

## Policy

Northern Light Employee Health Plan considers **Durable Medical Equipment (DME), corrective appliances and other devices** medically necessary for the following scenarios:

1. Items that require prior authorization.
2. Requests for items to be provided by out-of-network vendors.
3. Repairs, maintenance and replacement of items when necessary to make the equipment usable.

A Capped Rental DME program has been instituted by EMHS Employee Health Plan (powered by Beacon Health) for all lines of business. Under the Capped Rental DME program, all DME identified as capped rental equipment will be rented for a period of 13 months unless indicated otherwise in a specific DME medical or pay policy. Rental will be capped at the 13th month, or when the item has reached its purchase price.

In the absence of references to repairs and replacements in specific DME, corrective appliances and other device related policies, the section related to repairs and replacements in this policy will be applicable.

### Variation – Medicare

The following two codes will require prior authorization beginning July 2017:

- K0856: Power wheelchair, group 3 std., single power option, sling/solid seat/back, patient weight capacity up to and including 300 pounds
- K0861: Power wheelchair, group 3 std., multiple power option, sling/solid seat/back, patient weight capacity up to and including 300 pounds

### Limitations

Total payments for a rental item may not exceed its allowable purchase price, except for those items identified as life-sustaining DME (i.e. ventilators). DME add-ons or upgrades that are intended primarily for convenience, or upgrades beyond what is necessary to meet the member's medical needs are not covered.

### General Guidelines for Repairs and Replacements to Medically Necessary DME, Corrective Appliances and Other Devices

#### Repairs:

**PA.010 – Durable Medical Equipment, Corrective Appliances and Other Devices; Repair/Replacement**

Policy Number: PA-010  
 Last Review Date: 02/09/2017  
 Effective Date: 01/01/2018

1. Repairs to medically necessary DME, corrective appliances and other devices are covered up to the replacement cost when necessary to make the equipment/device serviceable.
2. A new Medical Necessity Form (MNF) and/or physician's order is not needed for repairs to an item.
3. When the DME, corrective appliance, or other device is under the manufacturer's warranty, repairs are the responsibility of the manufacturer, and are not covered.
4. If the expense for repairs exceeds 50% of the estimated expense of purchasing replacement equipment for the remaining period of medical need, payment shall be limited to the replacement cost.
5. DME and orthotic equipment rental charges cover the expenses of maintaining the equipment. Separately itemized charges for repair of rented equipment are **not covered**. This includes items in the categories of: frequent and substantial servicing, oxygen equipment, capped rental and low-cost associated items, inexpensive or routinely purchased payment.
6. The following table contains repair units of service (UOS) allowances for commonly repaired items.
  - Units of service include basic troubleshooting and problem diagnosis.
  - The UOS is for common repairs based on standardized labor times.
  - This allowance applies to non-rented and out-of-warranty items.
  - Suppliers may only bill the allowable units of service listed in the table for each repair, regardless of the actual repair time.
  - Claims for repairs must include narrative information itemizing each repair and the time taken for each repair.

Type of Equipment	Part Being Repaired/Replaced	Allowed Units of Service (UOS) One (1) unit of service (UOS) = 15 minutes
CPAP	Blower Assembly	2
Hospital Bed	Pendant	2
Hospital Bed	Headboard/footboard	2
Patient Lift	Hydraulic Pump	2
Seat Lift	Hand Control	2
Seat Lift	Scissor Mechanism	3
Wheelchair- Manual	Anti-tipping device	1
Wheelchair- Manual or Power	Armrest or armpad	1
Wheelchair- Manual or Power	Wheel/Tire (all types, per wheel)	1

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Wheelchair- Power	Batteries (includes cleaning and testing)	2
Wheelchair- Power	Charger	2
Wheelchair- Power	Drive wheel motors (Single/pair)	2/3
Wheelchair- Power	Joystick (includes programming)	2
Wheelchair- Power	Shroud/cowling	2

### Replacements:

1. Irreparable damage- In cases where loss or irreparable damage has occurred, replacement of both member owned equipment/device and capped rental equipment may be covered.
  - A physician's order and/or a new MNF is needed to reaffirm the continued medical necessity of the item.
2. Irreparable wear- replacement may be covered if the item of equipment has been in continuous use for the equipment's useful lifetime.
  - A new physician's order and/or a new MNF is needed to reaffirm the medical necessity of the item.
3. DME and Corrective Appliances:
  - The replacement of the equipment before the five year life expectancy can only be done if the item is irreparably damaged, for example by a natural disaster such as fire, flood, etc.
  - Replacement due to wear and tear before the 5-year lifetime is not covered.
  - If DME **or** corrective appliance reaches its 5-year life expectancy, is in good working order, and meets the beneficiary's medical needs, it should not automatically be replaced.
4. Other Devices:
  - The device can be replaced when it is irreparable at the end of its specific life expectancy.

### Background

The term Durable Medical Equipment (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.

### References

## PA.010 – Durable Medical Equipment, Corrective Appliances and Other Devices; Repair/Replacement

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1. Centers for Medicare and Medicaid Services (CMS). National Coverage Determination (NCD) No. 280.1 – Durable Medical Equipment – Reference List. Effective Date: 05/05/2005. <http://www.cms.gov/medicare-coverage-database/details/ncd-details.aspx?NCDId=190&ncdver=2&bc=AgAAgAAAAAAAAA%3d%3d&>
2. Centers for Medicare and Medicaid Services (CMS). CMS Finalizes Rule Creating Prior Authorization Process for Certain Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Items (CMS 6050-F). Updated 12/19/2016. <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Prior-Authorization-Initiatives/Prior-Authorization-Process-for-Certain-Durable-Medical-Equipment-Prosthetic-Orthotics-Supplies-Items.html>
3. NHIC Corp.: Repair labor billing and payment policy. Posted: 2/26/2009. Available at: [http://www.rstce.pitt.edu/RST\\_CE\\_PW/RSTCE\\_AAH\\_Doc/022609\\_repair.pdf](http://www.rstce.pitt.edu/RST_CE_PW/RSTCE_AAH_Doc/022609_repair.pdf)

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Northern Light Employee Health Plan reserves the right to review and update the medical payment and prior authorization guidelines in its sole discretion. Notice of such changes, if necessary, shall be provided in accordance with the terms and conditions of provider agreements and any applicable laws or regulations.

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