipment

Keystone First Community HealthChoices considers DMEPOS items and equipment furnished to a member during an inpatient facility stay a component of the facility payment. With the exception of the inpatient admission date and discharge date, Keystone First Community HealthChoices will not consider DMEPOS claims with dates of service overlapping the date span of an inpatient stay eligible for reimbursement. (See RPC.0078.0000 Overlapping Services While Inpatient.)

Keystone First Community HealthChoices follows Pennsylvania Medicaid and National Correct Coding (NCCI) guidelines for determination of quantity/limits allowed for DMEPOS items and supplies. For accurate reimbursement, providers must report appropriate modifiers (e.g., NU – New equipment or item, RR – Rented equipment or item, LT/RT to indicate laterality) when submitting DMEPOS claims to Keystone First Community HealthChoices.

### **Capped rentals**

Keystone First Community HealthChoices will reimburse rental of approved DME equipment for a maximum of 10 (ten) months, after which ownership of the item is transferred to the member.

### **Oxygen and oxygen equipment**

DMEPOS providers must obtain Prior Authorization for all oxygen and oxygen equipment in order receive reimbursement by Keystone First Community HealthChoices.

## Definitions

### **Durable medical Equipment**

Durable medical equipment (DME) is any equipment that serves a medical purpose in the case of an illness or injury. It is appropriate for home use and can withstand repeated use as in the case of rented equipment.

Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

## Edit Sources

- I. Current Procedural Terminology (CPT) and associated publications and services.
- II. International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10).
- III. Healthcare Common Procedure Coding System (HCPCS).
- IV. Centers for Medicare and Medicaid Services (CMS) Medicare Claims Processing Manual, Chapter 20 – Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) .
- V. The National Correct Coding Initiative (NCCI).
- VI. Pennsylvania Medicaid Fee Schedule(s).

## Attachments

N/A

## Associated Policies

RPC.0026.72KF National Correct Coding Initiative (NCCI)

RPC.0078.72KF Overlapping Services While Inpatient

## Policy History

04/2024	Revised preamble
03/2024	Reimbursement Policy Committee Approval
08/2023	Removal of policy implemented by Keystone First Community HealthChoices from Policy History section
01/2023	Template revised <ul style="list-style-type: none"><li>• Revised preamble</li><li>• Removal of Applicable Claim Types table</li><li>• Coding section renamed to Reimbursement Guidelines</li><li>• Added Associated Policies section</li></ul>