

## Durable Medical Equipment (DME): An Overview

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This section contains information about Durable Medical Equipment (DME) and program coverage.

**Notes** Per Title 22, California Code of Regulations (CCR), Section 51321(g): Authorization for durable medical equipment shall be limited to the lowest cost item that meets a patient's medical needs.

Pursuant to Welfare and Institutions Code (W&I Code), Section 14105.395, the provisions contained herein have the force and effect of regulations and shall prevail over any inconsistent provisions in CCR sections relating to DME.

Along with this section, providers should refer to additional DME information as follows:

Topic	Provider Manual Sections
Billing guidelines and documentation requirements	<i>Durable Medical Equipment (DME): Bill for DME</i>
Billing for DME on the CMS-1500 claim form	<i>Durable Medical Equipment (DME): Billing Examples</i>
DME codes reimbursed by Medi-Cal	<i>Durable Medical Equipment (DME): Billing Codes and Reimbursement Rates</i>
Frequency limits for DME purchases	<i>Durable Medical Equipment (DME) Billing Codes: Frequency Limits</i>

DME information in this manual is split into the following groups, each of which is the subject of its own manual section:

- Infusion Equipment
- Oxygen Contents, Oxygen Equipment and Respiratory Equipment
- Speech Generating Devices
- Therapeutic Anti-Decubitus Mattresses and Bed Products
- Wheelchairs and Wheelchair Accessories
- Other DME

All rules and regulations affecting DME apply to all of the above groups.

## **General Information**

### **Program Coverage**

Medi-Cal covers DME when provided on the written prescription (or electronic equivalent) of a physician. A recipient's need for DME items must be reviewed annually by a physician.

The Medi-Cal definition of medical necessity limits health care services to those necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain. Therefore, prescribed DME items may be covered as medically necessary only to preserve bodily functions essential to activities of daily living or to prevent significant physical disability.

DME items may also be covered to assist a disabled recipient in caring for a child for whom the disabled recipient is a parent, stepparent, foster parent or legal guardian. See the *Durable Medical Equipment (DME): Bill for DME* section in this manual for additional information.

Alterations or improvements to real property, such as a non-portable wheelchair ramp, are not Medi-Cal benefits, except when authorized for home dialysis services.

Claims for portable ramps must be billed with HCPCS code E1399 (durable medical equipment, miscellaneous). See the *Durable Medical Equipment (DME): Bill for DME* section in this manual for the definition of a portable ramp.

Charges for shipping and handling are not reimbursable.

## **Non-Coverage**

The following items are not covered by Medi-Cal:

- Books or other items of a primarily educational nature
- Air conditioners/air filters or heaters
- Food blenders
- Reading lamps or other lighting equipment
- Bicycles, tricycles or other exercise equipment
- Television sets
- Orthopedic mattresses, recliners, rockers, seat lift chairs or other furniture items
- Waterbeds
- Household items
- Modifications of automobiles or other highway motor vehicles
- Other items not generally used primarily for health care and which are regularly and primarily used by persons who do not have a specific medical need for them

## Long Term Care: Separately Reimbursable Items

All supplies, equipment and services necessary to provide a designated level of Long Term Care (LTC) are included in the LTC rate unless listed in LTC regulations as separately reimbursable CCR, Title 22, Section 51511.5 will continue to apply for subacute recipients. Items listed as separately reimbursable for non subacute LTC recipients are as follows:

- Allied health services ordered by the attending physician
- Alternating pressure mattresses/pads with motor
- Atmospheric oxygen concentrators, enrichers and accessories
- Blood, plasma and substitutes
- Dental services
- DME as specified in CCR, Title 22, Section 51321(g)
- Insulin
- Intermittent positive pressure breathing equipment
- Intravenous trays, tubing and blood infusion sets
- Laboratory services
- Legend drugs
- MacLaren or Pogon Buggy
- Medical supplies as specified in the *Welfare and Institutions Code (W&I Code)*, Section 14105.47
- Nasal cannula
- Osteogenesis stimulator device
- Oxygen delivery systems (stationary and portable gaseous oxygen, stationary and portable liquid oxygen and oxygen concentrator)
- Oxygen contents (gaseous and liquid) (except emergency)

- Parts and labor for repairs of DME originally separately payable or owned by recipient
- Physician services
- Portable aspirator
- Pre-contoured structures (VASCO-PASS, cut out foam)
- Prescribed prosthetic and orthotic devices for exclusive use of recipient
- Reagent testing sets
- Therapeutic air/fluid support systems/beds
- Traction equipment and accessories
- Variable height beds

### **Nursing Facility: Billing Requirement for Canes, Crutches, Wheelchairs and Walkers**

Canes, crutches, wheelchairs and walkers for Nursing Facility (NF) Level A and B recipients are reimbursable only when the items must be custom made or modified to meet the unusual needs of the recipient and the need is expected to be permanent. When billing with an approved *Treatment Authorization Request* (TAR), a statement that the item was custom made or modified must be entered in the *Additional Claim Information* field (Box 19) of the claim, or on an attachment included with the claim. If using an “unlisted” procedure code for any of these items, also include a notation whether the item is taxable or nontaxable. Refer to “Nursing Facility TAR Requirements” in this section for more information about these items.

### **Eligibility Requirements**

To receive reimbursement, a recipient must be eligible for Medi-Cal on the date of service.

### **Prescription Requirements**

A prescription, written by a physician, is required for authorization of purchase, rental, repair or maintenance of DME, per CCR, Title 22, Section 51321. A copy of the signed and dated written prescription (or electronic equivalent) must accompany the TAR.

**Note:** The physician must retain the prescription for his or her records.

In addition to the physician's signature (written or electronic), the following specific information must be supplied clearly on or with the prescription form or as an attachment to the TAR:

- Full name, address and telephone number of the prescribing physician, if not pre-printed on the prescription form.
- Copy of dated prescription.
- Item(s) being prescribed. If multiple or above-standard items are prescribed, these facts must be separately specified.
- Medical condition or diagnosis necessitating the particular DME item. This shall include the patient's medical status and functional limitation(s), and a description of how the specific item being requested is expected to improve the medical status or functional ability(ies) of the patient, stabilize the patient's medical condition, or prevent additional deterioration of the medical status or functional ability(ies) of the patient.
- Estimated length of time the item is medically necessary. The term of use should be stated as precisely as possible; for example, short-term use in months and long term use as "permanent," "indefinite" or "lifetime."

## **Face-to-Face Encounter**

For all DME items a face-to-face encounter with a physician, nurse practitioner, clinical nurse specialist or physician assistant that is related to the primary reason the recipient requires the DME item is required. Face-to-face encounters may be done via telehealth. For all DME items that require replacement or replacement parts, a new prescription written by the physician for the DME item is required annually.

The following conditions must be met in order for the face-to-face encounter to be satisfied:

- The provider performing the face-to-face encounter must communicate the clinical findings of that face-to-face encounter to the ordering physician.
- The clinical findings from the face-to-face encounter must be incorporated into a written or electronic document included in the recipient's medical record.
- The physician prescribing the DME must document that the
- face-to-face encounter, which is related to the primary reason the patient requires the DME, has occurred within six months prior to the date on the DME prescription.
- The physician writing the DME prescription must document who conducted the face-to-face encounter and the date of the encounter.

## **Non-Physician Medical Practitioners: Furnishing or Ordering Drugs or Devices**

Policy information about Non-physician Medical Practitioners (NMPs) furnishing or ordering drugs or devices can be found in the Part 2-*General Medicine* manual under *Medical Services* on the Medi-Cal website at: [www.medi-cal.ca.gov](http://www.medi-cal.ca.gov).

### **Provider Responsibilities**

Pursuant to CCR, Title 22, Section 51321 (i), rendering providers of DME shall ensure that all devices and equipment are appropriate to meet the recipient's medical needs. Providers shall instruct recipients in appropriate use and care of DME and notify recipients that they are responsible for appropriate use and care of DME purchased for their use under the Medi-Cal program. If a piece of equipment or a device, when in actual use, fails to meet the recipient's needs, and the recipient's medical condition has not significantly changed since the device/equipment was dispensed, the rendering provider shall adjust or modify the equipment, as necessary, to meet the recipient's needs. The rendering provider, at no cost to the Medi-Cal program, shall replace any equipment or device that cannot be adjusted or modified.

### **Recipient Responsibilities**

Recipients are responsible for appropriate use and care of DME purchased for their use under the Medi-Cal program.

## **Treatment Authorization Request (TAR) Information**

### **Authorization**

Authorization is required for all of the following:

- For the purchase of DME, when the cumulative cost of purchasing items within a group exceeds \$100 within the calendar month. Providers may refer to the *Durable Medical Equipment (DME): Billing Codes and Reimbursement Rates* section in this manual to determine if items are related within a group. Items grouped together under specific headings, such as "Hospital Beds" or "Bathroom Equipment," are considered within the same group.
- For the repair or maintenance of DME items within the group, when the cumulative cost exceeds \$250 within a calendar month.
- For labor to repair patient-owned DME when cumulative cost exceeds \$250 or 12 units within a calendar month.

- For the rental of DME when the cumulative cost of rental for items within the group exceeds \$50 within a 15-month period. This includes any daily amount that an individual item, or a combination of a similar group of DME items, exceeds the \$50 threshold. The 15-month period begins on the date the first item is rented.
- For the purchase, rental, repair or maintenance of any unlisted devices or equipment, regardless of the dollar amount of the individual item or cumulative cost.

For oxygen contents, oxygen equipment and respiratory equipment, authorization is required:

- For the purchase, rental, repair or maintenance of all oxygen contents, oxygen equipment and respiratory equipment except for all of the following, which require authorization only for quantities exceeding the stated billing limit:
  - A7005 (administration set, with small volume nonfiltered pneumatic nebulizer, nondisposable) – billing limit of one every 6 months
  - E0484 (oscillatory positive expiratory pressure device, non-electric, any type, each) billing limit of two per 12 months
- For the purchase, rental or maintenance of any unlisted devices or equipment, regardless of the dollar amount of the individual item or cumulative cost

## Required Information

TARs for DME, oxygen contents, oxygen equipment, and respiratory equipment and parenteral infusion equipment require the following information:

- Date of request
- Medical justification relevant to the item being requested, as specified; some respiratory equipment requires a DHCS form or equivalent information to be completed
- Location of where the recipient resides
- Description of item, including:
  - Whether new or used
  - How long item has been rented to this recipient
  - Whether duration of usage will be short or long-term
  - Manufacturer's name and/or model type/serial
  - Procedure code
  - Appropriate modifier
  - Estimated length of need, whether rental or purchase is being requested, and associated charges



- A copy of the prescription, which must contain all the data listed in “Prescription Requirements” in this section
- Rendering provider identification, including name, address, telephone number, contact name, contact telephone number and National Provider Identifier (NPI)
- Unlisted DME requires copies of the catalog pages and medical justification to substantiate why a listed item is insufficient to meet the recipient’s medical needs
- Purchase price, if applicable
- Monthly rental charge

### **Required Documentation**

Unless otherwise specifically noted, all TARs for the purchase, rental or maintenance for items within the DME group must have the following documentation attached:

- Completed 50-1 TAR form
- A copy of the signed physician prescription (or electronic equivalent) or a completed and signed DHCS 6181 form (*Certificate of Medical Necessity for All Durable Medical Equipment [Except Wheelchairs and Scooters]*).
- For listed items: Specific medical justification for each item is requested, using the DHCS 6181 form and any other additional medical documentation, such as physician’s notes or therapist documentation, which may be relevant to the request.

### **Certificate of Medical Necessity**

Except as noted below, providers must complete the applicable forms when submitting documentation to support *Treatment Authorization Requests* (TARs) for DME as follows:

- DHCS 6181: *Certificate of Medical Necessity for All Durable Medical Equipment (DME) (Except Wheelchairs and Scooters)*; or
- DHCS 6181-A, DHCS 6181-B and DHCS 6181-C: Refer to the Durable Medical Equipment (DME): *Bill for Wheelchairs and Wheelchair Accessories* section for information about these forms.

In lieu of DHCS 6181, providers must submit the following Department of Health Care Services (DHCS) forms or equivalent information for oxygen contents, oxygen equipment and respiratory equipment:

- *Certificate of Medical Necessity for Apnea Monitors* (MC 4600)
- *Certificate of Medical Necessity for Nebulizers* (MC 4601); and
- *Certificate of Medical Necessity for Oxygen* (MC 4602)

**Note:** Providers can view all of the above forms on the Forms page of the Med-Cal website. From the Medi-Cal home page, providers click the “References” tab and then the “Forms” tab.

## **Medical Criteria**

Medical criteria for the authorization of some DME items may be found in the Manual of Criteria for Medi-Cal Authorization (MOC). MOC information is available at: [www.dhcs.ca.gov/services/medi-cal/Pages/MediBen\\_Svcs.aspx](http://www.dhcs.ca.gov/services/medi-cal/Pages/MediBen_Svcs.aspx).

## **Nursing Facility TAR Requirements**

DMW items supplied for recipients in Nursing Facility Levels A and B (ND-A, NF-B) require authorization according to *California Code of Regulations* (CCR) Title 22, Section 51321(h). Authorization may be approved as follows:

### **Unusual Medical Needs**

If the equipment is necessary for the continuous care of the patient to meet the unusual medical needs of that patient. A patient may be considered to have unusual medical needs when a disease or medical condition is exacerbated by physical characteristics such as height, weight and/or body build. Physical characteristics, in and of themselves, do not constitute an unusual medical condition.

### **Canes, Crutches, Wheelchairs, Wheelchair Cushions and Walkers**

These items are reimbursable only when the item must be custom made or modified to meet the unusual needs of the recipient and the need is expected to be permanent.

## **Suction Positive Pressure Apparatus**

Suction and positive pressure apparatus may be authorized only when the item will be continuously used by the patient or must be immediately available to the patient for one month or more.

## **Where to Submit TARs**

*Treatment Authorization Requests* (TARs) for codes within these groups must be submitted to the TAR Processing Center.

## **Medicare/Medi-Cal Recipients**

Authorization is not required for the purchase, rental, repair or maintenance of DME for recipients covered by both Medicare and Medi-Cal (crossover recipients). However, if Medicare does not approve the purchase, repair or maintenance of DME, the claim is subject to all Medi-Cal authorization requirements.

Retroactive authorization from Medi-Cal must be obtained if the service has already been rendered and denied by Medicare. A copy of the denial must accompany the TAR and prescription. Providers must then submit the claim directly to Medi-Cal, including the TAR Control Number (TCN), for reimbursement denied by Medicare.

Any questions about this authorization policy should be addressed to the Telephone Service Center (TSC) at 1-800-541-5555.

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