
Program Memorandum

Intermediaries/Carriers

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal AB-00-02

Date: FEBRUARY 2000

CHANGE REQUEST 901

SUBJECT: DMERCs -- Pre-Discharge Delivery of DMEPOS for Fitting and Training

This Program Memorandum (PM) clarifies HCFA policy and billing procedures regarding the circumstances under which durable medical equipment, prosthetics and orthotics -- but not supplies -- may be delivered to a beneficiary who is an inpatient in a facility that does not qualify as the beneficiary's home.

Conditions That Must Be Met:

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). HCFA will presume that the pre-discharge delivery of a DME, prosthetic, or orthotic (hereafter "item") is appropriate if the following conditions are met:

1. The item is medically necessary for use by the beneficiary in the beneficiary's home.
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 such item or training the beneficiary in the use of such item and the item is for subsequent use in the patient's home.
4. The supplier delivers the item to the beneficiary no earlier than 2 days before the day the beneficiary is discharged from the facility.
5. The supplier ensures that the item is taken home by the beneficiary 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 item furnished by the supplier is not for the purpose of eliminating the responsibility of the facility to provide an item that is medically necessary for use or treatment of the beneficiary while the beneficiary is in a facility. Such items are included in the DRG and 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 any additional costs that may be incurred by the supplier 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.
9. The beneficiary's discharge must be to a qualified place of service, i.e., home, custodial facility, etc., but not to another facility (inpatient, skilled nursing, etc.) that does not qualify as the beneficiary's home.

Date of Service for Claims Processing:

The general rule is the date of service is the date of delivery. However, the rule for pre-discharge delivery of items is that the date of service is the date of discharge. The following three scenarios illuminate both this latter rule (when the date of service is the date of discharge) and exceptions thereto.

HCFA-Pub. 60AB

1. If the supplier leaves the item with the beneficiary at the facility 2 days prior to the date of discharge, and if the supplier, as a practical matter, need do nothing further to effect 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 and such date shall be the date of service for the purpose of claim 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 #5, above -- to ensure that the item is actually delivered to the beneficiary's home on the date of discharge.) No billing can be made for days prior to the date of discharge.

2. If the supplier fits the beneficiary to the item or trains the beneficiary in its use while the beneficiary is in the facility, but thereafter removes the item and subsequently delivers the item to the beneficiary's home, then the date of service shall 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 item is not taken home by the beneficiary, or sent or taken to the beneficiary's home by a third party, or otherwise (re)delivered to the beneficiary's home by the supplier on or before the date of discharge, then the date of service may 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.

Facility Responsibilities During the Transition Period:

1. A facility remains responsible for furnishing medically necessary items to a beneficiary for the full duration of the beneficiary's stay. Such items are covered by the DRG and PPS rates.

2. A facility may not delay furnishing a medically necessary item for the use or treatment of a beneficiary while the beneficiary is in the facility nor may a facility prematurely remove a medically necessary item from the beneficiary's use or treatment on the basis that a supplier has delivered a similar or identical item to the beneficiary for purpose of fitting or training.

3. A facility may not, through the stratagem of relying upon a supplier to furnish such items, improperly shift to Medicare Part B its costs for furnishing medically necessary items to a beneficiary who is a resident in the facility.

Nevertheless, beginning 2 days before the beneficiary's discharge, a facility may take reasonable actions to permit a supplier to fit or train the beneficiary with the medically necessary item that is for subsequent use in the beneficiary's home. These actions may include the substitution of the supplier-furnished item, in whole or in part, for the facility-furnished item during the beneficiary's last two inpatient days provided such substitution is both reasonable and necessary for fitting or training and the item is intended for subsequent use at the beneficiary's home.

4. For P&O items, the above restrictions apply to residents in a covered Part A stay. For DME, the above restrictions apply in a covered Part A or a Part B stay.

The effective date of this PM is April 2000.

The implementation date for this PM is April 2000.

These instructions should be implemented within your current operating budget.

This Program Memorandum may be discard after April 30, 2001.

Contractors should contact the appropriate regional office DMERC/project officers with any questions.