

MLN Matters® Number: MM7212 Revised

Related Change Request (CR) 7212

Related CR Release Date: May 13, 2011

Effective Date: October 1, 2011

Related CR Transmittal #: R9010TN

Implementation Date: October 3, 2011

Edit to Deny Claims for Repairs to Capped Rental Durable Medical Equipment (DME)

Note: This article was revised on July 27, 2016, to add a link to a related MLN Matters® Article, [MM8822](#). That article provides instructions on the payment procedures that will be applied to certain Durable Medical Equipment codes that are being reclassified (July 2016) as capped rental equipment. All other information is unchanged.

Provider Types Affected

This article is for suppliers and providers billing Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for rentals of capped Durable Medical Equipment (DME).

Provider Action Needed

Change Request (CR) 7212 instructs Medicare DME MACs to prohibit separate payment for repairs to capped rental items during the rental period. The rental period is not to exceed 13 continuous months. However, payment for all maintenance, servicing, and repair of capped rental equipment is included in the allowed rental payments. Under no circumstances will Medicare pay for these services prior to the end of the 13-month capped rental period. Suppliers of capped rental items need to be aware of this issue as it impacts maintenance and servicing of DME for Medicare beneficiaries as described in this article.

Key Points of CR7212

- Claims for replacement parts for capped rental items billed during the 13-month capped rental period with the “RB” modifier, including parts submitted using code E1399, will be denied.

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- Claims for repairs that are billed with the Healthcare Common Procedure Coding System (HCPCS) code K0739 for the labor associated with repairs of capped rental equipment during the 13-month capped rental period will be denied.
- In denying these claims, DME MACs will use the following Claim Adjustment Reason Code (CARC), and Remittance Advice Remark Codes (RARCs) messages for claims denied or rejected for DME repairs during the capped rental period:
 - CARC 97: “The benefit for this service is included in the payment/allowance for another service/procedure that has already been adjudicated. NOTE: refer to the 835 healthcare policy identification segment (loop 2110 service payment information ref), if present.”
 - RARC MA13: “Alert: You may be subject to penalties if you bill the patient for amounts not reported with the Patient Responsibility (PR) group code.” and
 - RARC N211: “Alert: You may not appeal this decision.

Additional Information

If you have questions, please contact your Medicare DME MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

For complete details regarding this CR please see the official instruction (CR 7212) issued to your Medicare DME MAC. That instruction may be viewed by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R901OTN.pdf> on the Centers for Medicare and Medicaid Services (CMS) website.

To review the recent 2010 report from the Office of the Inspector General on this issue, you may go to <http://oig.hhs.gov/oei/reports/oei-07-08-00550.pdf> on the Internet.

Document History

Date Of Change	Description
July 27, 2016	This article was revised to add a reference to MLN Matters® Article MM8822 for a listing of codes for equipment that is being reclassified as Capped Rental Equipment and instructions on the processing of claims for this equipment under the Competitive Bidding Program.
May 26, 2015	This article was revised on May 26, 2015, to add a reference to MLN Matters® Article MM9062 to alert suppliers and DME MACs that when the supplier transfers title to capped rental equipment to the beneficiary prior to the end of the 13-month period of continuous use, reasonable and necessary charges for maintenance and servicing of the beneficiary-owned DME will be made for charges not otherwise covered under manufacturer’s or supplier’s warranty

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