

## **Durable Medical Equipment (DME)**

Policy # 41

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**Disclaimer:**

1. Policies are subject to change without notice.
2. Policies outline coverage determinations for Select Health Commercial, Select Health Advantage (Medicare/CMS), and Select Health Community Care (Medicaid/CHIP) plans. Refer to the "Policy" section for more information.

### **Description**

Durable Medical Equipment (DME) should be obtained from a participating provider for contracted, in-network benefits. DME obtained from a non-participating provider is either not covered or paid at reasonable and customary rates (available on products with out-of-network benefits only). Any portion not payable outside the reasonable and customary rates will be considered the member's responsibility.

### **COMMERCIAL PLAN POLICY AND CHIP (CHILDREN'S HEALTH INSURANCE PROGRAM)**

#### **DME Categories and Guidelines**

- **Ordering Physicians** – All DME services must have an ordering physician. Services obtained without a physician's order are not covered.
- **DME Purchases** – Reimbursement for routinely purchased DME will be on a lump-sum basis unless it is disbursed as a rental. **Items requiring at least three (3) months of a rental trial period**, include:
  - CPAP
  - Humidifier
  - Pulse Oximeters require at **least two (2) months of a rental trial period**.
  - BiPAP requires at **least seven (7) months of a rental trial period**.If the unit is still considered medically necessary after the trial period, it may be purchased by the member.
- **Converting Rental to Purchase** – Some DME items may be purchased after a rental time period. Rental fees are deducted from Select Health's total purchase price. These items include Nebulizers, CPAPs, Pulse Oximeters, etc. Suppliers are required to allow the member the option of converting their capitated rental equipment to purchased equipment during the tenth (10th) continuous rental month. The member then has until the thirteenth (13th) month to decide on purchasing.
- **Rental of DME** - Reimbursed as an ongoing rental. No maintenance or servicing is reimbursable. **Capitated DME rentals** are paid for fifteen (15) months on a monthly basis. After the fifteenth (15th) month, the supplier must then provide the equipment, if it is needed, at no additional charge to the member. If a new vendor is selected during a rental period, the rental time will start over with the new vendor. There will be no crediting rental months toward the new vendor.
- **Oxygen** – All equipment used for oxygen services will be paid on a rental basis until medical necessity ends.

#### **Prenotification/Precertification**

Prenotification/Precertification is required for DME rental, maintenance, repair, upgrade, customized, and purchase, when the purchase price of an item is \$750.00 or more per item.

### **Maintenance & Servicing of DME**

Select Health will reimburse maintenance and servicing for the following items:

- DME items converted from rental to purchase.
- Capitated DME items that are not purchased by the member up to six (6) months after the supply is not covered under the supplier or manufacturer warranty, whichever is first. Capitated DME that is purchased by the member will be reimbursed after the thirteenth (13th) month of rental.

### **Replacement, Modification, and Upgrades**

- **Upgrades** – Higher level or quality of DME upgrades will only be considered with a prenotification/precertification. Upgrades that are not prenotified/precertified will be denied as a provider write-off for in-network providers.
- **Modifications** – If a modification is required (proven through medical necessity) during a rental period, the original rental period will continue, and the added/alterer equipment will be paid under its own guidelines.
- **Replacement** – DME items under the purchase price of \$750.00 do not require prenotification/precertification. All DME items above the purchase price of \$750.00 will require a prenotification/precertification for replacement. Capitated DME replacement is not covered and will be the responsibility of the provider.

### **DME Exclusions**

DME services are excluded where determined by the Plan:

1. Not medically necessary or standard of care.
2. Not prescribed by a physician.
3. Not required for activities of daily living.
4. Primarily for convenience, contentment, personal comfort, or other non-therapeutic purposes.
5. Which may be of use or benefit to a person in the absence of illness or disability
6. Sales tax on rental items.
7. Accessories, controls, or related appurtenances or modifications of DME, supplies, structures, and vehicles.
8. Maintenance or repair of existing DME, which costs more than \$750.00 without a prenotification/precertification from the Plan.
9. Rental costs exceeding the purchase price.
10. Duplication/replacement of lost, damaged, stolen DME.
11. Shipping and handling
12. Items attached to a home or car
13. Items specifically listed as not covered under a member's benefit.

### **Applicable Codes**

<b>CPT</b>	<b>Description</b>
Numerous	

### **Sources**

1. *DMERC*, Noridian Medicare, Chapter 16 – Coding, <https://www.noridianmedicare.com/>

### **Disclaimer**

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The codes for treatments and procedures applicable to this policy are included for informational purposes. Inclusion or exclusion of a procedure, diagnosis or device code(s) does not constitute or imply member coverage or provider reimbursement policy. Please refer to the member's contract benefits in effect at the time of service to determine coverage or non-coverage of these services as it applies to an individual member.

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