



Reimbursement Policy

Subject: DME Modifiers for New, Rented and Used Equipment

Effective Date: **03/14/16**

Committee Approval Obtained:
10/26/18

Section: **Coding**

*****The most current version of the reimbursement policies can be found on our provider website. If you are using a printed version of this policy, please verify the information by going to <https://providers.amerigroup.com>. Under Quick Tools, select Reimbursement Policies > Medicare. *****

These policies serve as a guide to assist you in accurate claim submissions and to outline the basis for reimbursement if the service is covered by a member’s Amerigroup Medicare Advantage benefit plan. The determination that a service, procedure, item, etc. is covered under a member’s benefit plan is not a determination that you will be reimbursed. Services must meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis as well as to the member’s state of residence. You must follow proper billing and submission guidelines. You are required to use industry standard, compliant codes on all claim submissions. Services should be billed with CPT® codes, HCPCS codes and/or revenue codes. The codes denote the services and/or procedures performed. The billed code(s) are required to be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our policies apply to participating providers and facilities; a non-contracting provider who accepts Medicare assignment will be reimbursed for services according to the original Medicare reimbursement rates.

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

- Reject or deny the claim.
- Recover and/or recoup claim payment.

Amerigroup Medicare Advantage reimbursement policies are developed based on nationally accepted industry standards and coding principles. These policies may be superseded by mandates in provider, state, federal or CMS contracts and/or requirements. System logic or setup may prevent the loading of policies into the claims platforms in the same manner as described; however, Amerigroup Medicare Advantage strives to minimize these variations.

Amerigroup Medicare Advantage reserves the right to review and revise our policies periodically when necessary. When there is an update, we will publish the most current policy to this site.

Policy

Amerigroup Medicare Advantage allows reimbursement for new, rented or used equipment appended with the appropriate modifier unless provider, state, federal or CMS contracts and/or requirements indicate otherwise. The listed modifiers are considered

	<p>reimbursement modifiers and must be billed in the primary or first modifier field to determine appropriate reimbursement:</p> <ul style="list-style-type: none"> • Modifier NU: new equipment • Modifier RR: rented equipment • Modifier UE: purchase of used equipment <p>These modifiers are appropriate for durable medical equipment, prosthetics and orthotics. These modifiers are inappropriate for supplies unless required under state or CMS guidelines. Claims for supplies appended with Modifier NU, RR or UE may be denied.</p> <p>Reimbursement will be based on the applicable fee schedule or contracted/negotiated rate for claims submitted for the equipment with the valid modifier identifying new, rented or used equipment. Claims submitted for equipment without the appropriate reimbursement modifier may be denied.</p>
History	<ul style="list-style-type: none"> • Biennial review approved 10/26/18: Policy template updated • Initial approval and effective 03/14/16
References and Research Materials	<p>This policy has been developed through consideration of the following:</p> <ul style="list-style-type: none"> • CMS • State contracts
Definitions	<ul style="list-style-type: none"> • Durable Medical Equipment (DME): items that meet the following criteria: <ul style="list-style-type: none"> ○ 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 • Prosthetic Device: an artificial structural and functional replacement of a limb/appendage or internal organ, or all or part of the function of a permanently inoperative or malfunctioning internal body organ • Orthotic Device: a brace with rigid metal or plastic stays applied to the body for support or immobilization of a body part to correct or prevent deformity, or to assist or restore function • General Reimbursement Policy Definitions
Related Policies	<ul style="list-style-type: none"> • Modifier Usage • Durable Medical Equipment (Rent to Purchase)
Related Materials	<ul style="list-style-type: none"> • None