

# Payment Policy

<b>Title</b>	<b>Modifier RR – Durable Medical Equipment (DME) Rental, Modifier KR – Rental item-partial month and Modifier LL – Lease/Rental</b>		
<b>Number</b>	<b>CP.PP.380.v2.0</b>		
<b>Last Approval Date</b>	04/07/25	<b>Original Effective Date</b>	02/11/13
<b>Cross Reference</b>	<ul style="list-style-type: none"> <li>• <i>Modifier NU - New DME Equipment and Modifier NR – New DME Equipment when rented</i></li> <li>• <i>Modifier RA – Replacement of a DME, Orthotic or Prosthetic Item</i></li> <li>• <i>Durable Medical Equipment (DME)/Home Medical Equipment (HME): Rental to Purchase</i></li> </ul>		

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.

<b>Purpose</b>	To define when the Plan recognizes rental modifiers RR, KR and LL that are submitted on a CMS 1500 paper claim or 837P electronic claim form.
<b>Scope</b>	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.
<b>Policy</b>	<p>The Plan requires that one of the following modifiers be appended to a durable medical equipment (DME) service to indicate that the DME is being rented:</p> <ul style="list-style-type: none"> <li>• Modifier RR – DME rental</li> <li>• Modifier KR – DME Rental item, billing for partial month</li> <li>• Modifier LL – DME Lease/Rental</li> </ul> <p>Modifier <i>RR - DME Rental</i> appended to a service indicates that the DME is being rented on a <b>monthly</b> basis. One full month of rental for a rented piece of DME would equal <b>one unit</b>. Each full month of rental must be billed on a single claim line with <b>one unit</b> rather than 30 units.</p> <p>Modifier <i>KR – DME Rental item-partial month</i> appended to a service indicates that the DME provided is being rented <b>daily (less than a full month)</b>. Submission of DME that is rented daily must include a “from” and a “through” date of service along with the appropriate units of service to <b>match the total days rented</b>. If the daily rental period is not continuous, bill a separate line for each unique date of service with a unit of one.</p> <p>Modifier <i>LL -DME Lease/Rental</i> appended to a service indicates that the DME rental amount is to be <b>applied towards the final purchase price of the DME item</b>. Determination of units and dates of service should follow the same criteria identified above for modifier RR and modifier KR.</p> <p>Codes submitted for rented or leased DME without modifiers RR, KR or LL will be denied reimbursement.</p>

	<p>If the DME item is new or new when rented, modifier <i>NU - New DME</i> or modifier <i>NR – New DME when rented</i> must be appended to the DME code to indicate that the item was new or new when rented, respectively.</p> <p><b><u>Replacement of a DME, orthotic or prosthetic item</u></b></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 Payment Policy “<i>Modifier RA-Replacement of a DME, Orthotic or Prosthetic item</i>” 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><a href="https://www.premera.com/documents/044055.pdf">https://www.premera.com/documents/044055.pdf</a></p>
<b>Violations of Policy</b>	<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>
<b>Exceptions</b>	None
<b>Laws, Regulations &amp; Standards</b>	None
<b>References</b>	<ul style="list-style-type: none"> <li>• Durable Medical Equipment Prosthetics Orthotics and Supplies (DMEPOS) Fee Schedule, Center for Medicare and Medicaid Services (CMS)</li> <li>• Healthcare Common Procedure Coding System (HCPCS) codebook</li> <li>• Medicare National Correct Coding Initiative (NCCI) edits</li> <li>• Medicaid National Correct Coding Initiative (NCCI) edits</li> </ul>

<b>Policy Owner Review</b>	Payment Integrity Oversight Committee	
<b>Contact</b>	Any questions regarding the contents of this policy or its application should be directed to the Payment Integrity Department.	
<b>Annual Review Dates</b>	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; 01/28/16; 02/06/15; 02/08/14; 02/11/13	
<b>Version History</b>	01/15/18	Clarified paragraph 3 in the “Policy” section
	01/10/19	Annual Review; no changes made
	01/10/20	Annual Review; no changes made
	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	Clarified the Purpose statement
	11/07/22	Annual review; no changes

	10/12/23	In the Policy section, in the second paragraph, added the last sentence to indicate how to bill a rental period if the dates are not continuous. In the fifth and sixth paragraphs, expanded on the correct coding for replacement DME by using modifier RA. 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	<p>In the Policy section:</p> <ul style="list-style-type: none"> <li>• Added the first paragraph which identifies the rental modifiers</li> <li>• Under the subsection “Replacement of a 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.</li> </ul>