

Reimbursement Policy

Reimbursement for Items under Warranty

Policy Number: **G-06112**

Policy Section: **Administration**

Last Approval Date: **09/11/2025**

Effective Date: **09/11/2025**

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://providers.anthem.com/ca>.

Policy

The health plan does not allow reimbursement for repair or replacement of rented or purchased items during the warranty period designated by the applicable manufacturer unless provider, state, federal, or CMS contracts and/or requirements indicate otherwise.

Items include:

- Durable medical equipment
- Supplies
- Prosthetics
- Orthotics

The manufacturer and/or distributor is responsible for:

- Repairing the item or providing an acceptable replacement item.
- All fees associated with the shipment of the defective item.
- All fees associated with the delivery of the repaired item.

In circumstances where the health plan has reimbursed the care provider for repair or replacement of an item during the warranty period, the health plan is entitled to recoup fees from the manufacturer and/or distributor holding the warranty. Care providers are required to supply members with information concerning the manufacturer's warranty for all items dispensed to members.

Reimbursement considerations:

- The health plan will consider reimbursement for replacement of the item through another manufacturer, after review, only in circumstances where both the member and the member's care provider deem the manufacturer's replacement of the applicable item unacceptable. The design, materials, measurements, fabrications, testing, fitting, and training in the use of another manufacturer's replacement item are included in the reimbursement of the item and are not separately reimbursable expenses.
- If the manufacturer offers an acceptable reduced-price replacement, but either the member prefers another replacement at full price or a care provider did not use the reduced-price offer, the health plan allows reimbursement only up to the cost of the reduced-price item.

If the manufacturer offers an acceptable replacement but imposes a charge or pro rata payment, the health plan allows reimbursement for the partial payment imposed by the manufacturer, subject to approval.

Related Coding

Standard correct coding applies.

Definitions

- **General Reimbursement Policy Definitions**

Related Policies and Materials

- Durable Medical Equipment (Rent to Purchase)

References and Research Materials

This policy has been developed through consideration of the following:

- CMS
- State contract
- State Medicaid

Policy History

- **09/11/2025** - Review approved: no changes
- **04/06/2023** - Review approved and effective: removed prudent buyer language under reimbursement consideration
- **09/14/2020** - Review approved: no changes
- **07/13/2018** - Review approved and effective: policy language updated
- **07/19/2017** - Initial approval 07/19/17 and effective 10/05/17

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 Procedural 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.

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.