

## MEDICAID REIMBURSEMENT POLICY

### Durable Medical Equipment (Rent to Purchase)

Active

**Policy Number:** DME – 008  
**Policy Title:** Durable Medical Equipment (Rent to Purchase)  
**Section:** DME  
**Effective Date:** 01/01/24

#### Description

This policy addresses reimbursement of durable medical equipment (DME) rent to purchase.

#### Definitions

**Durable Medical Equipment (DME):** items that meet the following criteria:

- Are primarily and customarily used to serve a medical purpose rather than convenience or comfort
- Can withstand repeated use
- Generally, are not useful to a person without an illness or injury
- Are appropriate for use in the home
- Are prescribed by a licensed physician/practitioner

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.

**Capped Rental:** an amount reimbursed on a monthly rental basis, which 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.

#### Policy Statement

Blue Cross and Blue Shield of Minnesota and Blue Plus (Blue Cross) 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 requires that all DME claims be submitted with the applicable HCPCS code(s) and have the applicable modifier appended. Reimbursement is based on the rental price up to the maximum allowed for the DME. The item is considered purchased when 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 is 10 months, except for Secure Blue (MSHO), which is 13 months. Once the limit is met, claims submitted for the rental of the item will be denied:

- Rental periods that contain a break in coverage of 60 days or more will start the limitation count over.



- A change in a member's supplier during the rental period will not result in a new reimbursement limit.

Blue Cross allows reimbursement for oxygen equipment on a monthly rental basis for a maximum of 36 months; however, oxygen contents will continue to be reimbursed.

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

### Documentation Submission

Documentation must identify and describe the services performed. If a denial is appealed, this documentation must be submitted with the appeal.

### Coverage

Eligible services will be subject to the subscriber benefits, applicable fee schedule amount and any coding edits.

#### The following applies to all claim submissions.

All coding and reimbursement is subject to all terms of the Provider Service Agreement and subject to changes, updates, or other requirements of coding rules and guidelines. All codes are subject to federal HIPAA rules, and in the case of medical code sets (HCPCS, CPT, ICD), only codes valid for the date of service may be submitted or accepted. Reimbursement for all Health Services is subject to current Blue Cross Medical Policy criteria, policies found in the Provider Policy and Procedure Manual sections, Reimbursement Policies and all other provisions of the Provider Service Agreement (Agreement).

In the event that any new codes are developed during the course of Provider's Agreement, such new codes will be paid according to the standard or applicable Blue Cross fee schedule until such time as a new agreement is reached and supersedes the Provider's current Agreement.

All payment for codes based on Relative Value Units (RVU) will include a site of service differential and will be calculated using the appropriate facility or non-facility components, based on the site of service identified, as submitted by Provider.

### Coding

The following codes are included below for informational purposes only and are subject to change without notice. Inclusion or exclusion of a code does not constitute or imply subscriber coverage or provider reimbursement.

<b>CPT/HCPCS Modifier:</b>	KH	KI	KJ	RR
<b>ICD-10 Diagnosis:</b>	N/A			
<b>ICD-10 Procedure:</b>	N/A			
<b>CPT/HCPCS:</b>	N/A			
<b>Revenue Codes:</b>	N/A			

### Resources

Minnesota Health Care Programs (MHCP) Provider Manual



## Policy History

10/24/2023	Initial Committee Approval
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