

MEDICAL POLICY	Durable Medical Equipment (Medicare Only)
Effective Date: 5/1/2021  5/1/2021	Medical Policy Number: 302 Medical Policy Committee Approved Date: 4/2021
Medical Officer Date	

See Policy CPT/HCPCS CODE section below for any prior authorization requirements

SCOPE:

Providence Health Plan, Providence Health Assurance, Providence Plan Partners, and Ayin Health Solutions as applicable (referred to individually as “Company” and collectively as “Companies”).

APPLIES TO:

Medicare Only

MEDICARE POLICY CRITERIA

The following Centers for Medicare & Medicaid Service (CMS) guidelines should be utilized for medical necessity coverage determinations. Click the link provided in the table below to access applicable medical necessity criteria. All listed guidelines apply.

Service	Medicare Guidelines
<i>Durable Medical Equipment</i>	<ul style="list-style-type: none"> National Coverage Determination (NCD) for Durable Medical Equipment Reference List (280.1)¹ Medicare Benefit Policy Manual- Chapter 15 (Rev 10269)²

POLICY GUIDELINES

Durable Medical Equipment (DME)

The term *DME* is defined as equipment which:

- Can withstand repeated use; i.e., could normally be rented and used by successive patients;
- Is primarily and customarily used to serve a medical purpose;
- Generally is not useful to a person in the absence of illness or injury; and,
- Is appropriate for use in a patient’s home.

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Same or Similar Equipment

Although an item may be classified as durable medical equipment, it may not be covered in every instance. Coverage in a particular case, such as same or similar equipment is subject to the requirement that the equipment be necessary and reasonable.

Reasonableness of equipment; even though an item of durable medical equipment may serve a useful medical purpose the intermediary will also want to consider to what extent, if any, it would be reasonable to cover the item prescribed. The following considerations will enter into the intermediary's determination of reasonableness;

1. Would the expense of the item be clearly disproportionate to the therapeutic benefits which could ordinarily be derived from use of the equipment?
2. Is the item substantially more costly than a medically appropriate and realistically feasible alternative of care?
3. Does the item service essentially the same purpose as equipment already available to the patient?

Same or similar equipment rules may not apply to situations where a new device with additional technological features becomes available. The DMERC must evaluate whether the new feature(s) meets the patient's medical need that is not met by the patients' current equipment. If the new feature or device meets a current medical need that is not met by the current equipment because the appropriate technology was not available at the time the patient purchased the item, even if there has been no change in the patient's condition, the 5-year useful lifetime rules do not apply, the new item may be provided. However, if the new item is meeting the same medical need as the old item, but in a more efficient manner or is more convenient, and there is no change in the patient's condition, the new item is *NOT* covered.

Repairs, Maintenance, Replacement:

- To repair means to fix or mend and to put the equipment back in good condition after damage or wear. Repairs to equipment which a patient owns are covered when necessary to make the equipment serviceable. If the expense for repairs exceeds the estimated expense of purchasing or renting another item of equipment for the remaining period of medical need, no payment can be made for the amount of the excess. Repairs and maintenance of rental or rent to purchase equipment is the responsibility of the durable medical equipment provider and are not covered by the Plan. This includes items in the frequent and substantial servicing, oxygen equipment, capped rental and inexpensive or routinely purchased payment categories which are being rented.

Repair charges may include the cost of a loaner.

A new certificate of medical necessity and/or physician's order is not needed for repairs.

Maintenance; routine periodic servicing, such as testing, cleaning, regulation, and checking of the patient's equipment are *not* covered. Such routine maintenance is generally expected to be done by the owner rather than by a retailer or some other person who would charge the

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patient. Normally, purchasers of durable medical equipment are given operating manuals which describe the type of servicing an owner may perform to properly maintain the equipment. Thus, hiring a third party to do such work would be for the convenience of the patient and would *not* be covered. However, more extensive maintenance, which, based on the manufactures recommendation, is to be performed by authorized technicians, would be covered as repairs. Example; breaking down of sealed components and performing tests which require specialized testing equipment not available to the patient.

Maintenance of purchased items that require frequent and substantial servicing or oxygen equipment is *not* covered. Maintenance of rented equipment is *not* covered.

A new certificate of medical necessity and/or physician’s order is not needed for covered maintenance.

- Replacement refers to the provision of an identical or nearly identical item. Equipment which the patient owns or is a capped rental item may be replaced in cases of irreparable wear and when required because of a change in the patient’s condition, loss or irreparable damage.

Irreparable wear refers to deterioration sustained from day to day usage over time and a specific event cannot be identified. Replacement of equipment due to irreparable wear takes into consideration the reasonable useful lifetime of the equipment.

The reasonable useful lifetime of durable medical equipment cannot be less than 5 years. Computation of the useful lifetime is based on when the equipment is delivered to the patient, not the age of the equipment. Replacement due to wear is not covered during the reasonable useful lifetime of the equipment. During the reasonable useful lifetime, repair up to the cost of replacement (but not actual replacement) is covered.

Replacement may be covered when there is a change in the patient’s condition with a new physician order.

Irreparable damage refers to a specific accident or to a natural disaster (e.g., fire, flood, etc.). In the event of a third party liability the repair and/or replacement of equipment owned by the patient is not a covered benefit.

Replacement requests suggesting malicious damage, culpable neglect or wrongful disposition of equipment are not covered.

DESCRIPTION

Durable Medical Equipment (DME) is medical equipment prescribed by a physician or appropriate health care provider, as part of a medical therapeutic plan.

Durable medical equipment (DME) is a specific treatment modality which:

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- A. Can withstand repeated use, is not expendable.
- B. Is primarily used to serve a medical purpose
- C. Is not useful in absence of illness or injury
- D. Is appropriate for use in patient's home

Back up durable medical equipment is defined as an incidental or similar device that is used to meet the same medical need for the patient but is provided for precautionary reasons to deal with an emergency in which the primary piece of equipment malfunctions

INSTRUCTIONS FOR USE

Company Medical Policies serve as guidance for the administration of plan benefits. Medical policies do not constitute medical advice nor a guarantee of coverage. Company Medical Policies are reviewed annually and are based upon published, peer-reviewed scientific evidence and evidence-based clinical practice guidelines that are available as of the last policy update. The Companies reserve the right to determine the application of Medical Policies and make revisions to Medical Policies at any time. Providers will be given at least 60-days notice of policy changes that are restrictive in nature.

The scope and availability of all plan benefits are determined in accordance with the applicable coverage agreement. Any conflict or variance between the terms of the coverage agreement and Company Medical Policy will be resolved in favor of the coverage agreement.

REGULATORY STATUS

Mental Health Parity Statement

Coverage decisions are made on the basis of individualized determinations of medical necessity and the experimental or investigational character of the treatment in the individual case. In cases where medical necessity is not established by policy for specific treatment modalities, evidence not previously considered regarding the efficacy of the modality that is presented shall be given consideration to determine if the policy represents current standards of care.

REFERENCES

1. Centers for Medicare & Medicaid Services. National Coverage Determination (NCD) for Durable Medical Equipment Reference List (280.1). <https://www.cms.gov/medicare-coverage-database/details/ncd-details.aspx?NCDId=190>. Published 2005. Accessed 2/28/2021.
2. Centers for Medicare & Medicaid Services. Medicare Benefit Policy Manual: Chapter 15 – Covered Medical and Other Health Services. 110.1 Definition of Durable Medical Equipment (Rev. 228, 10-13-16). <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>. Published 2019. Accessed 2/28/2021.