

## DURABLE MEDICAL EQUIPMENT (DME)

Pharmacies and DME providers must bill their “usual and customary” charge for supplies and equipment with appropriate HCPCS and local codes. Delivery charges, shipping and handling, tax, and fitting fees **aren’t payable separately**. Include these charges in the total charge for the supply. See [WAC 296-20-1102](#) for information on the rental or purchase of DME.

### PURCHASING OR RENTING DME

#### Required Modifiers –NU or –RR

A modifier is always required on all HCPCS codes that are used to purchase or rent DME.

- NU for a new purchase or
- RR for a rental.

The HCPCS Section of the Professional Services Fee Schedule lists the HCPCS E codes and the HCPCS K codes that require either –NU or –RR. Look in the HCPCS/CPT® code column of the fee schedule for the appropriate modifier. There is also a column in fee schedule that designates the HCPCS code as requiring prior authorization. There is no need to obtain prior authorization if the code doesn’t require it.

DME codes fall into one of 3 groups relative to modifier usage. DME that is:

- Only purchased (only –NU modifier allowed).
- Only rented (only –RR modifier allowed).
- Either purchased or rented (either –NU or –RR modifier allowed).

Bills submitted without the correct modifier will be denied payment. Providers may continue to use other modifiers, for example –LT, –RT, etc., in conjunction with the mandatory modifiers if appropriate (up to 4 modifiers may be used on any 1 HCPCS code).

#### **Exceptions:**

- 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 doesn’t require a modifier.
- K0740: Repair or no routine service for oxygen equipment requiring the skill of a technician, labor component, per 15 minutes.

L&I **won’t** purchase used equipment.

Self-insured employers **may purchase** used equipment.

#### **DME Purchase**

Purchased DME must have the –NU modifier. The new purchase codes and their modifier can be found in the HCPCS Section of the [Professional Services Fee Schedule](#). Purchased DME belongs to the worker.

#### **DME Rental**

DME that is rented must have the –RR modifier. The rental codes and their modifier can be found in the HCPCS Section of the Professional Services Fee Schedule.

Rental payments will not exceed 12 months. At the 12<sup>th</sup> month of rental, the equipment is **owned by the worker**. The insurer may review rental payments at 6 months and decide to purchase the equipment at that time. The purchased DME belongs to the worker.

The maximum allowable rental fee is based on a per month period. Rental of 1 month or less is equal to 1 unit of service.

**Exceptions:**

- E0935 and E0936, continuous passive motion exercise device for use on knee only and continuous passive motion exercise device for use other than knee respectively are rented on a per diem basis up to 14 days with 1 unit of service equaling 1 day.
- E1800-E1818, E1825-E1840, extension/flexion device. These devices are rented for 1 month. If needed beyond 1 month, a claims manager's authorization is required.



If the equipment is being rented for 1 day, use the same date for the first and last dates of service. If the equipment is being rented for more than 1 day, use the actual first and last dates of service. Errors will result in suspension and/or denial of payment of the bill and any subsequent bills. Some equipment will only be rented by the insurer.

During the authorized rental period, the DME belongs to the provider. When the equipment is no longer authorized, the DME will be returned to the provider. If the unauthorized DME isn't returned to the provider within 30 days, the provider can bill the worker for charges related to DME rental, purchase and supplies that accrue after DME authorization is denied by the insurer.

**DME Purchase after Rental**

Equipment rented for less than 12 months and permanently required by the worker:

- The provider will retrieve the rental equipment and replace it with the new DME item.
- The provider should bill the usual and customary charge for the new replacement DME item. The HCPCS code billed will require a –NU modifier.
- L&I will pay the provider the new purchase price for the replacement DME item in accordance with the established maximum fee.
- Self-insurers may purchase the equipment and receive rental credit toward the purchase.

**DME, Miscellaneous, E1399**

HCPCS code E1399 will be paid by report.

- E1399 is payable only for DME that doesn't have a valid HCPCS code assigned.
- All bills for E1399 items must have either the –NU or –RR modifier.
- A description must be on the paper bill or in the remarks section of the electronic bill.
- The item must be appropriate relative to the injury or type of treatment being received by the worker.

## **OXYGEN AND OXYGEN EQUIPMENT**

L&I primarily rents oxygen equipment and will no longer rent to purchase.

### **Types of Oxygen Systems**

Stationary systems: Stationary oxygen systems include gaseous oxygen cylinders, liquid oxygen systems and oxygen concentrators.

- Oxygen gas cylinders contain oxygen gas stored under pressure in tanks or cylinders. Large H cylinders weigh approximately 200 pounds and provide continuous oxygen at 2 liters per minute for 2.5 days.
- Liquid oxygen systems store oxygen in a reservoir as a very cold liquid that converts to gas when released from the tank. Liquid oxygen is more expensive than compressed gas but takes up less space and can be more easily transferred to a portable tank. A typical liquid oxygen system weighs approximately 120 pounds and provides continuous oxygen at 2 liters per minute for 8.9 days. Certain liquid oxygen systems can provide oxygen at the same rate for 30 days or more.
- Oxygen concentrators are electric devices that extract oxygen from ambient air and deliver oxygen at 85% or greater at concentration of up to 4 liters per minute. A back-up oxygen cylinder is used in the event of a power failure for patients on continuous oxygen using concentrators.

Portable systems: Portable oxygen systems may be appropriate for patients with stationary oxygen systems who are ambulatory within the home and occasionally go beyond the limits of the stationary system tubing. Some portable oxygen systems, while lighter in weight than stationary systems, aren't designed for patients to carry.

- Small gas cylinders, such as the E cylinder, are available as portable systems. The E cylinder weighs 12.5 pounds alone, 22 pounds with a rolling cart.
- Portable systems sometimes referred to as ambulatory systems are lightweight (less than 10 pounds) and can be carried by most patients. Small gas cylinders are available that weigh 4.5 pounds.
- Portable liquid oxygen systems that can be filled from the liquid oxygen reservoir are available in various weights. The smallest weighs 3.4 pounds with a conserver and provides oxygen at 2 liters per minute for 10 hours.

### **Oxygen System Fees**

**Stationary:** Fee schedule payments for stationary oxygen system rentals are all-inclusive. One monthly fee is paid for a stationary oxygen system. This fee includes payment for the equipment, contents (if applicable), necessary maintenance and accessories furnished during a rental month.

If the worker owns a stationary oxygen system, payment will be made for contents of the stationary gaseous (E0441) or liquid (E0442) system.

**Portable:** Fee schedule payments for portable oxygen system rentals are all-inclusive. One monthly fee is paid for a portable oxygen system. This fee includes payment for the equipment, contents, necessary maintenance and accessories furnished during a rental month.

If the worker owns a portable oxygen system, payment may be made for the portable contents of the gaseous (E0443) or liquid (E0444) portable system.

The fee for oxygen contents (stationary or portable) is billed once a month, not daily or weekly. One unit of service is equal to 1 month of rental.

### **Oxygen Concentrators**

Fee schedule payments for oxygen concentrators are all-inclusive. One monthly fee is paid for an oxygen concentrator. This fee includes payment for the equipment rental, necessary

maintenance and accessories furnished during a rental month.

### **Oxygen Accessories**

Accessories include but aren't limited to:

- Cannulas (A4615)
- Humidifiers (E0555)
- Masks (A4620, A7525)
- Mouthpieces (A4617)
- Nebulizer for humidification (E0580)
- Regulators (E1353)
- Stand/rack (E1355)
- Transtracheal catheters (A4608)
- Tubing (A4616)

These are included in the payment for rented systems. The supplier must provide any accessory ordered by the physician. Accessories are separately payable only when they are used with a patient owned system.

## **REPAIRS AND NONROUTINE SERVICE**

### **Rented Equipment Repair**

Repair, nonroutine service and maintenance are included as part of the monthly rental fee on DME. No additional payment will be provided. This excludes disposable and nonreusable supplies.

### **Purchased Equipment Repair**

Repair, nonroutine service and maintenance on purchased equipment that is out of warranty will be paid by report.

In those cases where damage to a piece of DME is due to worker:

- Abuse,
- Neglect or
- Misuse

The repair or replacement is the responsibility of the worker. Replacement of lost or stolen DME is also the responsibility of the worker.

K0739, K0740 should be billed per each 15 minutes. Each 15 minutes should be represented by one unit of service in the 'Units' field.

**For example**, 45 minutes for a repair or nonroutine service of equipment requiring a skilled technician would be billed with 3 units of service.

## **PROSTHETIC AND ORTHOTIC SERVICES**

The insurer will only pay for custom fabricated prosthetic and orthotic devices that are manufactured by providers specifically licensed to produce them. These providers include licensed prosthetists, orthotists, occupational therapists, certified hand specialists and podiatrists.

Refer to the "license required" field in the fee schedule to determine if an orthotic or prosthetic device is in this category.

## WARRANTIES

A copy of the original warranty is required on each repair service completed. For State Fund claims, send a copy to:

Department of Labor and Industries  
PO Box 44291  
Olympia, WA 98504-4291

For self-insured claims, send a copy to the SIE/TPA.

<http://www.lni.wa.gov/ClaimsIns/Insurance/SelfInsure/EmpList/Default.asp>

Write the claim number in the upper right-hand corner of the warranty document.

Payment will be denied if no warranty is received or if the item is still under warranty.

DME Item Type	Required Warranty Coverage
DME purchased new, excluding disposable and nonreusable supplies	Limited to the manufacturer's warranty
Rented DME	Complete repair and maintenance coverage is provided as part of the monthly rental fee
E1230 Power operated vehicle (3- or 4-wheel nonhighway) "Scooter"	Minimum of 1 year or manufacturer's warranty whichever is greater
Wheelchair frames (purchased new) and wheelchair parts	Minimum of 1 year of manufacturer's warranty whichever is greater
HCPCS codes K0004, K0005 and E1161	Lifetime warranty on side frames and cross braces

For further information on miscellaneous services and appliances, see [WAC 296-23-165](#)

## BUNDLED CODES

**Covered** HCPCS codes listed as **bundled** in the fee schedules are payable to pharmacy and DME providers because there is no office visit or procedure associated with these provider types into which supplies can be bundled.

## HOT AND COLD PACKS OR DEVICES

Application of hot or cold packs (CPT<sup>®</sup> code 97010) is bundled for all providers.

Hot or cold therapy durable medical equipment (DME) **isn't covered**.

**Exception:** HCPCS code A9273, ice caps or collars are **covered** for DME providers only. Hot water bottles, heat and / or cold wraps aren't covered.

[WAC 296-20-1102](#) prohibits payment for heat devices for home use including heating pads. These devices are either bundled or **not covered**.

## AUTHORIZATION REQUIREMENTS

Providers aren't required to obtain prior authorization for orthotics or DME when:

- The provider verifies that the claim is open/allowed on the date of service, and
- The orthotic/DME is prescribed by the attending provider (or the surgeon) for an accepted condition on the correct side of the body, and
- The fee schedule prior authorization indicator field is blank.

Prior authorization **is required** for:

- Prosthetics, surgical appliances and other special equipment described in [WAC 296-20-03001](#), Treatment requiring authorization.
- Replacement of specific items on closed claims per [WAC 296-20-124](#), Rejected and closed claims.

If DME or orthotics requires **prior authorization** and it isn't obtained, then bills may be denied.

For more information, contact the Provider Hotline at 1-800-848-0811 or 360-902-6500 (from Olympia).

Contact the self-insured employer or their third party administrator for prior authorization on self-insured claims. <http://www.Lni.wa.gov/ClaimsIns/Insurance/SelfInsure/EmpList/Default.asp>