

**DURABLE MEDICAL EQUIPMENT**

Effective Date: September 10, 2014

Review Dates: 1/93, 10/95, 6/99, 12/01, 10/02, 6/03,  
9/03, 9/04, 9/05, 8/06, 7/07, 6/08, 6/09, 6/10, 6/11,  
6/12, 6/13, 8/14, 8/15, 8/16, 8/17

Date Of Origin: June 30, 1988

Status: Current

**I. POLICY/CRITERIA**

Durable medical equipment (DME) is typically covered with a fifty percent (50%) member copay. Rate options for other copays are available. Priority Health uses applicable medical policies, including InterQual®, or other commercially available criteria in making coverage decisions. Restrictions and limitations, some of which are described below, apply.

1. The decision to purchase or rent DME (and the supplies and accessories necessary for their functioning) will be at the discretion of the Health Management Department.
2. If quality and effectiveness are comparable, the least costly equipment will be covered.
3. Professional fees related to dispensing or customizing the item, educating or training the member are covered as part of the equipment cost. These services are the responsibility of the vendor or provider and are not reimbursable as a separate fee.
4. The decision to repair or replace DME will be at the decision of the Health Management Department. A one-month rental period will be covered for a beneficiary-owned unit when the unit is sent in for repair / replacement estimate (except for Medicaid/Healthy Michigan Plan products). The following guidelines apply:
  - a. Repair of DME for Customer Owned DME
    - Repairs or maintenance as a result of normal use are a covered benefit.
    - Repairs or maintenance as a result of misuse or abuse are not a covered benefit and are the responsibility of the member.
    - For repairs greater than 60% of the cost of new, replacement will be at the discretion of Priority Health.
    - Claims for repairs should include an itemized invoice.
  - b. Replacement of DME
    - Replacement of DME damaged by normal use or required due to body growth is a covered benefit.
    - Replacement of DME is covered if equipment is past the useful lifetime period. Useful lifetime is considered to be no less than 5 years beginning with the date of delivery. Obsolescence of electronic components (e.g. CPAP compliance monitoring) qualifies for DME

- replacement. Functioning DME that meets the clinical need is not eligible for replacement, regardless of the age of the equipment.
- Replacement will be at the discretion of Priority Health if cost of repairs is greater than 60% of the cost of new.
  - Replacement of DME as a result of misuse or abuse is not a covered benefit and is the responsibility of the member.
  - Replacement of lost or stolen DME is not a covered benefit.
5. Supplies and accessories, including disposable supplies, necessary for the proper functioning or application of covered DME are a covered benefit.
  6. Loaner Equipment:
    - a. Priority Health will pay for loaner equipment on member owned equipment outside the capped rental period.
    - b. Payment will not be made for the rental of equipment on supplier owned equipment (within the 10 month capped rental period).
  7. Transfer of capped rental equipment: In the event that the member changes carriers during a 10 month capped rental period a new rental period will not begin. Priority Health will allow coverage for capped rental equipment and will pay the number of month remaining on the capped rental amount up to 10 months on new members to the plans or on members who have lost a primary carrier, therefore making Priority Health their primary carrier.
  8. Ownership of capped rental items shall be transferred to the beneficiary after the capped-rental period of 10 months has been completed.
  9. In the event that the member requires an upgrade of equipment during the capped rental period (i.e.: CPAP to BIPAP) Priority Health will apply the amount already paid on the capped rental toward the balance of the upgraded item.
  10. Preauthorization of DME >\$1,000.00 is required (>\$500.00 is required for Medicaid and Healthy Michigan Plan members).
  11. Member compliance with use of equipment is required, and compliance may be reviewed to determine continued authorization and coverage. The following are example of devices and compliance criteria that may be reviewed:
    - a. Secretion Clearance Devices (e.g. mechanical percussor, intrapulmonary percussive ventilation, high-frequency chest wall oscillation) require a device trial of 4-6 weeks with use daily or as prescribed, and documentation of increased sputum production (See InterQual® criteria)
    - b. Electrical Stimulator (e.g. NMES) authorization beyond the 2-month initial trial requires review of a compliance log when it is an integral part of the equipment.

## EXCLUSIONS

1. Personal or household items are not a covered benefit, including but not limited to:
  - Personal comfort or convenience items

- Household fixtures or equipment, or home modifications (e.g. bath bars, ramps, air conditioners, pillows, elevators)
  - Furnishing such as lift chairs, whirlpools and safety beds
2. Self-help and adaptive aids are not a covered benefit, including assistive communication devices and training aids. See medical policy: Augmentative Communication / Speech Generating Devices for Medicaid Members for Medicaid member coverage.
  3. Coverage is limited to one (1) piece of same-use equipment (e.g. mobilization, suction), unless replacement is covered under the replacement guidelines in this policy. Duplicate or back up equipment is not a covered benefit. Multiple devices (e.g. electric wheelchair for home and manual wheelchair for transportation, or wheelchair and buggy) are not a covered benefit.
  4. Upgrades of equipment for outdoor use, or equipment needed for use outside of the home that is not needed for in-home use, are not covered.
  5. Deluxe equipment
  6. Physical fitness equipment such as treadmills, stationary bikes
  7. First aid or precautionary equipment such as standby portable oxygen units
  8. Maintenance and Service fee for capped-rental items (*example: CPT E0601MS*)

## II. MEDICAL NECESSITY REVIEW

- Required if >\$1,000.00 for most plans and >\$500.00 for Medicaid and Healthy Michigan Plans and as listed below
- Not Required
- Not Applicable

## III. APPLICATION TO PRODUCTS

Coverage is subject to member's specific benefits. Group specific policy will supersede this policy when applicable.

- ❖ **HMO/EPO:** *This policy applies to insured HMO/EPO plans.*
- ❖ **POS:** *This policy applies to insured POS plans.*
- ❖ **PPO:** *This policy applies to insured PPO plans. Consult individual plan documents as state mandated benefits may apply. If there is a conflict between this policy and a plan document, the provisions of the plan document will govern.*
- ❖ **ASO:** *For self-funded plans, consult individual plan documents. If there is a conflict between this policy and a self-funded plan document, the provisions of the plan document will govern.*
- ❖ **INDIVIDUAL:** *For individual policies, consult the individual insurance policy. If there is a conflict between this medical policy and the individual insurance policy document, the provisions of the individual insurance policy will govern.*
- ❖ **MEDICARE:** *Coverage is determined by the Centers for Medicare and Medicaid Services (CMS); if a coverage determination has not been adopted by CMS, this policy applies.*
- ❖ **MEDICAID/HEALTHY MICHIGAN PLAN:** *For Medicaid/Healthy Michigan Plan members, this policy will apply. Coverage is based on medical necessity criteria being met*

and the appropriate code(s) from the coding section of this policy being included on the Michigan Medicaid Fee Schedule located at: [http://www.michigan.gov/mdch/0,1607,7-132-2945\\_42542\\_42543\\_42546\\_42551-159815--,00.html](http://www.michigan.gov/mdch/0,1607,7-132-2945_42542_42543_42546_42551-159815--,00.html). If there is a discrepancy between this policy and the Michigan Medicaid Provider Manual located at: [http://www.michigan.gov/mdch/0,1607,7-132-2945\\_5100-87572--,00.html](http://www.michigan.gov/mdch/0,1607,7-132-2945_5100-87572--,00.html), the Michigan Medicaid Provider Manual will govern. For Medical Supplies/DME/Prosthetics and Orthotics, please refer to the Michigan Medicaid Fee Schedule to verify coverage.

#### SPECIAL NOTES

See applicable InterQual® Criteria

#### IV. DESCRIPTION

Durable Medical Equipment (DME) is defined as equipment which:

- Can withstand repeated use,
- Is primarily used to serve a medical purpose,
- Is generally not useful to a person in the absence of illness, injury, or disease
- Is appropriate for use in the member's home. A member's home may be defined as the member's own dwelling, relative's home, apartment, home for the aged or other type of institution.

#### V. CODING INFORMATION

See specific policies or reference document for detailed coding information

##### Equipment and supplies requiring pre-authorizations

- Enteral feedings and supplies (See policy 91278 Enteral Nutritional Therapy)
- Ventilators
- Compression appliances
- Implanted and external Stimulator devices (See policy 91468 Stimulation Therapy and Devices Medical Policy)
- CPM (after 21 days rental)
- Wound pumps
- Speech Synthesizer (Medicare and Medicaid Plans Only) (See policy 91499 Augmentative Communication / Speech Generating Devices for Medicaid Members)
- Power Vehicles
- Shoe Inserts (See policy 91420 Orthotics: Shoe Inserts, Orthopedic Shoes)
- Bilirubin Light (after 7 days rental)
- Infusion/TPN Supplies and Services (all service lines for Home Infusion providers) (See also policy 91517 Parenteral Nutritional Therapy)
- Infusion Pumps, Implantable & External (See policy 91414 Infusion Pumps-Implantable And External Note: Prior authorization is not required for insulin pumps –external, ambulatory or for nonprogrammable, temporary (implantable pump))

##### Capped rental – authorization required:

- Mattresses, specialized sleep surfaces

- PAP devices (*See policy 91333 Obstructive Sleep Apnea & Upper Airway Resistance Syndrome*) (*auth after 3 units billed within 999 days*)
- Pulse oximeter (after 3 months rental)
- Hospital and specialty beds
- Lifts
- TENS Units (*see policy 91468 Stimulation Therapy and Devices*) Authorization not required for Dx codes: M51.36 - M51.37, M53.2x7 - M532x8, M53.3, M53.86 - M53.88, M54.5, M54.89 - M54.9 for Medicaid and commercial plans. All other diagnoses require prior auth after 2 months rental. Medicare requires prior authorization from start of rental period.
- Manual and power wheelchairs
- Percussion vests
- Enteral pumps (*See policy 91278 Enteral Nutritional Therapy*)

Loaner Equip – no auth – 1 months rental only

- K0462 Temporary replacement for patient-owned equipment being repaired, any type

## VI. REFERENCES

### **AMA CPT Copyright Statement:**

All Current Procedure Terminology (CPT) codes, descriptions, and other data are copyrighted by the American Medical Association.

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*This document is for informational purposes only. It is not an authorization, certification, explanation of benefits, or contract. Receipt of benefits is subject to satisfaction of all terms and conditions of coverage. Eligibility and benefit coverage are determined in accordance with the terms of the member's plan in effect as of the date services are rendered. Priority Health's medical policies are developed with the assistance of medical professionals and are based upon a review of published and unpublished information including, but not limited to, current medical literature, guidelines published by public health and health research agencies, and community medical practices in the treatment and diagnosis of disease. Because medical practice, information, and technology are constantly changing, Priority Health reserves the right to review and update its medical policies at its discretion.*

*Priority Health's medical policies are intended to serve as a resource to the plan. They are not intended to limit the plan's ability to interpret plan language as deemed appropriate. Physicians and other providers are solely responsible for all aspects of medical care and treatment, including the type, quality, and levels of care and treatment they choose to provide.*

*The name "Priority Health" and the term "plan" mean Priority Health, Priority Health Managed Benefits, Inc., Priority Health Insurance Company and Priority Health Government Programs, Inc.*