

Health Plan Policy

Scott & White Health Plan Insurance Company of Scott & White

Product Lines

<input type="checkbox"/> Individual PPO	<input type="checkbox"/> Individual HMO
<input type="checkbox"/> Individual Short Term PPO	<input type="checkbox"/> Group HMO
<input type="checkbox"/> Consumer Choice	<input type="checkbox"/> Group Health Savings Account (HSA)
Medicare	<input type="checkbox"/> Medicaid
<input type="checkbox"/> MA-PD	
<input type="checkbox"/> D-SNP	
<input checked="" type="checkbox"/> Senior Care	
<input type="checkbox"/> Part-D	
<input type="checkbox"/> Self-Funded (ASO)	

Durable Medical Equipment (DME)

Policy Owner: Network Development

Policy Number: ND003

Original Effective Date: May 28, 2014

Revision Dates:

Approval Date:

Reviewed w/o Revisions:

Signature:

Next Review Date:

I. Purpose.

To establish guidelines for when Durable Medical Equipment (DME) is billed for SeniorCare members.

II. Scope.

- SWHP Contracted Providers
- Configuration Department
- Medical Delivery Development Division (including Network Development and Provider Relations)

III. Definitions.

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.

IV. 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 item. A DME rental item is billed on a monthly basis for a 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 13-month rental requirement and is then considered a “purchased” item. Our allowance for a rental DME item will never 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 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 13-month rental, the remaining balance of the original rental period will be used. For example, a member rents a wheelchair for two months and it is no longer required. Three weeks later the member has surgery and is required the use of a wheelchair, the rental period will be for the remaining 11 months.
- d) If a device is proven ineffective prior to reaching the 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 months the CPAP has not provided the expected outcome. The member is re-evaluated and all indications show that a respiratory assist device with bi-level pressure or BIPAP is needed. Coverage will be provided for the remaining 11 months.

Change in Suppliers

A change made by the member to a new DME supplier during a 13-month rental period will not initiate a new 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 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 13-month period.

V. Reference/Regulations.

Medicare Managed Care Manual