

Payment Policy

Title	Modifier NU – New DME Equipment and Modifier NR – New DME Equipment When Rented		
Number	CP.PP.379.v1.8		
Last Approval Date	04/07/25	Original Effective Date	02/11/13
Replaces	N/A		
Cross Reference	<ul style="list-style-type: none"> • <i>Modifier RR – Durable Medical Equipment (DME) Rental and KR-Rental item-billing for a partial month and Modifier LL-Lease/Rental</i> • <i>Modifier RA – Replacement of a DME, Orthotic or Prosthetic Item</i> • <i>Durable Medical Equipment (DME)/Home Medical Equipment (HME): Rental to Purchase</i> 		

Coverage of any service is determined by a member's eligibility, benefit limits for the service or services rendered and the application of the Plan's Medical Policy. Final payment is subject to the application of claims adjudication edits common to the industry and the **Plan's professional or facility services claims coding policies**. Reimbursement is restricted to the provider's scope of practice as well as the fee schedule applicable to that provider.

Purpose	To define when the Plan recognizes services submitted with Modifiers NU and NR that are submitted on a CMS 1500 paper claim or 837P electronic claim form.
Scope	Applies to all Premera Blue Cross, Premera Blue Cross Blue Shield of Alaska, LifeWise Health Plan of Washington, LifeWise Assurance Company, and Premera Blue Cross HMO lines of business and products.
Policy	<p>The Plan requires that the following modifiers be appended to a durable medical equipment (DME) service to indicate that the purchased DME was new or new at the time of purchase:</p> <ul style="list-style-type: none"> • Modifier NU – indicates the purchase of new DME • Modifier NR - indicates the purchase of DME that was new at the time of rental <p>Modifier NU is used only for new DME items that have never been previously used by any patient/member.</p> <p>Modifier NR is used only for DME items that were new at the time of rental and is subsequently being purchased.</p> <p>Codes submitted for new DME equipment without modifier NU or NR will be denied reimbursement.</p> <p>If the DME item is being rented, either on a monthly or daily basis, modifier <i>RR-DME rental</i>, modifier <i>KR-Rental item-billing for a partial month</i> or modifier <i>LL-Lease Rental</i> must be appended to the DME code.</p> <p><u>Replacement of a DME, orthotic or prosthetic item</u></p> <p>When a member owned DME, orthotic or prosthetic item is being replaced during or after the item's reasonable useful lifetime (RUL) of 5 years, modifier <i>RA-Replacement of a DME, Orthotic or Prosthetic item</i> must be appended to the procedure code along with either a DME rental modifier or a new purchase DME modifier. Refer to the</p>

	<p>Payment Policy “Modifier RA-Replacement of a DME, Orthotic or Prosthetic item” for details on how to correctly code for a replacement piece of DME.</p> <p>A file containing a list of the categories of DME and their required modifiers can be accessed using the following link. Codes on this list do not guarantee that they will be reimbursed. Coverage and therefore reimbursement is dependent upon the members’ benefits:</p> <p>https://www.premera.com/documents/044055.pdf</p>
Violations of Policy	<p>Violations of this policy by any party that enters into a written arrangement with the Plan may result in increased auditing and monitoring, performance guarantee contractual penalties and/or termination of the contract. Disciplinary actions will be determined in Plan’s sole discretion.</p> <p>Violations of this policy may be grounds for corrective action, up to and including termination of employment.</p>
Exceptions	None
Laws, Regulations & Standards	None
References	<ul style="list-style-type: none"> • Durable Medical Equipment Prosthetics Orthotics and Supplies (DMEPOS) Fee Schedule, Center for Medicare and Medicaid Services (CMS) • Healthcare Common Procedure Coding System (HCPCS) codebook • Medicare National Correct Coding Initiative (NCCI) edits • Medicaid National Correct Coding Initiative (NCCI) edits

Policy Owner Review	Payment Integrity Oversight Committee	
Contact	Any questions regarding the contents of this policy or its application should be directed to the Payment Integrity Department.	
Annual Review Dates	04/07/25; 05/14/24; 10/12/23; 11/07/22; 12/02/21; 12/30/20; 01/10/20; 01/10/19; 01/15/18; 01/24/17; 01/02/16; 02/06/15; 02/08/14, 02/11/13	
Version History	01/15/18	Corrected policy title in “Cross Reference” section; Clarified wording in paragraph 5 to include modifier LL
	01/10/19	Annual review; no changes
	01/10/20	Annual review; no changes
	12/30/20	Clarified the Purpose statement to indicate that the policy pertains to Professional services billed on a CMS-1500 or 837P claim forms
	12/02/21	Annual review; no changes
	11/07/22	Annual review; no changes
	10/12/23	In the Policy section, expanded upon how replacement DME is to be coded. Added the last paragraph which describes the three types of DME categories and included a link to the list of codes
	05/14/24	Created a new section in the Policy “Replacement of a DME, orthotic or prosthetic item” and moved the existing paragraphs into this new section.
	04/07/25	In the Policy section, under the subsection Replacement of DME, orthotic or prosthetic item, added the first paragraph referring to the Modifier RA Payment Policy for details on how to bill for replacement DME.