

We're now requiring that you include modifiers and correct units of service for DME rentals.

New Payment Policy Billing Guidelines:

Policy 403 – Durable Medical Equipment and Home Medical Equipment: Rental to Purchase

What's the clarification?

Some durable medical equipment/home medical equipment (DME) can be rented to own for up to 10 months. After that, Premera considers that the member has purchased the DME, and we won't make additional payments. If the member buys the DME before the end of the 10-month period, we'll deduct previous rentals from the purchase price. A break in the 10-month rental or a change in supplier won't start a new 10-month rental period.

What's the change?

We consider equipment a member rents on a short-term basis (less than a month) daily rental pieces of equipment. The claim must include dates for "from" and "through". The units of service for the rental DME must match the total days rented, and you must add the modifier "KR - Rental billing for the partial month" to the code to represent daily rental in order to be reimbursed. (We consider ventilators and oxygen continuous rental items, and we'll reimburse you as long as your patient needs them.)

When's it effective? What's the impact?

These changes are effective with claims process dates of Dec.11, 2016, and after. If you don't use the modifiers and units of service correctly, we could deny your claims.

What do I need to know? What action do I need to take?

Add one of the following modifiers to your DME code to reflect either a purchased, replacement, or rented piece of equipment:

- Purchase Modifiers
 - NU – new equipment
 - NR – new when rented (Use when DME that was new when first rented is later purchased. Bill the purchase price of the equipment.)
 - RA – replacement of a DME, orthotic, or prosthetic item
 - UE – used DME

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- Rental Modifiers
 - RR – rental
 - LL – lease/rental
 - KR – rental item billed for a **partial month** (use to indicate daily rentals)

Units of service must match the type of DME rental you're submitting:

- Monthly rentals
 - One month of rental equals one unit when you add an RR modifier
 - Bill each month of service on a single claim line (i.e., 1 service month rather than 30 units of service)
- Daily rentals
 - One day of rental equals one unit when you add a KR modifier
 - "From" and "Through" dates of service must match the number of units billed
 - We won't accept claims for future dates of service—submit claims after the end of the rental period

For more information

- To view the full policy, visit premera.com/wa/provider, then click "Reference Info" under "Library". You'll find a link to our payment policies there.
- For claims-related questions, call Customer Service at 877-342-5258, option 2.
- For questions about this News Brief, call Physician and Provider Relations at 877-342-5258, option 4.