

# MedStar Health, Inc. POLICY AND PROCEDURE MANUAL

POLICY NUMBER: MP.010.MH  
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**SUBJECT:** Durable Medical Equipment, Corrective Appliances and Other  
**INDEX TITLE:** Medical Management  
**ORIGINAL DATE:** January 2013

This policy applies to the following MedStar Health lines of business:  
(Check those that apply.)

<b>COMMERCIAL</b>	<input type="checkbox"/> HMO	<input type="checkbox"/> PPO	<input type="checkbox"/> Fully Insured	<input type="checkbox"/> Individual Product	<input type="checkbox"/> Marketplace (Exchange)	<input checked="" type="checkbox"/> All
<b>GOVERNMENT PROGRAMS</b>	<input type="checkbox"/> MA HMO	<input type="checkbox"/> MA PPO	<input type="checkbox"/> MA C-SNP	<input type="checkbox"/> MA D-SNP	<input checked="" type="checkbox"/> MA All	
	<input type="checkbox"/> Medicaid					
<b>OTHER</b>	<input checked="" type="checkbox"/> Self-funded/ASO					

## I. POLICY

It is the policy of MedStar Health, Inc. to promote the delivery of high- quality health care and provide payment for durable medical equipment (DME), corrective appliances and other devices that are medically necessary and covered by the member's specific benefit plan.

All denials are based on medical necessity and appropriateness.

A Capped Rental DME program has been instituted by MedStar Health, Inc. for all lines of business. Under the Capped Rental DME program, all DME identified as capped rental equipment will be rented for a period of 13 months unless indicated otherwise in a specific DME medical or pay policy. Rental will be capped at the 13<sup>th</sup> month, or when the item has reached its purchase price.

In the absence of references to repairs and replacements in specific DME, corrective appliances and other device related policies, the section related to repairs and replacements in this policy will be applicable.

See also MedStar Health, Inc. policies that address coverage of specific DME.

## II. DEFINITIONS

**Corrective Appliances** are prosthetic or orthotic devices that facilitate, replace, or restore function of a body part.



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**Durable Medical Equipment (DME)** are items or devices that can withstand repeated use, are used primarily and customarily to serve a medical purpose, are customarily not useful to a person in the absence of illness or injury and which are appropriate for home use. DME does not include devices and equipment used for environmental control or enhancement, home or vehicle modifications, or convenience items.

**Irreparable Damage** is damage caused by a specific accident (such as a wheelchair falling from a vehicle) or natural disaster (such as a fire or flood).

**Irreparable Wear** is deterioration sustained from day-to-day usage over time and a specific event cannot be identified as causative. In cases involving irreparable wear, the useful lifetime of the equipment (if not otherwise specified) is 5 years.

**Medical Necessity Form (MNF)** is required to document the medical necessity and other coverage criteria for selected durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) items. There are 3 types of MNF's:

- Initial - Establishes the initial medical need for an item
- Revised:- Documents a change in the order
- Recertification:- Confirms that medical need for equipment is still present

**Other Devices** refers to Food and Drug Administration (FDA) approved devices that are not considered to be DME by the Centers for Medicare and Medicaid Services and require MedStar Health, Inc. prior authorization.

**Repair** means to fix or mend and to put the equipment back in working condition after damage or wear.

**Replacement** refers to the provision of an identical or nearly identical item.

### III. **PURPOSE**

The purpose of this policy is to define general guidelines for coverage of DME, corrective appliances and other devices. This policy is designed to address medical guidelines that are appropriate for the majority of individuals.

### IV. **SCOPE**

This policy applies to various MedStar Health, Inc. Departments as indicated by the Benefit and Reimbursement Committee. These include but are not limited to: Medical Management, Benefit Configuration and Claims Departments.

## V. PROCEDURE

### A. Background/ Medical Description

N/A

### B. Specific Indications

Coverage for DME, corrective appliances and other devices will be considered on an individual basis for the following:

1. Items that require prior authorization.
2. Requests for items to be provided by out-of-network vendors.  
Requests from out-of-network vendors/providers are reviewed by a Medical Director
3. Repairs, maintenance and replacement of items when necessary to make the equipment usable.

Refer to Variations section.

### C. Limitations

1. Total payments for a rental item may not exceed its allowable purchase price, except for those items identified as life-sustaining DME (i.e. ventilators). DME add-ons or upgrades that are intended primarily for convenience, or upgrades beyond what is necessary to meet the member's medical needs are not covered.

### D. General Guidelines for Repairs and Replacements

The following are general guidelines for DME, corrective appliances and other device repair and replacement. Refer to each policy for specific guidelines for repair and replacement.

#### **REPAIRS to medically necessary DME, Corrective Appliances and Other Devices**

1. Repairs to medically necessary DME, corrective appliances and other devices are covered up to the replacement cost when necessary to make the equipment/device serviceable.
2. A new Medical Necessity Form and/or physician's order is not needed for repairs to an item.

3. When the DME, corrective appliance, or other device is under the manufacturer's warranty, repairs are the responsibility of the manufacturer, and are not covered.
4. If the expense for repairs exceeds 50% of the estimated expense of purchasing replacement equipment for the remaining period of medical need, payment shall be limited to the replacement cost.
5. DME and orthotic equipment rental charges cover the expenses of maintaining the equipment. Separately itemized charges for repair of rented equipment are **not covered**. This includes items in the categories of: frequent and substantial servicing, oxygen equipment, capped rental and low-cost associated items, inexpensive or routinely purchased payment.
6. The following table contains repair units of service (UOS) allowances for commonly repaired items.
  - Units of service include basic troubleshooting and problem diagnosis.
  - The UOS is for common repairs based on standardized labor times.
  - This allowance applies to non-rented and out-of-warranty items.
  - Suppliers may only bill the allowable units of service listed in the table for each repair, regardless of the actual repair time.
  - Claims for repairs must include narrative information itemizing each repair and the time taken for each repair.

Type of Equipment	Part Being Repaired/Replaced	Allowed Units of Service (UOS) One (1) unit of service (UOS) = 15 minutes
CPAP	Blower Assembly	2
Hospital Bed	Pendant	2
Hospital Bed	Headboard/footboard	2
Patient Lift	Hydraulic Pump	2
Seat Lift	Hand Control	2
Seat Lift	Scissor Mechanism	3
Wheelchair- Manual	Anti-tipping device	1
Wheelchair- Manual or Power	Armrest or armpad	1
Wheelchair- Manual or Power	Wheel/Tire (all types, per wheel)	1
Wheelchair- Power	Batteries (includes cleaning and testing)	2
Wheelchair- Power	Charger	2
Wheelchair- Power	Drive wheel motors (Single/pair)	2/3
Wheelchair- Power	Joystick (includes	2



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	programming)	
Wheelchair- Power	Shroud/cowling	2

Refer to Variation section

**REPLACEMENTS for medically necessary DME, Corrective Appliances and Other Devices:**

1. Irreparable damage- In cases where loss or irreparable damage has occurred, replacement of both member owned equipment/device and capped rental equipment may be covered.
  - A physician's order and/or a new MNF is needed to reaffirm the continued medical necessity of the item.
2. Irreparable wear- replacement may be covered if the item of equipment has been in continuous use for the equipment's useful lifetime.
  1. A new physician's order and/or a new MNF is needed to reaffirm the medical necessity of the item.
3. DME and Corrective Appliances:
  - The replacement of the equipment before the five (5) year life expectancy can only be done if the item is irreparably damaged, for example by a natural disaster such as fire, flood, etc.
  - Replacement due to wear and tear before the five (5) year lifetime is not covered.
  - If DME **or** corrective appliance reaches its 5-year life expectancy, is in good working order, and meets the beneficiary's medical needs, it should not automatically be replaced.
4. Other Devices:
  - The device can be replaced when it is irreparable at the end of its specific life expectancy.

**E. Information Required for Review**

1. Medical Necessity Form as indicated in this policy.
2. Medical Records as needed.

**F. Review Process**

1. The Medical Management Ancillary Service staff reviews the request. If the case does not meet the established criteria, it is referred to a MedStar Health, Inc. Medical Director (Medical Director).
2. If referred, the Medical Director determines if the requested service is medically necessary and appropriate.

3. The Medical Management Ancillary Service staff completes the review process and communicates the review decision according to the Timeliness of UM Decisions policy for the member's benefit plan.

### **G. Variations**

#### **CHIP Product**

DME is limited to \$5,000 per plan year.

### **H. Records Retention**

Records Retention for documents, regardless of medium are provided within the MedStar Health, Inc. Policy and Procedure CORP.028.MH Records Retention.

### **I. References**

#### **Regulatory/Government Source:**

1. Centers for Medicare and Medicaid Services (CMS). National Coverage Determination (NCD) No. 280.1 – Durable Medical Equipment – Reference List. Effective Date: 05/05/2005. <http://www.cms.gov/medicare-coverage-database/details/ncd-details.aspx?NCDId=190&ncdver=2&bc=AgAAgAAAAAAAAA%3d%3d&>

2. NHIC Corp.: Repair labor billing and payment policy. Posted: 2/26/2009. Available at: [http://www.rstce.pitt.edu/RST\\_CE\\_PW/RSTCE\\_AAH\\_Doc/022609\\_repair.pdf](http://www.rstce.pitt.edu/RST_CE_PW/RSTCE_AAH_Doc/022609_repair.pdf)

**Disclaimer:**

MedStar Health, Inc. medical payment and prior authorization policies do not constitute medical advice and are not intended to govern or otherwise influence the practice of medicine. The policies constitute only the reimbursement and coverage guidelines of MedStar Health, Inc. and its affiliated managed care entities. Coverage for services varies for individual members in accordance with the terms and conditions of applicable Certificates of Coverage, Summary Plan Descriptions, or contracts with governing regulatory agencies.

MedStar Health, Inc. reserves the right to review and update the medical payment and prior authorization guidelines in its sole discretion. Notice of such changes, if necessary, shall be provided in accordance with the terms and conditions of provider agreements and any applicable laws or regulations.

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