



Title:	Durable Medical Equipment				
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Approver(s):	VP Provider Network Management				
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LINE OF BUSINESS

This document applies to the following line(s) of business:
All Lines of Business

DEFINITIONS

When used in this document with initial capital letter(s), the following word(s)/phrase(s) have the meaning(s) set forth below unless a different meaning is required by context. Additional defined terms may be found in the BSWH P&P Definitions document.

Durable Medical Equipment (“DME”) – any Physician ordered equipment providing therapeutic benefit to a patient based on their medical condition(s) and/or illness(es). DME may be used to facilitate treatment and/or rehabilitation helping to restore and/or improve function.

POLICY

DME Rent-to-Purchase

SWHP follows CMS rent-to-purchase guidelines unless CMS specifically designates an item as a “purchase only”. For the purpose of this policy, SWHP only addresses items CMS deems as a rent-to-purchase. A DME rental item is billed on a monthly basis for a thirteen (13) month period, after which time the item is considered a “purchase price” item and rental payment will no longer be required. For the purpose of this policy, “purchase price” means that the rental of the DME has reached SWHP thirteen (13) month rental requirement and is then considered a “purchased” item. SWHP’s allowance for rental DME item will not exceed the allowance for a DME purchase price item.

The following guidelines apply to “purchase price” items:

- a) DME rentals are for a period of thirteen (13) continuous months, after which time they are considered paid up to the purchase price. Charges for monthly rentals beyond ten (10) consecutive months are non-billable by participating providers.
- b) DME services that are identified as continuous rentals, such as oxygen concentrators and liquid oxygen systems, will be priced at the rental allowance and will be excluded from the rent-to-purchase cap.
- c) If there is a lapse in service prior to reaching the thirteen (13) month rental, the remaining balance of the original rental period will be used. For example, a member rents a wheelchair for two (2) months and it is no longer required. Three (3) weeks later the member has surgery and is required the use of a wheelchair, the rental period will be for the remaining eleven (11) months.
- d) If a device is proven ineffective prior to reaching the thirteen (13) month rental period and the member qualifies for an upgraded device the remaining balance of the original rental period for the ineffective device will be used. For example, a member rents a continuous positive airway pressure (CPAP). After two (2) months the CPAP has not provided the expected outcome. The member is re-evaluated and indications show that a respiratory assist device with bi-level pressure (BIPAP) is needed. Coverage will be provided for the remaining eleven (11) months.

Change in Suppliers

A change made by the member to a new DME supplier during a thirteen (13) month rental period will not initiate a new thirteen (13) month rental period whether or not there is a lapse in service between suppliers. For example: a member changes supplier after the 8th rental month, the new supplier will be allowed rental payment for the five (5) remaining rental months. The supplier that provides the item in the 13th month of the rental period is responsible for supplying the equipment and for maintenance and servicing after the thirteen (13) month period.

PROCEDURE

None

ATTACHMENTS

None.

RELATED DOCUMENTS

None.

REFERENCES

Medicare Managed Care Manual

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