



<b>PCHP Reimbursement Policy</b>		
Topic: Durable Medical Equipment (DME) Rent to Purchase	Policy Number: PCHP.RI.003	Policy Section: DME
Last Modification Date:	Effective Date: 5/15/2025	

**Policy Disclaimer:**

Please ensure adherence to correct billing and submission protocols. Utilize industry-standard, compliant codes when submitting claims. Services should be coded using Current Procedure Terminology® (CPT), Healthcare Common Procedure Coding System (HCPCS), and/or revenue codes. These codes specify the services or procedures rendered and must be fully substantiated in the medical record or office notes upon billing. Our reimbursement policies apply uniformly to both participating and non-participating professional providers and facilities, unless stated otherwise.

Failure to comply with appropriate coding/billing guidelines or current reimbursement policies may result in actions by PCHP, including claim rejection or denial, claim payment recovery/recoupment, or reimbursement adjustment to accurately reflect the services provided.

These reimbursement policies are designed to support you in submitting accurate claims and to clarify the criteria for reimbursement if PCHP covers the service under the member's benefit plan; however, coverage determination for items such as, but not limited to service, procedure, item, do not guarantee reimbursement. All billed services must align with authorization and medical necessity guidelines.

These reimbursement policies may be overridden by mandates in provider contracts, state or federal regulations, or Centers for Medicare & Medicaid Services (CMS) requirements. PCHP strives to implement policy changes promptly; any delays may necessitate recoupment of claims payment to the effective date as outlined in the policy. We reserve the right to periodically review and update these policies as needed, with the most current version available on our website upon any revisions.

**Policy:**

All Durable Medical Equipment (DME) claims must include the appropriate HCPCS code(s) and the required modifier for submission.

Reimbursement will be determined based on the rental fee up to the specified maximum allowance for the specific DME item. Once the purchase price threshold is reached, the item will be considered as purchased.

In certain cases, specific items may qualify for direct purchase on an individual basis.

**Duration:**



The reimbursement limit for rented DME is 10 months. Once the limit is met, the item is considered purchased and subsequent claims will be denied. Rental periods that contain a break in coverage of more than 60 days will start the limitation count over.

A change in a member's supplier during the rental period will not result in a new reimbursement limit.

Exceptions: Oxygen equipment on a monthly rental basis for a maximum of 36 months and oxygen contents and supplies may be reimbursed up to an additional 24 months. Supplies, contents, and accessory components associated with oxygen rental DME are not separately reimbursed and considered all-inclusive in the rental reimbursement.

**Exclusions:**

- Aesthetic appearance of DME for the preference of the member or caregiver.
- Disposable medical supplies
- DME provided by a SNF that is not separately reimbursable
- Enhancements or upgrades of DME for the convenience of the member or caregiver
- Experimental or investigational DMEPOS
- Prosthetics & Orthotics
- Provision of DME that exceeds the benefit limit unless authorized through medical
- Purchase or rental of common household items that are not medically indicated necessary
- Repair or replacement of DME necessitated by abuse or neglect or during the warranty period

**References:**

This policy has been developed through consideration of the following:

CMS, Department of Health and Human Services, Texas Health and Human Services and all applicable agencies, National Correct Coding Initiative.

**Policy History:**

<b>Description</b>	<b>Date</b>
Policy Created	May 9, 2024
Policy Approved	January 30, 2025