

Reimbursement Policy

Subject: **Durable Medical Equipment (Rent to Purchase)**

Policy Number: **G-06052**

Policy Section: **DME and supplies**

Last Approval Date: **06/13/2023**

Effective Date: **06/13/2023**

**** Visit our provider website for the most current version of the reimbursement policies. If you are using a printed version of this policy, please verify the information by going to <https://www.bluecrossnc.com/providers/blue-medicare-providers/healthy-blue-medicare>. ****

Disclaimer

These reimbursement policies serve as a guide to assist you in accurate claims submissions and to outline the basis for reimbursement if the service is covered by a member's benefit plan. The determination that a service, procedure, or item is covered under a member's benefit plan is not a determination that you will be reimbursed. Services must also meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis, as well as to the member's state of residence.

Ensure that you use proper billing and submission guidelines, including industry-standard, compliant codes on all claim submissions. Services should be billed with Current Procedure Terminology® (CPT) codes, Healthcare Common Procedure Coding System (HCPCS) codes and/or revenue codes. These codes denote the services and/or procedures performed and when billed, must be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our reimbursement policies apply to both participating and non-participating professional providers and facilities.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, we may:

- Reject or deny the claim.
- Recover and/or recoup claim payment.
- Adjust the reimbursement to reflect the appropriate services and/or procedures performed.

<https://www.bluecrossnc.com/providers/networks-programs/blue-medicare/healthy-blue-medicare>

Blue Cross and Blue Shield of North Carolina Senior Health, DBA Blue Cross and Blue Shield of North Carolina, is an HMO-POS D-SNP plan with a Medicare contract and a NC State Medicaid Agency Contract (SMAC). Enrollment in Blue Cross and Blue Shield of North Carolina Senior Health depends upon contract renewal.

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These reimbursement policies may be superseded by mandates in provider, state, federal, or Centers for Medicare & Medicaid Services (CMS) contracts and/or requirements. We strive to minimize delays in policy implementation. If there is a delay, we reserve the right to recoup and/or recover claims payment to the effective date, in accordance with the policy. We reserve the right to review and revise these policies when necessary. When there is an update, we will publish the most current policy to the website.

Policy

Blue Cross NC Medicare Advantage allows reimbursement for durable medical equipment (DME) under specific guidelines unless otherwise noted by provider, state, federal, or CMS contracts and/or requirements. Blue Cross NC Medicare Advantage requires that all DME claims be submitted with the applicable HCPCS code(s) and have the applicable modifier attached.

Reimbursement is based on the rental price up to the maximum allowable amount for the particular DME. The item is considered purchased once the purchase price has been met. There may be instances in which a particular item may be considered for direct purchase on a case-by-case basis.

Circumstances affecting rental reimbursement

The reimbursement limit for rented DME for members covered under Medicare is 10 months. After 10 months, claims submitted for the item will be denied, and the item will be considered purchased.

- Rental periods with a break in coverage of more than 60 days will start the time limitation count over.
- If a member changes suppliers during the rental period, a new rental period will not start over.

Reimbursement for oxygen equipment is allowed for a maximum of 36 months; however, Blue Cross NC Medicare Advantage will continue to reimburse for oxygen contents and supplies for up to an additional 24 months, as applicable.

Supplies, contents, and accessory components associated with oxygen rental DME are not reimbursed separately and are considered all-inclusive in the rental reimbursement.

Reimbursement is based on the rental price up to the maximum allowed of the particular DME. The item is considered purchased once the purchase price has been met. There may be instances in which a particular item may be considered for direct purchase on a case-by-case basis.

Items not considered DME

- Prosthetics and orthotics
- Disposable medical supplies

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Note: This policy does not apply to direct-purchase DME.

Nonreimbursable DME

Blue Cross NC Medicare Advantage does not allow reimbursement for:

- Provision of DME that exceeds the benefit limit unless authorized through medical necessity.
- Repair or replacement of DME necessitated by abuse or neglect.
- Repair or replacement of DME during the warranty period.
- Enhancements or upgrades of DME for the convenience of the member or caregiver.
- The aesthetic appearance of DME for the preference of the member or caregiver.
- DME considered to be experimental or investigational.
- The purchase or rental of common household items that are not medically indicated.
- DME provided by a skilled nursing facility — This equipment is normally included as part of the facility charge and is not separately reimbursable unless otherwise stated in a provider contract.

Related Coding
Standard correct coding applies

Policy History	
06/13/2023	Review approved and effective: updated language; added clarification language for oxygen rental and oxygen supplies
01/01/2021	Initial approval and effective

References and Research Materials
This policy has been developed through consideration of the following: • CMS • State contract

Definitions	
Durable Medical Equipment (DME)	DME includes items that meet the following criteria: • Primarily and customarily used to serve a medical purpose rather than convenience or comfort • Can withstand repeated use • Not useful to a person without an illness or injury • Appropriate for use in the home • Prescribed by a licensed physician/care provider All requirements in the definition must be met before an item can be considered DME.
Rent-to-purchase	A time period where reimbursement is based on a monthly fee up to the amount that the item will be considered purchased.

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Capped rental	An amount reimbursed on a monthly rental basis that will not exceed the applicable number of continuous months. If the service is billed beyond the maximum number of rental months, no additional reimbursement will be allowed.
Reimbursement Policy Definitions	

Related Policies and Materials
Reimbursement for Items under Warranty

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