



## Durable Medical Equipment Clinical Coverage Criteria

### Overview

Durable medical equipment (DME) is defined as equipment which:

- Can withstand repeated use,
- Is primarily and customarily used to serve a medical purpose,
- Generally is not useful to a person in the absence of an illness or injury, and
- Is appropriate for use in the home.

Although an item may meet the definition of DME above, it may not be covered in every instance. DME must also be medically necessary for the treatment of the plan member's illness or injury and the DME must be used in the plan member's home.

Fallon Health's Technology Assessment Committee will evaluate each DME item in accordance with Fallon Health's Technology Assessment Criteria and will publish a written policy containing medical necessity criteria for each covered DME item. In situations where Fallon Health has not established a written policy for a particular DME item, Fallon Health will follow a written policy established by the Noridian Healthcare Solutions. Noridian is the Durable Medical Equipment Medicare Administrative Contractor (DME MAC) for Medicare Jurisdiction A which includes Massachusetts. <https://med.noridianmedicare.com/web/jadme>

With respect to Fallon Medicare, Masshealth, and Dual Eligible plans:

- Fallon Health will follow written policies established by Noridian for Medicare based Members. In situations where Noridian has not established an LCD for a particular DME item, Fallon Health will follow a written policy established by Fallon Health for that DME item.
- Masshealth Guidelines for Medical Necessity Determination supersede Fallon Health's written policies for Masshealth members. Masshealth Guidelines for Medical Necessity Determination are available at the following website: [www.mass.gov](http://www.mass.gov). In situations where Masshealth has not established guidelines for medical necessity determination for a particular DME item, Fallon Health will follow a written policy established by Fallon Health for that DME item.
- For Dual Eligible members, Fallon Health will follow LCDs established by Noridian. In the event that there is no LCD established by Noridian for a particular DME item (or if the Dual Eligible member does not meet the medical necessity criteria in the Noridian LCD, Fallon Health will follow the Masshealth Guideline for Medical Necessity Determination for that item. In the event that there is neither a Noridian LCD nor Masshealth Guideline for Medical Necessity Determination, Fallon Health will follow a written policy established by Fallon Health for that DME item. Fallon Health Weinberg will follow rules of NY State Medicaid when available.

For the purposes of the purchase or rental of DME, a plan member's home may be his/her own home or apartment, a relative's home (if the plan member lives there), and furnishing custodial care, or a non-participating nursing home (i.e., neither Medicare or Medicaid) primarily engaged in providing custodial care, may be referred to as a 'rest home.'

An institution cannot be considered a plan member's home if it:

- Meets the basic 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 the medical diagnosis, treatment, and care of injured, disabled, and sick persons or rehabilitation services for the rehabilitation of injured, disabled, or sick persons (Social Security Act, Section 1861(e)(1); or
- Meets at least the basic requirement in the definition of a skilled nursing facility (SNF), i.e., it is primarily engaged in providing to inpatients skilled nursing care and related services for patients who require medical or nursing care or rehabilitation services for the rehabilitation of injured, disabled, or sick persons (Social Security Act, Section 1819(a)(1). This applies not only to Medicare-participating SNFs, but also to institutions which, though not participating in Medicare, do provide the type of care described in Section 1819(a)(1) of the Act.

Thus, if a plan member is a patient in an institution or distinct part of an institution which meets the definition of a hospital or SNF, the plan member is not entitled to coverage for the rental or purchase of DME. These institutions provide skilled care which includes the inherent responsibility to dispense DME when needed. Please note this may not be specific to all DME and the service might separately be reimbursed if stated in either the SNF's contract or Fallon Health Payment Policy.

## Definitions

**Capped rental:** Capped rental means that Fallon Health will pay 10 monthly rental payments (equal to the allowed amount for the purchase of that item) to a DME supplier while the equipment is in continuous use by a plan member. (A period of continuous use allows for temporary interruptions, such as when a plan member is admitted to a hospital or skilled nursing facility for inpatient care. Interruptions that exceed 60 consecutive days, plus the days remaining in the rental month in which the use ceases (not calendar month, but the 30-day rental period) will start a new capped rental period.) The capped rental payment is inclusive of all costs for the effective use of the equipment by the plan member including maintenance and services, repairs or replacement, and supplies and accessories needed to use the equipment. At the end of the capped rental period the item is considered to have been purchased by the plan member and title for the equipment will be transferred to the plan member.

**Continuous monthly rental:** Items requiring frequent and substantial servicing are covered on a continuous monthly rental basis until medical necessity ends. No coverage is provided for the purchase of continuous rental equipment, maintenance and servicing, or for repair or replacement of equipment in this category. The monthly rental payment is inclusive of all costs necessary for the effective use of the equipment by the plan member including supplies and accessories needed to use the equipment.

## Policy

This Policy applies to the following Fallon Health products:

- Commercial
- Medicare Advantage
- MassHealth ACO
- NaviCare
- PACE

Fallon Health uses guidance from the Centers for Medicare and Medicaid Services (CMS) for coverage determinations for Medicare Advantage, NaviCare and PACE plan members. National Coverage Determinations (NCDs), Local Coverage Determinations (LCDs), Local Coverage Articles (LCAs) and guidance in the Medicare manuals are the basis for coverage determinations. When there is no NCD, LCD, LCA or manual guidance, Fallon Health Clinical Coverage Criteria are used for coverage determinations.

Section 280 of the Medicare National Coverage Determinations lists all of the Medicare NCDs related to DME (**Medicare National Coverage Determinations Manual, Chapter 1, Part 4 (Sections 200-310.1)**). Noridian Healthcare Solutions is the DME MAC with jurisdiction in the service area. For a list of active LCDs and LCAs, go to:  
<https://med.noridianmedicare.com/web/jddme/policies/lcd/active>.

Durable Medical Equipment requires Prior Authorization by Fallon Health. Prior authorization is not a guarantee of payment from Fallon Health. For many members, coverage is subject to cost-sharing, including deductibles and coinsurance, and/or benefit maximums. Even though this policy may indicate that a particular item is covered (or is not covered), this conclusion is not based upon the terms of a particular benefit plan. Each benefit plan contains its own specific provisions for coverage and its own exclusions. If there is a discrepancy between this policy and a particular plan of benefits, the provisions of that benefit plan will apply.

DME is covered when all of the following criteria are met:

1. The equipment meets the definition of DME.
2. The equipment is medically necessary for the treatment of the plan member's illness or injury or to improve the functioning of a malformed body part
3. The equipment is used primarily in the plan member's home.

The following provisions apply to all covered DME:

1. To obtain DME for a plan member the treating physician (who may be a nurse practitioner or physician assistant) should contact a contracted Fallon Health DME supplier directly. DME requires a written order signed by the treating physician. Written orders may be an original "pen-and-ink" document, or a photocopy, a facsimile image, or an electronic copy. At a minimum, the written order must specify:
  - The start date of the order.
  - Duration of need.
  - Description of the item being requested, sufficiently detailed (brand names, model numbers, etc.), including all accessories and options that will be separately billed.
  - HCPCS code(s) for each item being requested.
  - Documentation of medical necessity, i.e., description of patient's condition, abilities, limitations, etc. (refer to individual medical policies for specific requirements).
  - Someone other than the treating physician may provide the details of the written order; however, the treating physician must review and personally sign and date the order to indicate agreement. The supplier must have a written order from the treating physician before dispensing any DME to a plan member.
2. The DME supplier will obtain prior authorization from Fallon Health when prior authorization is required.
3. Fallon Health will authorize DME that is not more costly than an alternative service, sequence of services, device or equipment that is at least as likely to produce equivalent therapeutic or diagnostic results as to the diagnosis or treatment of that patient's illness, injury or disease.
4. An upgrade is a feature or component of a DME item which is beyond what is medically necessary as determined by Fallon Health. DME suppliers may furnish an upgraded DME item to a plan member as long as the cost to Fallon Health is the same as the cost for the non-upgraded item and the payment by Fallon Health to the supplier is payment in full. DME suppliers may not bill Fallon Health plan members for non-covered features or components of a covered item even if the plan member agrees to pay extra for the upgrade.
5. The reasonable useful lifetime of DME is 5 years. Computation of useful lifetime is based on when the equipment is delivered to the plan member, not the age of the equipment at the time of delivery to the plan member.
6. DME can be replaced in less than 5 years under certain situations, such as when the item is irreparably damaged, lost or stolen, or because of a change in the patient's condition. Fallon Health will cover replacement an item as long as the item continues to be medically

necessary for the plan member. Proof of loss or damage through documentation such as a police report, picture, or corroborating statement will be required. In situations where misuse, malicious damage, culpable neglect, or wrongful disposition of equipment has occurred, Fallon Health will not cover replacement of the item.

7. DME items carry a manufacturer's warranty. Manufacturer's warranties range in duration from one year to lifetime, depending on the item and the manufacturer's policy. The cost of the manufacturer's warranty is included in the cost of the item and is not separately reimbursable. Extended warranties are not covered or reimbursed. Repair or replacement of DME that is covered under a manufacturer's warranty is not covered by Fallon Health.
8. DME will be purchased or rented from a contracted supplier. Fallon Health, at its discretion, will determine whether an item is purchased or rented.
9. When a DME item is rented (including capped rental), the supplier retains title for the item and is responsible for repair, maintenance and servicing during the capped rental period. Fallon Health will not cover repair, maintenance and servicing for capped rental items. At the end of a capped rental period, the supplier will transfer title of the equipment to the plan member.
10. Fallon Health will cover the reasonable and necessary repair, performed by authorized technicians, of DME owned by a plan member and not covered by manufacturer's warranty. Travel time or equipment pick-up and delivery charges are not separately reimbursable. Use HCPCS code K0739 (Repair or non-routine service for durable medical equipment other than oxygen equipment requiring the skill of a technician, labor component, per 15 minutes) to report repair of DME.
11. Replacement parts must be billed with the appropriate HCPCS code that represents the item or part being replaced, along with a pricing modifier (NU, UE, RR) and replacement modifier (RP). If the part that is being replaced has not been assigned a specific HCPCS code, use a miscellaneous HCPCS code (E1399 or K0108 for wheelchair parts) to bill each part. Itemization must accompany each claim that contains miscellaneous codes for replacement parts. These codes require prior authorization.
12. Fallon Health will cover temporary replacement for equipment that is being repaired that is owned by a member for up to one month (HCPCS code K0462 (Temporary replacement for patient-owned equipment being repaired, any type) is used when a supplier provides a replacement item to a plan member on a temporary basis when his/her equipment requires major repair (i.e., taking more than one day). Reimbursement for replacement equipment is based on the rental rate for the equipment being repaired.
13. Sales tax is included in the reimbursement for the purchase of all items.
14. Delivery, set-up and installation of equipment are included in the cost of the equipment and are not separately reimbursable.
15. Some items are designated in policy as requiring a trial period. The purpose of a trial period is to assess effectiveness and compliance. In some instances, at the discretion of Fallon Health, the trial period may be waived. Any monthly rental payment made by Fallon Health during a trial period will apply toward the 10-month capped rental or reimbursement for the purchase of the item.
16. This policy does not apply to surgically implanted DME, such as implantable infusion pumps used for long-term drug therapy.
17. In regards to portable oxygen concentrators the Plan will follow Noridian's LCD. For MassHealth member's the plan will follow MassHealth Regulations. For Dual-enrolled member's consideration will be given under both sets of regulations depending on the intent of the member's use. The member will not be approved for more than one portable device.

## Exclusions

Please note some of the below items may be covered for specific products, please consult the plan benefits for the product for coverage and authorization requirements.

- Custom DME (DME that has been uniquely constructed or substantially modified for a specific person) is not covered.
- Convenience items are not covered
- Back-up equipment is not covered.

- Disposable equipment is not covered.
- Personal comfort items are not covered.
- Equipment that is not primarily medical in nature such as air conditioners, dehumidifiers, white noise machines, ear plugs, exercise equipment etc., is not covered
- Safety equipment, such as harnesses , restraints , protective helmets, mouth guards, car seats, safety glasses, telephone alert systems, etc. are not covered.
- Adaptive aids, such as toilet seat lift mechanisms (HCPCS code E0172) bath/shower chairs (HCPCS code E0240), bath tub/toilet rails (HCPCS codes E0241, E0242, and E0243) raised toilet seats (HCPCS code E0244), over-bed-tables (HCPCS code E0274), patient lifts (HCPCS code E0621-E0642), standing frames (HCPCS codes E0637, E0638, E0641, and E0642), stair lifts or elevators, etc. are not covered. Unless covered by regulation or by specific plan benefits.
- Wheelchair ramps, including portable ramps are not covered.
- Modifications to a plan member's home that may be necessary to accommodate DME (including but limited to enlarging doorways, electricity or plumbing) are not covered.

## Policy history

Origination date: 11/20/2013  
 Approval(s): Benefit Oversight Committee: 09/14/2011  
 Technology Assessment Committee: 10/20/2003, 08/23/2011, 12/03/2014 (updated template, policy language) 12/15/2015 (annual review no changes), 12/07/2016 (updated new local DME MAC) 07/26/2017 (clarified exclusions that do not apply to certain products), 06/27/2018 (annual review, no updates), 05/22/2018 (added information regarding portable oxygen)

*06/15/2021 (Added clarifying language related to Medicare Advantage, NaviCare and PACE under policy section).*

*Not all services mentioned in this policy are covered for all products or employer groups. Coverage is based upon the terms of a member's particular benefit plan which may contain its own specific provisions for coverage and exclusions regardless of medical necessity. Please consult the product's Evidence of Coverage for exclusions or other benefit limitations applicable to this service or supply. If there is any discrepancy between this policy and a member's benefit plan, the provisions of the benefit plan will govern. However, applicable state mandates take precedence with respect to fully-insured plans and self-funded non-ERISA (e.g., government, school boards, church) plans. Unless otherwise specifically excluded, federal mandates will apply to all plans. For Medicare and Medicaid members, this policy will apply unless Medicare and Medicaid policies extend coverage beyond this policy.*