

Commercial Reimbursement Policy

Subject: **DME Modifiers - Professional**

Policy Number: **C-19006**

Policy Section: **DME**

Last Approval Date: **09/28/2022**

Effective Date: **09/28/2022**

Disclaimer

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 Anthem Blue Cross (Anthem) 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. 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. Our policies apply to both participating and nonparticipating professionals and facilities as indicated.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, Anthem:

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

Anthem's 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 These policies may be superseded by mandates in provider, State, Federal or Centers for Medicare and Medicaid Services (CMS) contracts and/or requirements. System logic or set up may prevent the loading of policies into the claims platforms in the same manner as described; however, Anthem strives to minimize these variations.

Policy

The Health Plan allows reimbursement for new, rented or used durable medical equipment appended with the appropriate modifier. Claims submitted for equipment without the appropriate reimbursement modifier may be denied. The listed modifiers are considered reimbursement modifiers and must be billed in the primary or first modifier field to determine appropriate reimbursement.

Modifiers are appropriate for Durable Medical Equipment (DME), prosthetics, and orthotics and are inappropriate for supplies unless required under State guidelines. Claims for supplies appended with a DME modifier may be denied.

When reporting daily rental items, modifier RR is to be appended. Reimbursement for continuous/rent to purchase items is based on the Health Plan's allowance for the monthly

rental period. A rental modifier such as BR, KI, KR, LL, or RR is to be appended to the DME code when the DME item is a continuous rental.

To report the replacement of a DME item, modifiers KC, RA or RB must be appended to the HCPCS code. The labor component may be reported separately.

Positive airway pressure devices and corresponding humidifiers are not eligible for reimbursement when submitted with a Purchase Modifier.

Related Coding

| Modifier | Description | Comments |
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| BP | The beneficiary has been informed of the purchase and rental options and has elected to purchase the item | Used to designate that a DME item was elected to be purchased |
| BR | The beneficiary has been informed of the purchase and rental options and has elected to rent the item | Used to designate that a DME item was elected to be rented |
| EX | Expatriate beneficiary | Used to designate that a DME item was furnished to a beneficiary in the United States |
| KC | Replacement of special power wheelchair interface | Used to designate that a special wheelchair item was replaced |
| KI | DMEPOS item, 2nd or 3rd month rental | Used to designate that a DME item was rented for the 2 nd and 3 rd month |
| KR | Rental item, billing for partial month | Used to designate that a DME item was a rental item for partial month |
| LL | Lease/Rental | Used when DME equipment rental is to be applied against the purchase price |
| MS | Six-month maintenance and servicing fee for reasonable and necessary parts and labor which are not covered under any manufacturer or supplier warranty | Used to designate for a DME item that underwent six-month maintenance |
| NR | New when rented | Used when DME which was new at the time of rental is subsequently purchased |
| NU | New equipment | Used to designate that a new DME item was purchased |
| RA | Replacement of a DME, orthotic or prosthetic item | Used to designate that a DME, orthotic or prosthetic item was a replacement |
| RB | Replacement of a part of a DME, orthotic or prosthetic item furnished as part of a repair | Used to designate that a DME, orthotic or prosthetic item was a replacement part |
| RR | Rental | Used to designate that a DME item was rented |

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| UE | Used durable medical equipment | Used to designate that a DME item was used |
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Policy History

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| 09/28/2022 | Policy review approved: updated language; removed list of items for purchase only and updated the language to 'Positive airway pressure devices and corresponding humidifiers are not eligible for reimbursement when submitted with a purchase modifier' |
| 04/28/2021 | Biennial review approved; added modifiers BP, BR and EX |
| 10/18/2019 | Initial policy approved; effective 12/01/2019; Durable Medical Equipment policy (C-09003) was retired and was split into two new policies: DME Rent to Purchase (C-19007) and DME Modifiers (C-19006) <ul style="list-style-type: none"> Durable Medical Equipment (C-09003) effective 04/07/2009 |
| 10/01/2016 | Initial Durable Medical Equipment (C-09003) policy approval and effective |

References and Research Materials

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| <p>This policy has been developed through consideration of the following:</p> <ul style="list-style-type: none"> CMS Optum, 2021 |
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Definitions

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| Durable Medical Equipment (DME) | Equipment that provides therapeutic benefits to a patient in need because of certain medical conditions and/or illnesses and meets 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 |
| Purchase | Items that are generally not reusable (such as supplies), or are available for long-term use, and/or are customized |
| Purchase/Rent to Purchase (P/RTP) | Items are not routinely purchased up-front. They are reusable, not service intensive, not customized, and/or may only be needed for short term use |
| Continuous Rental | Equipment which is never purchased and the rental reimbursement is not capped at a purchase price. These items are also referred to as "frequently serviced" (FS) items and the Health Plan reimburses these FS items as rentals for as long as is medically necessary |
| Daily Rental | Items that are considered short term rentals, which are generally rented for less than a month |
| General Reimbursement Policy Definitions | |

Related Policies and Materials

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| Frequency Editing - Professional |
| Modifier Rules - Professional |

Use of Reimbursement Policy

This policy is subject to federal and state laws, to the extent applicable, as well as the terms, conditions, and limitations of a member's benefits on the date of service. Reimbursement Policy is constantly evolving and we reserve the right to review and update these policies periodically.

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