

# Home Medical Equipment & Prosthetics

## HME Guidelines

Home medical equipment (HME) refers to equipment that is:

- Able to withstand repeated use
- Primarily and customarily used to serve a medical purpose
- Not generally useful to a person in the absence of illness or injury
- Appropriate for use in the home

**Note:** *For specific information on HME equipment for Healthy Options, please refer to the individual section within this manual.*

## Billing Guidelines for HME

All initial claims from your office must have the referring physician's prescription on file for the HME and documentation of the medical necessity.

The prescription and the documentation of medical necessity should include:

- The member's diagnosis and prognosis
- The reason the equipment is required
- The physician's estimate, in months, of the duration of the medical need

**Note:** *Every claim must have the prescribing physician's name in box 17 on the CMS 1500 claim form. If you're billing electronically, enter the prescribing physician's name in the comment field.*

## Services Not Covered

- Expendable medical supplies, such as incontinent pads
- Equipment that is primarily used for non-medical purposes, such as air conditioners, humidifiers or car seats
- Items that are useful in the absence of illness or injury, such as a stationary bicycle
- Equipment that is inappropriate for home use, such as oscillating beds
- Items used for convenience only, such as grab bars
- Equipment ordered **before** a member is eligible for benefits is **not covered**, even when the equipment is delivered after the effective date of coverage.

---

# Home Medical Equipment & Prosthetics

---

## Rental/Purchase Guidelines

### Rental

- Rental for an HME item is paid up to the purchase price
- Modifier RR is used with the HCPCS codes to indicate rental
- One unit of service is one month's rental, with the exception of the E0935 code (passive motion exercise device) where one unit of service is one day's rental.
- Repairs required on rented equipment are not separately reimbursable

### Purchase

- If the member's contract allows for purchase and the purchase of an item is more economical than continuing to rent, Asuris Northwest Health will send a letter to request purchase instead of rental. The outstanding dollars are paid to the purchase price.
- Regardless of when the decision to purchase is made, Asuris Northwest Health will only reimburse up to the purchase price.
- Use modifier –NU if purchasing new HME equipment
- Use modifier –UE if purchasing used HME equipment

### Additional Modifiers

When appropriate, use the following modifiers when billing for HME services. If more than one modifier is used, place the following modifiers in the first position or directly after the procedure and/or HCPCS code.

- AW Items furnished in conjunction with surgical dressings
- KM Replacement of facial prosthesis including new impression/modulage
- KN Replacement of facial prosthesis using previous master model.

### Shipping and Handling

Shipping, handling, and sales tax for the HME item are *not eligible* for separate reimbursement.

### Repairs and Modifications

If the purchased equipment is not covered by the manufacturer's warranty, Asuris Northwest Health allows for one month's rental fee for loaner equipment while the member's equipment is being repaired or serviced. All claims for repairs and servicing are subject to review and approval to ensure charges do not exceed the purchase price.

---

# Home Medical Equipment & Prosthetics

---

## Replacement

For replacement of HME, the referring physician must submit a new prescription and the supplier must indicate the condition of the present equipment on the prescription. Claims for replacement are subject to review and approval.

## Customization

When it is necessary for a manufacturer, factory or supplier to create an item to fit a specific member, it is considered a custom item. Custom items must be purchased rather than rented and medical necessity criteria must be met.

## Back Up HME Equipment

Back up HME, items are not eligible for separate reimbursement.

## HME Accessories

There are some accessories associated with HME use (e.g., batteries, leads, tubing and pads) that are eligible for reimbursement in addition to the HME item when medically necessary. Please contact provider customer service at **1-888-344-5587** if you have any questions.

## Deluxe Products/Upgrades

The member may choose to upgrade from a standard product. Asuris Northwest Health will only reimburse up to the allowable amount for the standard product.

It is the responsibility of the provider to inform the member that there are standard products available that meet medical necessity. The member must sign a waiver indicating that they have been informed of their responsibility for any outstanding balance, **prior** to ordering the product or before the product is delivered.

The outstanding balance will be provider write off if there is no signed waiver from the member. The outstanding balance is the member's responsibility if they have signed the waiver, as directed above.

Providers should use the HCPCS **S1001** code when billing for the cost in excess of the standard product. The waiver must accompany the bill and is on file if health care services request the waiver at a future date.

---

# Home Medical Equipment & Prosthetics

---

## Prior Authorization

*For more details regarding prior-authorizations, please refer to the 'Care Management' section within this manual.*

Prior authorization may be required. Requests can be faxed, phoned or mailed to the appropriate address or number listed in the “Numbers You’ll Need” section of this manual.

A form for prior authorization is located in the “Forms” section within this manual, or online at [www.wa.regence.com/provider](http://www.wa.regence.com/provider). Go to the reference library and locate the forms, labeled “Prior Authorization.”

## Orthoses

*For members with the Healthy Option plan, please refer to the Healthy Options section in this manual for specific guidelines.*

Asuris Northwest Health covers custom-made, functional orthotics when such devices are medically necessary to treat a condition of the foot, ankle or leg.

Prefabricated, supportive, accommodative and digital orthotics are **not covered** on most plans.

## Billing Guidelines for Orthoses

- Use HCPCS codes to bill for orthoses.
- Indicate the units of service.

<p><b>Note:</b> <i>Reimbursement for HCPCS orthotic codes include the cost of orthoses, cast impression and materials.</i></p>
--

## Fitting or Adjustment

Asuris Northwest Health does not allow reimbursement for adjustment and/or fitting of orthoses and prosthetics. This service is included in the cost of the device.

## Repair and/or Replacement

The repair and/or replacement of an orthotic or prosthetic device may be allowed, according to the member’s plan. Please use the appropriate HCPCS or CPT® code to bill for repair or replacement.

---

# Home Medical Equipment & Prosthetics

---

## Prosthetic Devices

For purposes of this document, the definition of prosthetic devices (other than dental) is: A device, which replaces all or part of an internal body organ (including contiguous tissue) or replaces all or part of the function of a permanently inoperative or malfunctioning internal body organ.

- A prescription must be on file and the prescribing physician's name must appear in box 17 on a *CMS-1500* form.
- Prior authorization may be required.

To verify benefits and eligibility or if you have any questions regarding ocular prosthetics, or external prosthetics, please contact provider customer service at **1-888-344-5587**.