Durable Medical Equipment Charges in a Skilled Nursing Facility

IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY

This policy is applicable to UnitedHealthcare Medicare Advantage Plans offered by UnitedHealthcare and its affiliates.

You are responsible for submission of accurate claims. This reimbursement policy is intended to ensure that you are reimbursed based on the code or codes that correctly describe the health care services provided. UnitedHealthcare reimbursement policies use Current Procedural Terminology (CPT®), Centers for Medicare and Medicaid Services (CMS), or other coding guidelines. References to CPT or other sources are for definitional purposes only and do not imply any right to reimbursement.

This reimbursement policy applies to all health care services billed on CMS 1500 forms and, when specified, to those billed on UB04 forms (CMS 1450). Coding methodology, industry-standard reimbursement logic, regulatory requirements, benefits design and other factors are considered in developing reimbursement policy. This information is intended to serve only as a general resource regarding UnitedHealthcare’s reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare may use reasonable discretion in interpreting and applying this policy to health care services provided in a particular case. Further, the policy does not address all issues related to reimbursement for health care services provided to UnitedHealthcare enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates, the physician or other provider contracts, and/or the enrollee’s benefit coverage documents. Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by UnitedHealthcare due to programming or other constraints; however, UnitedHealthcare strives to minimize these variations.

UnitedHealthcare may modify this reimbursement policy at any time by publishing a new version of the policy on this Website. However, the information presented in this policy is accurate and current as of the date of publication.

*CPT copyright 2010 (or such other date of publication of CPT) American Medical Association. All rights reserved. CPT is a registered trademark of the American Medical Association.

Proprietary information of UnitedHealthcare. Copyright 2016 United HealthCare Services, Inc.
Durable Medical Equipment Charges in a Skilled Nursing Facility

Application
This reimbursement policy applies to services reported using the Health Insurance Claim Form CMS-1500 or its electronic equivalent or its successor form, and services reported using facility claim form CMS-1450 or its electronic equivalent or its successor form. This policy applies to all products, all network and non-network physicians, and other health care professionals.

The HCPCS/CPT code(s) may be subject to Correct Coding Initiative (CCI) edits. This policy does not take precedence over CCI edits. Please refer to the CCI for correct coding guidelines and specific applicable code combinations prior to billing UnitedHealthcare. It is not enough to link the procedure code to a correct, payable ICD-9-CM diagnosis code. The diagnosis must be present for the procedure to be paid. Compliance with the provisions in this policy is subject to monitoring by pre-payment review and/or post-payment data analysis and subsequent medical review. The effective date of changes/additions/deletions to this policy is the committee meeting date unless otherwise indicated. CPT codes and descriptions are copyright 2010 American Medical Association (or such other date of publication of CPT). All rights reserved. CPT is a registered trademark of the American Medical Association. Applicable FARS/DFARS restrictions apply to Government use. Fee schedules, relative value units, conversion factors, and/or related components are not assigned by the AMA, are not part of CPT, and the AMA is not recommending their use. The AMA does not directly or indirectly practice medicine or dispense medical services. The AMA assumes no liability for data contained or not contained herein. Current Dental Terminology (CDT), including procedure codes, nomenclature, descriptors, and other data contained therein, is copyright by the American Dental Association, 2002, 2004. All rights reserved. CDT is a registered trademark of the American Dental Association. Applicable FARS/DFARS apply.

Summary
Overview
This policy addresses Medicare Durable Medical Equipment, Prosthetics & Orthotics (DMEPOS) Fee Schedule status indicator codes listed below. Status indicator are defined as follows:
CR: Capped Rental
FS: Frequently Serviced Items
IN: Inexpensive or Routinely Purchased
OS: Ostomy, Tracheostomy & Urological Items
OX: Oxygen and Oxygen Equipment
PO: Prosthetics & Orthotic
SD: Surgical Dressings
SU: Supplies
TE: TENS

Reimbursement Guidelines
When DME is furnished for use in a SNF during a covered Part A stay UnitedHealth Care shall not make separate payment for DME, since the DME is already included in the payment that the SNF receives for the covered stay itself. When DME is furnished for use in a SNF during a non-covered stay (SNF benefits exhausted, no qualifying 3-day hospital stay, etc.), UnitedHealth Care still shall not make separate payment for DME, as explained above, Part B’s DME benefit does not cover DME items that are furnished for use in SNFs. Even if a patient already rents or owns a piece of DME in their home, the SNF cannot require the patient to bring their own rented or purchased DME with them into the SNF.

NOTE: Rental and purchase of DME is covered under Part B for use in a patient’s home. DME rendered to inpatients of a SNF or hospital is covered as part of the prospective payment system and not separately payable.

Coding information for SNF consolidated billing may be found on the CMS website at http://www.cms.gov/Medicare/Billing/SNFConsolidatedBilling/index.html. This information may be used to determine by procedure code whether services rendered to beneficiaries in Part A covered SNF stays or non-Part A covered SNF stays (Part A benefits exhausted) are included or excluded from consolidated billing. Services that are included in consolidated billing must be billed to the SNF for payment.

The codes in the following CPT/HCPCS Code table are not covered in a SNF place of service.
NOTE:
- DMEPOS categories OS, PO, SD, and SU are subject to denial in a Place of Service 31
- DMEPOS categories CR, FS, IN, OX and TE are subject to denial in a Place of Service 31 or 32

**CPT/HCPCS Codes**

| DME HCPCS Category List.xls |

<table>
<thead>
<tr>
<th>Modifiers</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EY</td>
<td>No physician or other licensed Health care provider order for this item or service</td>
</tr>
<tr>
<td>GZ</td>
<td>Item or service expected to be denied as not reasonable and necessary</td>
</tr>
<tr>
<td>KE</td>
<td>Bid under round one of the DMEPOS competitive bidding program for use with non-competitive bid base equipment</td>
</tr>
<tr>
<td>KF</td>
<td>Item designated by FDA as Class III device</td>
</tr>
<tr>
<td>KL</td>
<td>DMEPOS item delivered via mail</td>
</tr>
<tr>
<td>KX</td>
<td>Requirements specified in the medical policy have been met</td>
</tr>
<tr>
<td>NU</td>
<td>New Equipment</td>
</tr>
<tr>
<td>Q0</td>
<td>Investigational clinical service provided in a clinical research study that is in an approved clinical research study</td>
</tr>
<tr>
<td>QE</td>
<td>Prescribed amount of oxygen is less than 1 liter per minute (LPM)</td>
</tr>
<tr>
<td>QF</td>
<td>Prescribed amount of oxygen exceeds 4 LPM and portable oxygen is prescribed</td>
</tr>
<tr>
<td>QG</td>
<td>Prescribed amount of oxygen is greater than 4 liters per minute (LPM)</td>
</tr>
<tr>
<td>QH</td>
<td>Oxygen conserving device is being used with an oxygen delivery system</td>
</tr>
<tr>
<td>RA</td>
<td>Replacement of a DME, orthotic, or prosthetic item</td>
</tr>
<tr>
<td>RR</td>
<td>Rental (use the 'RR' modifier when DME is to be rented)</td>
</tr>
<tr>
<td>UE</td>
<td>Used durable medical equipment</td>
</tr>
</tbody>
</table>

**References Included (but not limited to):**

**CMS NCD(s)**
- NCD 10.2 Transcutaneous Electrical Nerve Stimulation (TENS) for Acute Post-Operative Pain
- NCD 160.27 Transcutaneous Electrical Nerve Stimulation (TENS) for Chronic Low Back Pain (CLBP)
- NCD 240.2 Home Use of Oxygen
- NCD 280.14 Infusion Pumps

**CMS Benefit Policy Manual**
- Chapter 6; § 80 Rental and Purchase of Durable Medical Equipment
- Chapter 8; § 70 Medical and Other Health Services Furnished to SNF Patients
- Chapter 15; § 110 Durable Medical Equipment (DME)

**CMS Claims Processing Manual**
- Chapter 1; § 10.3 Payments Under Part B for Services Furnished by Suppliers of Services to Patients of a Provider
- Chapter 20; § 30.1-30.1.2 Inexpensive or Routinely Purchased DME/Transcutaneous Electrical Nerve Stimulators (TENS), § 30.5 Capped Rental Items; § 40.2 Maintenance and Service of Capped Rental Items, § 211 SNF Consolidated Billing and DME Provided by DMEPOS Suppliers
- Chapter 23; § 60 Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule
**UnitedHealthcare Medicare Advantage Coverage Summaries**

- Durable Medical Equipment (DME), Prosthetics, Corrective Appliances/Orthotics (Non-Foot Orthotics) and Medical Supplies Grid
- Infusion Pump Therapy
- Oxygen for Home Use
- Speech Generating Devices
- Stimulators – Electrical and Spinal Cord Stimulators

**UnitedHealthcare Medicare Advantage Policy Guidelines**

- Air Fluidized Beds (NCD 280.8)
- Enteral and Parenteral Nutritional Therapy (NCD 180.2)
- Home Blood Glucose Monitors (NCD 40.2)
- Mobility Assistive Equipment (NCD 280.3)
- Mobility Devices (Ambulatory)
- Mobility Devices (Non-Ambulatory) and Accessories
- Noncontact Normothermic Wound Therapy (NNWT) (NCD 270.2)
- Osteogenic Stimulators (NCD 150.2)
- Oxygen for Home Use
- Seat Lift (NCD 280.4)
- Speech Generating Devices (NCD 50.1)
- Transcutaneous Electrical Nerve Stimulation (TENS) for Acute Post-Operative Pain (NCD 10.2)
- Transcutaneous Electrical Nerve Stimulation (TENS) for Chronic Low Back Pain (CLBP) (NCD 160.27)

**UnitedHealthcare Medicare Advantage Reimbursement Policies**

- KX Modifier
- Medicare Physician Fee Schedule Status Indicator

**MLN Matters**

- Article MM8133 Revised, Calendar Year (CY) 2013 Update for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

**Others**

- CMS DMEPOS Fee Schedule, CMS Website
- Noridian Reimbursement for most Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)
- Skilled Nursing Facility (SNF) Consolidated Billing (CB)

**History**

<table>
<thead>
<tr>
<th>Date</th>
<th>Revisions</th>
</tr>
</thead>
</table>
| 04/01/2016 | Updated references: Separated Medicare Advantage policy types; replaced subheading titled “UnitedHealthcare Medicare & Retirement Reimbursement Policies” with:  
  - “UnitedHealthcare Medicare Advantage Policy Guidelines” and  
  - “UnitedHealthcare Medicare Advantage Reimbursement Policies” |
| 03/14/2016 | The following information was removed from the policy:  
  "The Social Security Act (§1861(n)) specifies that a hospital or a skilled nursing facility (SNF) cannot be considered a patient’s "home" for purposes of the DME benefit. (This restriction of coverage to only those items that are furnished for use in the patient’s home does not apply to coverage under the separate Part B benefits for Prosthetics, Orthotics, and Supplies, which are payable without regard to the particular setting in which they are furnished.)" |
<p>| 07/27/2015 | Administrative updates |
| 06/10/2015 | Added HCPCS code A4602 to the policy |
| 09/12/2014 | Removed liability modifier references, table inserted to include all new Categories |</p>
<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/10/2014</td>
<td>Administrative updates</td>
</tr>
<tr>
<td>06/09/2014</td>
<td>• Annual review (AM)</td>
</tr>
<tr>
<td></td>
<td>• Expired HCPCS codes A4611, A4612, A4613, E0457, E0459 from the policy as they are no longer covered and will no longer be included in the DME list</td>
</tr>
<tr>
<td>01/23/2013</td>
<td>MRP Committee approved</td>
</tr>
<tr>
<td>01/07/2013</td>
<td>Policy created</td>
</tr>
</tbody>
</table>