DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

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- **"Medicare Appeals Process"** Fact Sheet, ICN 006562, Downloadable

MLN Matters® Number: MM8844	**Related Change Request (CR) #: CR 8844**
Related CR Release Date: November 6, 2014	**Effective Date: April 1, 2015**
Related CR Transmittal #: R1435OTN	**Implementation Date: April 6, 2015**

New Informational Unsolicited Response (IUR) Process for Durable Medical Equipment (DME) Items Furnished during a Part A 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 Medical Equipment Medicare Administrative Contractors (DME/MACs) for DMEPOS items provided to Medicare beneficiaries while an inpatient in an inpatient facility, or other facility.

Provider Action Needed

Change Request (CR) 8844 is a modification of CR8172 that gave providers guidance regarding the Centers for Medicare & Medicaid Services (CMS) longstanding edits in place to deny claims for DME items furnished during an inpatient stay. CR8172 only addressed Prosthetics and Orthotics and did not include DME. In addition, CR8172 provided instructions for the date of service through discharge date, but did not include day of discharge.

CR8844 provides a modification to include DME and discharge date to the Informational Unsolicited Response (IUR) edit process for DME during a Part A Inpatient Stay. Effective

April 1, 2015, Medicare's Common Working File (CWF) will update the existing 7201 IUR edit to trigger recoupment for DME items furnished while the beneficiary was in a hospital inpatient stay. Make sure your billing staffs are aware of these changes.

Background

Section 1861(n) of the Social Security Act limits Part B coverage under the DME benefit to those items that are furnished for use in a patient's home. Inpatient facilities, and other facilities, may not be considered the patient's home. Therefore, payment for DME items may not be made while the beneficiary is in an inpatient facility, or other facility. This applies to the following Healthcare Common Procedure Coding System (HCPCS) categories:

- 01 - Capped Rental DME;
- 02 - Frequently maintained DME;
- 04 - Inexpensive and routinely purchased DME;
- 05 - Electric Wheelchairs;
- 06 - Oxygen equipment; and
- 07 - Oxygen Supplies.

Note: This does not apply when the DME claim has a patient status code of 03 or 83 AND the Skilled Nursing Facility (SNF) claim is not on file. Also, the edit will not apply if the "From" date of the DME claim is the same as an inpatient discharge date and the patient status code on the inpatient claim is 01 (Discharged to home or self-care), 06 (Discharged/transferred to home under care of organized home health service organization in anticipation of covered skilled care), 50 (Discharged/transferred to Hospice - home), 81 (Discharged to Home or Self Care with a Planned Acute Care Hospital Inpatient Readmission), or 86 (Discharged/Transferred to Home Under Care of Organized Home Health Service Organization with a Planned Acute Care Hospital Inpatient Readmission).

CMS has edits in place to deny claims for DME items furnished during an inpatient stay. Currently, however, no process is in place to recoup funds for DME items when the bill for the inpatient stay is received after the DME claim.

Effective April 1, 2015, CMS is creating a new IUR process within the CWF to identify DME claims that overlapped a Part A inpatient stay. An IUR identifies a claim that needs to be adjusted by the Medicare Administrative Contractor (MAC). 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.

When your MAC denies a claim for DME when the beneficiary is in an inpatient stay, the denial will include the following remittance codes:

- Reason Code 96 - Non covered charge(s)
- Remark Code M18 - Certain Services may be approved for home use. Neither a hospital nor a Skilled Nursing Facility (SNF) is considered to be a patient's home
- Group Code PR – Patient Responsibility

Additional Information

The official instruction, CR8844 issued to your MAC regarding this change is available at **http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1435OTN.pdf** on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at **http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html** under - How Does It Work.