

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



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Related Change Request (CR) #: CR 9491

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Related CR Transmittal #: R1601OTN

Implementation Date: July 5, 2016

Payment Clarification for the Purchase of Used Inexpensive and Routinely Purchased Durable Medical Equipment (DME) when Previously Rented

Provider Types Affected

This MLN Matters® Article is intended for suppliers submitting claims to Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for services to Medicare beneficiaries.

Provider Action Needed

Change Request (CR) 9491, from which this article is taken, provides clarification on the payment for the purchase of used inexpensive and routinely purchased Durable Medical Equipment (DME) in cases where there were previous rental payments.

Background

Section 1834(a), (h), and (i) of the Social Security Act (the Act) require payment on a fee schedule basis for certain Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings; and Section 1834(a)(7) and (2) provides the payment rules for capped rental DME and Inexpensive and Routinely Purchased (IRP) DME. (You can find Section 1834 of the Act at https://www.ssa.gov/OP_Home/ssact/title18/1834.htm on the Internet).

In determining the Medicare payment amount when the beneficiary elects to purchase previously rented IRP DME, the Medicare allowed amount should take into consideration payment made for any previous rentals.

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CR9491 provides that (effective July 1, 2016) when a beneficiary elects to purchase previously rented IRP DME and the service has a UE (purchase of used equipment) modifier, the Medicare allowed amount for used purchased equipment will be calculated at the lower of the purchase fee schedule amount (UE) minus previous paid rental amounts or the actual charge for the used purchased equipment.

Specifically, in these cases, you should deduct the previous paid rental amounts or the actual charge for the used purchase equipment from the Medicare allowed amount for used purchase equipment.

Additional Information

The official instruction, CR9491 issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1601OTN.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.

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