

## DURABLE MEDICAL EQUIPMENT

### Policy

AllWays Health Partners 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; AllWays Health Partners 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 AllWays Health Partners 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 AllWays Health Partners' [Prior Authorization List](#) for Durable Medical Equipment (DME), Medical Supplies, Oxygen Related Equipment, Orthotics and Prosthetics, Hearing Aids for authorization requirements.

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## 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 AllWays Health Partners Payment Policy and by the provider's agreement with AllWays Health Partners. 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.

AllWays Health Partners 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.

AllWays Health Partners' 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 \(DMEPOS\)](#)

### AllWays Health Partners 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

### AllWays Health Partners 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

Modifier	Descriptor	Comments
NU	New equipment	Submit with HCPCS DME procedure to indicate a purchase
RR	Rental equipment	Submit with HCPCS DME procedure code to indicate a rental
BO	Orally administered nutrition, not by feeding tube	Submit with oral enteral formula claims
RA	Replacement of a DME, orthotic or prosthetic item	Submit with HCPCS DME procedure code to indicate replacement
RB	Replacement of a part of DME, orthotic or prosthetic item furnished as a repair	Submit with HCPCS DME procedure code to indicate replacement of a part as a repair
UE	Used durable medical equipment	Submit with HCPCS DME procedure code to indicate used equipment
KH	DMEPOS item, initial claim, purchase or first month rental	Submit with HCPCS DME procedure code, for Medicaid members, to indicate first month rental
KI	DMEPOS item, 2nd or 3rd month rental	Submit with HCPCS DME procedure code, for Medicaid members, to indicate 2 <sup>nd</sup> and 3 <sup>rd</sup> months rental

KJ	DMEPOS item, parenteral enteral nutrition (PEN) pump or capped rental, months 4 to 15	Submit with HCPCS DME procedure code, for Medicaid members, to indicate 4 to 15 months rental
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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 AllWays Health Partners 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



# Provider Payment Guidelines

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## Publication History

<b>Topic: Durable Medical Equipment</b>	<b>Owner: Network Management</b>
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*October 25, 2016*  
*January 1, 2019*

*Original documentation*  
*Document restructure; codes, code descriptor and references updated*

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. Payment policies are intended to assist providers in obtaining AllWays Health Partners ' payment information. Payment policy determines the rationale by which a submitted claim for service is processed and paid. Payment policy formulation takes into consideration a variety of factors including: the terms of the participating providers 'contract(s); scope of benefits included in a given member's benefit plan; clinical rationale, industry-standard procedure code edits, and industry-standard coding conventions.

AllWays Health Partners includes AllWays Health Partners, Inc. and AllWays Health Partners Insurance Company.