

**PROFESSIONAL NETWORK REIMBURSEMENT POLICY**

<b>POLICY TITLE</b>	<b>Reimbursement for Durable Medical Equipment (DME)</b>
<b>POLICY NUMBER</b>	<b>NR-30.017</b>

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**I. DESCRIPTION/BACKGROUND**

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This policy documents the reporting requirements and reimbursement methodology applied to service reported to determine reimbursement of durable medical equipment dispensed and reported by professional providers.

**II. DEFINITIONS**

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Durable Medical Equipment (DME) – Items which are primarily and customarily used to serve a medical purpose; are not useful to a person in the absence of illness or injury; are ordered by a physician are appropriate for use in the home; are reusable; and can stand repeated use.

HCPCS – The Healthcare Common Procedure Coding System is a national standard alphanumeric coding system established by the Centers for Medicare and Medicaid Services. It standardizes billing and payment for certain covered services (for example, medical supplies, prosthetics and durable medical equipment). HCPCS Level I codes are copyrighted by the American Medical Association (CPT). Level II codes are five-position alphanumeric codes maintained jointly by the Alpha-Numeric Panel (consisting of the Centers for Medicare and Medicaid Services (CMS), the Health Insurance Association of America, and the BlueCross and BlueShield Association). The American Dental Association copyrights the D-code series in Level II HCPCS.

Professional Provider - A person or entity licensed and approved by the appropriate governmental agency, where required, to render health care services and perform services within the scope of such licensure. Professional Providers include, but are not limited to: audiologists, certified registered nurses, chiropractors, clinical laboratories, dentists, doctors of medicine, doctors of osteopathy, licensed certified nurse midwives, licensed practical nurses, occupational therapists, optometrists, physical therapists, podiatrists, psychologists, registered nurses, respiratory therapists, speech language pathologists, and

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teachers of the hearing impaired or other provider of health care services approved by Capital BlueCross.

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Durable medical equipment (DME) dispensed by a professional provider may be eligible for purchase or rental. In addition to reporting the code that best describes the DME provided, Professional Providers must report the most appropriate HCPCS modifiers to identify whether the item dispensed is for purchase or rental:

- Modifier KR – Rental item, billing for partial month
- Modifier NU – Purchase of new equipment
- Modifier RR – Rental
- Modifier UE – Purchase of used equipment

**Reporting Requirements for the Purchase of DME**

When eligible DME is purchased for exclusive use by the patient, providers must report the DME item using the appropriate HCPCS code and append either **Modifier NU** or **Modifier UE**. Report the appropriate number of units to be purchased based on the quantity indicated in the code descriptor in the ‘Days or Units’ field (Block 24G) of the CMS1500 claim form. Reimbursement will be at the Plan allowance for a purchased item.

**Reporting Requirements for the Rental of DME**

Unless specified in the HCPCS code descriptor, the rental period for DME is thirty (30) days.

**Full Rental Period (30 days)**

When eligible DME is rented and is in the patient’s home for at least 30 days, providers must report the DME item using the appropriate HCPCS code and append **Modifier RR**. Report the first date of the first month and the last date of the last month the item was in the patient’s home in the ‘Date(s) of Service’ (Block 24A) of the CMS-1500 claim form. Report one (1) unit for each full month rental period in the ‘Days or Units’ field (Block 24G) of the CMS-1500 claim form. The Plan allowance will be determined based on a monthly rental period.

**Partial Rental Period (less than 30 days)**

When eligible DME is rented and is in the patient’s home for less than a full month, providers should submit the appropriate HCPCS code with **Modifier KR** on the service line. Report the first and last date the item was in the patient’s home in the ‘Date(s) of Service’ (Block 24A) of the CMS-1500 claim form and the number of

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days the item was in the patient’s home in the ‘Days or Units’ field (Block 24G) of the CMS-1500 claim form. The Plan allowance will be prorated against the Plan allowance for a monthly rental period based on the number of days the item was in the patient’s home.

**Combination Full and Partial Rental Period**

When eligible DME is rented and in the patient’s home for one (1) or more full rental periods AND part of an additional rental period, providers should append **Modifier RR** to the appropriate HCPCS code. Report the first date of the first month and the last date of the last month the item was in the patient’s home in the ‘Date(s) of Service’ (Block 24A) of the CMS-1500 claim form. Report one (1) unit for each full month rental period in the ‘Days or Units’ field (Block 24G) of the CMS-1500 claim form. For the remaining days the item is in the patient’s home (partial rental period), providers should append **Modifier KR** to the appropriate HCPCS code. Report the first and last date the item was in the patient’s home in the ‘Date(s) of Service’ (Block 24A) of the CMS-1500 claim form and the number of days the item was in the patient’s home in the ‘Days or Units’ field (Block 24G) of the CMS-1500 claim form. The Plan allowance will be prorated against the Plan allowance for a monthly rental period based on the number of days the item was in the patient’s home.

In addition to the criteria and conditions contained in this policy, the service, procedure or item must be deemed medically necessary, must be a covered member benefit and is subject to member cost sharing provisions.

**IV. EXCLUSIONS**  
N/A

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**V. VARIATIONS**

This policy is applicable to all programs and products administered by Capital BlueCross unless otherwise indicated below.

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**VI. REFERENCES**

*EncoderPro for Payers  
Optum™ 2020*

*HCPCS Level II Expert  
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