DURABLE MEDICAL EQUIPMENT

Policy
Neighborhood Health Plan reimburses participating providers for durable medical equipment (DME) when medically necessary, for the treatment of an injury or illness in order to improve or stabilize the member’s condition or to improve functioning.

Reimbursement includes but is not limited to:
- Purchase or rental; NHP determines whether it is appropriate to purchase or rent equipment for members
- Replacement part(s) or repairs when the DME is no longer under warranty

Policy Definition
DME is:
- Used primarily and customarily for a medical purpose and;
- Is intended for repeated use and;
- Is not useful in the absence of illness and injury and;
- Is appropriate for use in the home

Equipment must be:
- Medically necessary and;
- Ordered by a participating NHP provider and;
- Ordered to address a specific diagnosis and;
- Intended for use in the home

DME includes:
- Prosthetic devices, defined as those used to replace the function of a missing body part, and those that are designed to be fitted to the member’s body as an external substitute
- Most orthotic devices, defined as those used to support a weakened part of the member’s body
- Certain medical supplies

Quantity limits/unit limits apply; please reference CMS or MassHealth guidelines for more details on unit limits.

Please reference Neighborhood Health Plan’s Prior Authorization List for Durable Medical Equipment (DME), Medical Supplies, Oxygen Related Equipment, Orthotics and Prosthetics, Hearing Aids for authorization requirements.

Reimbursement
Providers are reimbursed according to the plan’s network provider reimbursement or contracted rates. Claims are subject to payment edits that are updated at regular intervals.

Covered services are defined by the member’s benefit plan. The manner in which covered services are reimbursed is determined by the Neighborhood Health Plan Payment Policy and by the provider’s agreement with NHP. Member liability amounts may include, but are not limited to, copayments, deductible, and/or co-insurance, and will be applied dependent upon the member’s benefit plan.

Various services and procedures require referral and/or authorization. Referral and authorization requirements can be located here.

Please reference procedure codes from the current CPT, HCPCS Level II, and ICD-10-CM manuals, as recommended by the American Medical Association (AMA), the Centers for Medicare & Medicaid Services (CMS), and the American Hospital Association. CMS and the AMA revise HIPAA medical codes on a pre-determined basis, including changes to CPT, HCPCS, and ICD-10 codes and definitions.

Please refer to the CMS or CPT guidelines for requisite modifier usage when reporting services. The absence or presence of a modifier may result in differential claim payment or denial.

NHP reviews claims to determine eligibility for payment. Services considered incidental, mutually exclusive, integral to the primary service rendered, or part of a global allowance, are not eligible for separate reimbursement. Please refer to Coding Provider Payment Guidelines for more information.

All claims are subject to audit services and medical records may be requested from the provider.

Neighborhood Health Plan’s coverage of DME is based on line of business. Unless otherwise specified within the medical policy(s), please follow the guidelines below based on membership type:

**Masshealth members:**

Please reference the Masshealth Durable Medical Equipment Manual
- Reimbursable codes are located in Subchapter 6
- For DME and Oxygen related items; unit limitations are located in the DME and Oxygen Payment and Coverage Guidelines Tool
- For Prosthetics and Orthotics related items; unit limitations are located in the MassHealth Orthotics and Prosthetics Payment and Coverage Guidelines Tool

**Commercial members:**

Please reference the CMS Medicare Claims Processing Manual Chapter 20 – Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

**Neighborhood Health Plan Reimburses**
- Least costly DME item that meets the member’s needs
- Rental fees to a maximum cap of the purchase price
- Replacement parts for DME that is owned by the member
• Therapeutic shoes for members who have diabetic foot disease and/or peripheral vascular disease, as diagnosed by a participating provider

**Neighborhood Health Plan Does Not Reimburse**
• Automatic dispensing of supplies, accessories, or equipment
• Backup or standby equipment, including equipment repair or replacement
• Items supplied based on member preferences
• Modifications made to the home to suit members need, including ramps
• Sales tax, shipping, and/or handling fees applicable by state

### Modifiers

<table>
<thead>
<tr>
<th>Modifier</th>
<th>Descriptor</th>
<th>Comments</th>
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<tbody>
<tr>
<td>NU</td>
<td>New equipment</td>
<td>Submit with HCPCS DME procedure to indicate a purchase</td>
</tr>
<tr>
<td>RR</td>
<td>Rental equipment</td>
<td>Submit with HCPCS DME procedure code to indicate a rental</td>
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<tr>
<td>BO</td>
<td>Orally administered nutrition, not by feeding tube</td>
<td>Submit with oral enteral formula claims</td>
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<tr>
<td>RA</td>
<td>Replacement of a DME, orthotic or prosthetic item</td>
<td>Submit with HCPCS DME procedure code to indicate replacement</td>
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<tr>
<td>RB</td>
<td>Replacement of a part of DME, orthotic or prosthetic item furnished as a repair</td>
<td>Submit with HCPCS DME procedure code to indicate replacement of a part as a repair</td>
</tr>
<tr>
<td>UE</td>
<td>Used durable medical equipment</td>
<td>Submit with HCPCS DME procedure code to indicate used equipment</td>
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### Provider Payment Guidelines and Documentation
• Use the most up-to-date industry standard procedure and diagnosis codes
• Submit the modifier that will impact reimbursement in the first modifier field, followed by informational modifiers

### Related NHP Policies Regarding Medical Equipment and Supplies

**Payment Policies:**
- Enteral Formulae Parenteral Nutritional Solutions
- Hearing Aids Payment Policy
- Home Infusion Including Enteral Nutrition
- Sleep Studies Payment Policy

**Medical Policies:**
- Absorbent Products for Incontinence Medical Policy
- Bone Growth Stimulator
- Continuous Glucose Monitors Medical Policy
- Durable Medical Equipment Medical Policy
- Enteral Nutrition Formulas and Supplements
- Home Prothrombin Time Monitoring Medical Policy
- Hearing Devices Medical Policy
- Insulin Pumps Medical Policy
- Prostheses – Lower Limb Medical Policy
- Prostheses – Upper Limb Medical Policy
References
MassHealth Durable Medical Equipment Manual
CMS Medicare Claims Processing Manual – Chapter 20 – DMEPOS

Publication History

<table>
<thead>
<tr>
<th>Topic:</th>
<th>Owner: Provider Network Management</th>
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<tbody>
<tr>
<td>October 25, 2016</td>
<td>Original documentation</td>
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This document is designed for informational purposes only. Claims payment is subject to member eligibility and benefits on the date of service, coordination of benefits, referral/authorization/notification and utilization management guidelines when applicable, adherence to plan policies and procedures, claims editing logic, and provider contractual agreement. In the event of a conflict between this payment guideline and the provider’s agreement, the terms and conditions of the provider’s agreement shall prevail. Neighborhood Health Plan utilizes clinical coding criteria and claim editing logic in addition to auditing across dates of service to identify the unbundling of pre and post-operative care.