Durable Medical Equipment Charges in a Skilled Nursing Facility Policy

<table>
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<tr>
<th>Policy Number</th>
<th>Annual Approval Date</th>
<th>Approved By</th>
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<tbody>
<tr>
<td>2017R9002B</td>
<td>06/10/2015</td>
<td>UnitedHealthcare Medicare Reimbursement Policy Committee</td>
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**IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY**

This policy is applicable to UnitedHealthcare Medicare Advantage Plans offered by UnitedHealthcare and its affiliates.

You are responsible for submission of accurate claims. This reimbursement policy is intended to ensure that you are reimbursed based on the code or codes that correctly describe the health care services provided. UnitedHealthcare Medicare Advantage reimbursement policies use Current Procedural Terminology (CPT®), Centers for Medicare and Medicaid Services (CMS), or other coding guidelines. References to CPT or other sources are for definitional purposes only and do not imply any right to reimbursement.

This reimbursement policy applies to all health care services billed on CMS 1500 forms and, when specified, to those billed on UB04 forms (CMS 1450). Coding methodology, industry-standard reimbursement logic, regulatory requirements, benefits design and other factors are considered in developing reimbursement policy.

This information is intended to serve only as a general resource regarding UnitedHealthcare's Medicare Advantage reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, UnitedHealthcare Medicare Advantage may use reasonable discretion in interpreting and applying this policy to health care services provided to UnitedHealthcare Medicare Advantage enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates, the physician or other provider contracts, and/or the enrollee's benefit coverage documents. Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by UnitedHealthcare Medicare Advantage due to programming or other constraints; however, UnitedHealthcare Medicare Advantage strives to minimize these variations.

UnitedHealthcare Medicare Advantage may modify this reimbursement policy at any time to comply with changes in CMS policy and other national standard coding guidelines by publishing a new version of the reimbursement policy on this website. However, the information presented in this reimbursement policy is accurate and current as of the date of publication. UnitedHealthcare Medicare Advantage encourages physicians and other healthcare professionals to keep current with any CMS policy changes and/or billing requirements by referring to the CMS or your local carrier website regularly. Physicians and other healthcare professionals can sign up for regular distributions for policy or regulatory changes directly from CMS and/or your local carrier. UnitedHealthcare's Medicare Advantage reimbursement policies do not include notations regarding prior authorization requirements. Services requiring prior authorization can be found at UnitedHealthcareOnline.com > Notifications/Prior Authorizations.

*CPT® is a registered trademark of the American Medical Association.

** For more information on a specific enrollee's benefit coverage, please call the customer service number on the back of the member ID card or refer to the Administrative Guide.

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Application

This reimbursement policy applies to services reported using the 1500 Health Insurance Claim Form (a/k/a CMS-1500) or its electronic equivalent or its successor form. This policy applies to all products and all network and non-network physicians and other qualified health care professionals, including, but not limited to, non-network authorized and percent of charge contract physicians and other qualified health care professionals.

Payment Policies for Employer & Individual and for Community and State please use this link. Employer & Individual are listed under Reimbursement Policies-Commercial. Community and State are listed under UnitedHealthcare Community Plan Reimbursement Policies.

Policy Overview

This policy addresses Parental and Enteral Nutrition (PEN) Items and Services listed on the Centers for Medicare and Medicaid PEN Fee Schedule and Medicare Durable Medical Equipment, Prosthetics & Orthotics (DMEPOS) Fee Schedule codes assigned a status indicator listed and defined below:

CR: Capped Rental
FS: Frequently Serviced Items
IN: Inexpensive or Routinely Purchased
OS: Ostomy, Tracheostomy & Urological Items
OX: Oxygen and Oxygen Equipment
PO: Prosthetics & Orthotics
SD: Surgical Dressings
SU: Supplies
TE: TENS

Reimbursement Guidelines

When Durable Medical Equipment (DME), Prosthetics & Orthotics and PEN Items are furnished for use in a Skilled Nursing Facility (SNF) during a covered Part A stay UnitedHealthcare shall not make separate payment for DME, since the DME is already included in the payment that the SNF receives for the covered stay itself. When DME is furnished for use in a SNF during a non-covered stay (SNF benefits exhausted, no qualifying 3-day hospital stay, etc.), UnitedHealthcare still shall not make separate payment for DME, as explained above, Part B’s DME benefit does not cover DME items that are furnished for use in SNFs. Even if a beneficiary already rents or owns a piece of DME in their home, the SNF cannot require the beneficiary to bring their own rented or purchased DME with them into the SNF. NOTE: Rental and purchase of DMEPOS is covered under Part B for use in a Beneficiary's Home. DME rendered to inpatients of a SNF or hospital is covered as part of the prospective payment system and is not separately reimbursable.

Coding information for SNF consolidated billing may be found on the CMS website at http://www.cms.gov/Medicare/Billing/SNFConsolidatedBilling/index.html. This information may be used to determine by procedure code whether services rendered to beneficiaries in Part A covered SNF stays or non-Part A covered SNF stays (Part A benefits exhausted) are included or excluded from consolidated billing. Services that are included in consolidated billing must be billed to the SNF for payment.

NOTE:
- DMEPOS categories OS, PO, SD, and SU are subject to denial in a Place of Service 31
- DMEPOS categories CR, FS, IN, OX and TE are subject to denial in a Place of Service 31 or 32
### Definitions

<table>
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<tr>
<th>Term</th>
<th>Description</th>
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<tr>
<td>Beneficiary’s Home</td>
<td>For the purpose of rental or purchase DME, the beneficiary’s home may be his own dwelling, an apartment, a relative’s home, a home for the aged, or some other type of institution. However, an institution may not be considered the member’s home if it: Meets at least the basic requirement in the definition of a hospital (i.e., it is primarily engaged in providing, by or under the supervision of physicians, to inpatients, diagnostic and therapeutic services for medical diagnosis, treatment, and care of injured, disabled and sick persons, or rehabilitation services for the rehabilitation of injured, disabled or sick persons). Meets at least the basic requirement in the definition of a skilled nursing facility (i.e., it is primarily engaged in providing skilled nursing care and related services to inpatients who require medical or nursing care, or rehabilitation services for the rehabilitation of injured, disabled or sick persons).</td>
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<tr>
<td>Medical</td>
<td>Equipment which is primarily and customarily used for a medical purpose and is not generally useful in the absence of illness or injury.</td>
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<tr>
<td>Non-Medical</td>
<td>Equipment which basically serves comfort or convenience functions or is primarily for the convenience of a person caring for the patient.</td>
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<td>Capped Rental</td>
<td>The supplier must allow the beneficiary the option to purchase a rented piece of equipment during the tenth month of usage. The beneficiary may choose to continue renting the item. However, rental payments must cease after 15 months, and the supplier can charge a maintenance fee every six months equivalent to one month’s rental.</td>
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<td>TENS</td>
<td>Transcutaneous Electrical Nerve Stimulation</td>
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### Codes

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<tr>
<th>Modifier code section</th>
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<tr>
<td>EY</td>
<td>No physician or other licensed Health care provider order for this item or service</td>
</tr>
<tr>
<td>GZ</td>
<td>Item or service expected to be denied as not reasonable and necessary</td>
</tr>
<tr>
<td>KE</td>
<td>Bid under round one of the DMEPOS competitive bidding program for use with non-competitive bid base equipment</td>
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<tr>
<td>KF</td>
<td>Item designated by FDA as Class III device</td>
</tr>
<tr>
<td>KL</td>
<td>DMEPOS item delivered via mail</td>
</tr>
<tr>
<td>KX</td>
<td>Requirements specified in the medical policy have been met</td>
</tr>
<tr>
<td>NU</td>
<td>New Equipment</td>
</tr>
<tr>
<td>Q0</td>
<td>Investigational clinical service provided in a clinical research study that is in an approved clinical research study</td>
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<tr>
<td>QE</td>
<td>Prescribed amount of oxygen is less than 1 liter per minute (LPM)</td>
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<tr>
<td>QF</td>
<td>Prescribed amount of oxygen exceeds 4 LPM and portable oxygen is prescribed</td>
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QG  Prescribed amount of oxygen is greater than 4 liters per minute (LPM)
QH  Oxygen conserving device is being used with an oxygen delivery system
RA  Replacement of a DME, orthotic, or prosthetic item
RR  Rental (use the ‘RR’ modifier when DME is to be rented)
UE  Used durable medical equipment

Resources

CMS National Coverage Determinations (NCDs)
NCD 10.2 Transcutaneous Electrical Nerve Stimulation (TENS) for Acute Post-Operative Pain
NCD 160.27 Transcutaneous Electrical Nerve Stimulation (TENS) for Chronic Low Back Pain (CLBP)
NCD 240.2 Home Use of Oxygen
NCD 280.14 Infusion Pumps

CMS Benefit Policy Manual
Chapter 6; § 80 Rental and Purchase of Durable Medical Equipment
Chapter 8; § 70 Medical and Other Health Services Furnished to SNF Patients
Chapter 15; § 110 Durable Medical Equipment (DME)

CMS Claims Processing Manual
Chapter 1: § 10.3 Payments Under Part B for Services Furnished by Suppliers of Services to Patients of a Provider
Chapter 20; § 30.1-30.1.2 Inexpensive or Routinely Purchased DME/Transcutaneous Electrical Nerve Stimulators (TENS). § 30.5 Capped Rental Items; § 40.2 Maintenance and Service of Capped Rental Items, § 211 SNF Consolidated Billing and DME Provided by DMEPOS Suppliers
Chapter 23; § 60 Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule
Chapter 20; § 30.7 Payment for Parental and Enteral Nutrition (PEN) Items and Services

UnitedHealthcare Medicare Advantage Coverage Summaries
Durable Medical Equipment (DME), Prosthetics, Corrective Appliances/Orthotics (Non-Foot Orthotics) and Medical Supplies Grid
Infusion Pump Therapy
Oxygen for Home Use
Speech Generating Devices
Stimulators – Electrical and Spinal Cord Stimulators

UnitedHealthcare Medicare & Retirement Policy Guidelines
Air Fluidized Beds (NCD 280.8)
Enteral and Parenteral Nutritional Therapy (NCD 180.2) https://www.cms.gov/medicare-coverage-database/details/ncd-details.aspx?NCAId=231&NcaName=Outpatient+Intravenous+Insulin+Treatment+(Therapy)&ExpandComments=n&CommentPeriod=0&NCDId=242&ncdver=1&SearchType=Advanced&CoverageSelection=Both&NCSelection=NCA%257CCAL%257CNCD%257CMEDCAC%257CTA%257CMCD&ArticleType=Ed%257CKey%257CKey%257CSAD%257CFAQ%257CPolicyType=Final&s=5%257C6%257C66%257C67%257C9%257C38%257C63%257C41%257C64%257C65%257C44&KeyWord=enteral+nutrition+therapy&KeyWordLookUp=Doc&KeyWordSearchType=And&kq=true&bc=IAAAABAAEEAAAA%3D%3D&
Home Blood Glucose Monitors (NCD 40.2)
KX Modifier
Medicare Physician Fee Schedule Status Indicator
Mobility Assistive Equipment (NCD 280.3)
Mobility Devices (Ambulatory)
Mobility Devices (Non-Ambulatory) and Accessories
Noncontact Normothermic Wound Therapy (NNWT) (NCD 270.2)
Osteogenic Stimulators (NCD 150.2)
Oxygen for Home Use
Seat Lift (NCD 280.4)
Speech Generating Devices (NCD 50.1)
Transcutaneous Electrical Nerve Stimulation (TENS) for Acute Post-Operative Pain (NCD 10.2)
Transcutaneous Electrical Nerve Stimulation (TENS) for Chronic Low Back Pain (CLBP) (NCD 160.27)

MLN Matters
Article MM8133 Revised, Calendar Year (CY) 2013 Update for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

Others
CMS DMEPOS Fee Schedule, CMS Website
Noridian Reimbursement for most Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)
Skilled Nursing Facility (SNF) Consolidated Billing (CB)

History
01/19/2017 Updated policy to reflect reimbursement for Parental and Enteral Nutrition Items reported in POS 31.
01/01/2017 Annual Policy Version Change
05/01/2016 Reorganized and reformatted policy
  o Transferred content to new template (no change to content)
  o Reassigned policy number
  o Archived through 7/27/2015
04/01/2016 Updated references: Separated Medicare Advantage policy types; replaced subheading titled “UnitedHealthcare Medicare & Retirement Reimbursement Policies” with:
  o “UnitedHealthcare Medicare Advantage Policy Guidelines” and
  o “UnitedHealthcare Medicare Advantage Reimbursement Policies”
03/14/2016 The following information is no longer sourced and was removed from the policy:
“The Social Security Act (§1861(n)) specifies that a hospital or a skilled nursing facility (SNF) cannot be considered a patient’s “home” for purposes of the DME benefit. (This restriction of coverage to only those items that are furnished for use in the patient’s home does not apply to coverage under the separate Part B benefits for Prosthetics, Orthotics, and Supplies, which are payable without regard to the particular setting in which they are furnished.)”
01/23/2013 Policy Approved