

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



In September 2012, the Centers for Medicare & Medicaid Services (CMS) announced the availability of a new electronic mailing list for those who refer Medicare beneficiaries for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS). Referral agents play a critical role in providing information and services to Medicare beneficiaries. To ensure you give Medicare patients the most current DMEPOS Competitive Bidding Program information, CMS strongly encourages you to review the information sent from this new electronic mailing list. In addition, please share the information you receive from the mailing list and the link to the “[mailing list for referral agents](#)” subscriber webpage with others who refer Medicare beneficiaries for DMEPOS. Thank you for signing up!

MLN Matters® Number: MM8172

Related Change Request (CR) #: CR 8172

Related CR Release Date: February 8, 2013

Effective Date: July 1, 2013

Related CR Transmittal #: R11830TN

Implementation Date: July 1, 2013

Note: This article was revised on December 5, 2014, to add a reference to MLN Matters® Article MM8844 available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM8844.pdf>, to alert hospitals and DMEPOS suppliers that effective April 1, 2015, CMS is creating a new IUR process within the Common Working File (CWF) to identify DME claims that overlapped a Part A inpatient stay. The MAC will receive information from CWF as a result of the IUR, and initiate, when appropriate, the recoupment process for DME items furnished during an inpatient stay. All other information is unchanged.

Revision to CWF and VMS: Reject or Informational Unsolicited Response (IUR) Edit for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Provided During an Inpatient Stay

Provider Types Affected

This MLN Matters® Article is intended for hospitals and Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) suppliers submitting claims to Durable

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Medical Equipment Medicare Administrative Contractors (DME/MACs) for DMEPOS items provided to Medicare beneficiaries while an inpatient in a hospital.

Provider Action Needed

The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 8172 to alert hospitals and DMEPOS suppliers that claims for DMEPOS items to beneficiaries received in a covered inpatient stay are considered an overpayment and may be rejected or line item denied. DMEPOS suppliers are encouraged to review this article in order to avoid potential overpayment situations.

Background

The CMS Recovery Auditor program is responsible for identifying and correcting improper payments in the Medicare Fee-For-Service (FFS) payment process. The claim data used by the Recovery Auditors identified DMEPOS claims for beneficiaries who received DMEPOS items while in an inpatient stay in a hospital. The payments associated with these claims are considered overpayments because Medicare does not allow separate payment for DMEPOS when a beneficiary is in a covered inpatient stay. These claims were related to DME date of service greater than 2 days prior to Part A discharge date or Part A discharge status was not to home. CR8172 will result in the Common Working File (CWF) creation of a line item rejection for these claims if DMEPOS Claim Status is unpaid or a line item IUR if DEMPOS Claim Status is paid. An IUR results in the investigation of the claim by the DME MAC to determine if an overpayment was made.

Key Points

According to the "Medicare Claims Processing Manual," Chapter 20, Section 210, the DMEPOS benefit is meant only for items a beneficiary is using in his or her home:

- For a beneficiary in a Part A inpatient stay, an institutional provider (e.g., hospital) is not defined as a beneficiary's home for DMEPOS, and so Medicare does not make separate payment for DMEPOS when a beneficiary is in the institution. The institution is expected to provide all medically necessary DMEPOS during a beneficiary's covered Part A stay.

According to the "Medicare Claims Processing Manual," Chapter 20, Section 110.3.1, in some cases, it would be appropriate for a supplier to deliver a medically necessary item of Durable Medical Equipment (DME), a prosthetic, or an orthotic, but not supplies to a beneficiary who is an inpatient in a facility that does not qualify as the beneficiary's home. CMS presumes that the pre-discharge delivery of DME, a prosthetic, or an orthotic (hereafter "item") is appropriate when all the following conditions are met:

1. The item is medically necessary for use by the beneficiary in the beneficiary's home;

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2. The item is medically necessary on the date of discharge, i.e., there is a physician's order with a stated initial date of need that is no later than the date of discharge for home use;
3. The supplier delivers the item to the beneficiary in the facility solely for the purpose of fitting the beneficiary for the item, or training the beneficiary in the use of the item, and the item is for subsequent use in the beneficiary's home;
4. The supplier delivers the item to the beneficiary no earlier than two days before the day the facility discharges the beneficiary;
5. The supplier ensures that the beneficiary takes the item home, or the supplier picks up the item at the facility and delivers it to the beneficiary's home on the date of discharge;
6. The reason the supplier furnishes the item is not for the purpose of eliminating the facility's responsibility to provide an item that is medically necessary for the beneficiary's use or treatment while the beneficiary is in the facility. Such items are included in the Diagnostic Related Group (DRG) or Prospective Payment System (PPS) rates;
7. The supplier does not claim payment for the item for any day prior to the date of discharge;
8. The supplier does not claim payment for additional costs that the supplier incurs in ensuring that the item is delivered to the beneficiary's home on the date of discharge. The supplier cannot bill the beneficiary for redelivery; and
9. The beneficiary's discharge must be to a qualified place of service (e.g., home, custodial facility), but not to another facility (e.g., inpatient or skilled nursing) that does not qualify as the beneficiary's home.

According to the "Medicare Claims Processing Manual," Chapter 20, Section 110.3.2 for DMEPOS, the general rule is that the date of service is equal to the date of delivery. Pre-discharge deliveries of items intended for use upon discharge are considered provided on the date of discharge. The following three scenarios demonstrate both the latter rule (when the date of service is the date of discharge) and related exceptions.

1. If the supplier leaves the item with the beneficiary two days prior to the date of discharge, and if the supplier, as a practical matter, need do nothing further to effect the delivery of the item to the beneficiary's home (because the beneficiary or a caregiver takes it home), then the date of discharge is deemed to be the date of delivery of the item. Such date must be the date of service for purposes of claims submission. (This is not an exception to the general DMEPOS rule that the date of service must be the date of delivery. Rather, it recognizes the supplier's responsibility - per condition five above - to ensure that the item is actually delivered to the beneficiary's home on the date of discharge.) No one may bill for the days prior to the date of discharge.

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2. If the supplier fits the item to the beneficiary, or trains the beneficiary in its use while the beneficiary is in the facility, but thereafter removes the item and subsequently delivers it to the beneficiary's home, then the date of service must be the date of actual delivery of the item, provided such date is not earlier than the date of discharge.
3. If the supplier leaves the item at the facility and the beneficiary does not take the item home, or a third party does not send it to the beneficiary's home, or the supplier does not otherwise (re)deliver the item to the beneficiary's home on or before the date of discharge, the date of service must not be earlier than the actual date of delivery of the item, i.e., the actual date the item arrives, by whatever means, at the beneficiary's home.

Additional Information

You can find the official instruction, CR8172, issued to your DME MAC by visiting <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1183OTN.pdf> on the CMS website.

If you have any questions, please contact your 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.

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