

<b>Reimbursement Policy</b>	
<b>Subject: Durable Medical Equipment (Rent to Purchase)</b>	
<b>Policy Number: G-06052</b>	<b>Policy Section: DME and Supplies</b>
<b>Last Approval Date: 06/13/2023</b>	<b>Effective Date: 06/13/2023</b>

\*\*\*\* 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>. \*\*\*\*

### Disclaimer

These reimbursement policies serve as a guide to assist you in accurate claims submissions and to outline the basis for reimbursement if Anthem Blue Cross (Anthem) covered the service for the member's 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 Current Procedure 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, Anthem 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These reimbursement policies may be superseded by mandates in provider, state, federal, or Centers for Medicare & Medicaid Services (CMS) contracts and/or requirements. Anthem strives 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.

### Policy

Anthem allows reimbursement for durable medical equipment (DME) under specific guidelines unless otherwise noted by provider, state, federal, or CMS contracts and/or requirements. Anthem requires that all DME claims be submitted with the applicable HCPCS code(s) and have the applicable modifier appended.

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Reimbursement is based on the rental price up to the maximum allowed of the particular DME. The item is considered purchased once 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. 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 more than 60 days will start the limitation count over.
- On the occasion a member changes suppliers during the rental period, a new rental period will not start over.

Anthem allows reimbursement for indefinite rental of oxygen equipment.

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

### **Items Not Considered DME**

The following items are not considered DME:

- Prosthetics or orthotics
- Disposable medical supplies

**Note:** This policy does not apply to direct purchase DME.

### **Nonreimbursable DME**

Anthem does not allow reimbursement for:

- Provision of DME that exceeds the benefit limit unless authorized through medical necessity.
- Repair or replacement of DME necessitated by abuse or neglect.
- Repair or replacement of DME during the warranty period.
- Enhancements or upgrades of DME for the convenience of the member or caregiver.
- The aesthetic appearance of DME for the preference of the member or caregiver.
- DME considered to be experimental or investigational.
- The purchase or rental of common household items that are not medically indicated.
- DME provided by a skilled nursing facility. This equipment is normally included as part of the facility charge and is not separately reimbursable unless otherwise stated in a provider contract.

<b>Related Coding</b>
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Standard correct coding applies
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<b>Policy History</b>	
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06/13/2023	Review approved and effective: policy template updated
09/14/2020	Review approved and effective: policy language updated
10/18/2019	Review approved: policy language updated
10/26/2018	Review approved and effective: policy template updated
07/19/2017	Initial approval 07/19/2017 and effective 10/05/2017

**References and Research Materials**

This policy has been developed through consideration of the following:

- CMS
- State contract
- State Medicaid

**Definitions**

Durable Medical Equipment (DME)	<p>Items that meet the following criteria:</p> <ul style="list-style-type: none"> <li>• Are primarily and customarily used to serve a medical purpose rather than convenience or comfort.</li> <li>• Can withstand repeated use.</li> <li>• Generally, are not useful to a person without an illness or injury.</li> <li>• Are appropriate for use in the home.</li> <li>• Are prescribed by a licensed physician/practitioner.</li> </ul> <p>All requirements in the definition must be met before an item can be considered DME.</p>
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.

**General Reimbursement Policy Definitions**

**Related Policies and Materials**

Reimbursement for Items under Warranty