

Highmark Reimbursement Policy Bulletin



HISTORY VERSION

Bulletin Number: RP-069

Subject: DME Maintenance, Repair and Replacement

Effective Date: July 12, 2021

End Date:

Issue Date: March 18, 2024

Revised Date: March 2024

Date Reviewed: March 2024

Source: Reimbursement Policy

Applicable Commercial Market

PA WV DE NY

Applicable Medicare Advantage Market

PA WV DE NY

Applicable Claim Type

UB 1500

→ A checked box indicates the policy is applicable to that market either entirely, or partially, as indicated within the policy.

Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this policy.

PURPOSE:

Durable Medical Equipment (DME) is any equipment that provides therapeutic or healing benefits to members with a specific medical condition and/or illness. DME is further defined as any equipment that can withstand repeated use and is primarily and customarily used to serve a medical purpose. These reusable items are ordered or prescribed by the patient's doctor or health care provider for use in the patient's home. At times this equipment may need repaired or replaced and this policy provides direction on the reimbursement parameters for these items in those circumstances.

✓ Important Note

Reimbursement policies provide guidance regarding reimbursement direction for services and procedures only. Service benefit determinations are based on the member's applicable benefit contract language in all cases and service medical necessity requirements are determined by medical policies in all cases. The member's benefits and medical policies should be referenced.

REIMBURSEMENT GUIDELINES:

Under the circumstances specified below, reimbursement may be made for repair, maintenance, and replacement of medically required durable medical equipment which the individual owns or is purchasing. Reimbursement for repair and maintenance may not include payment for parts and labor covered under a manufacturer's or supplier's warranty.

Repairs

Repairs are reimbursed, when necessary, to make the equipment functional and operational. The repair

charge may include the use of loaner equipment where this is required. When the charge for the loaner equipment is not included in the repair charge, code K0462 should be used. Repairs of the DME that are a result of abuse or neglect are not reimbursed.

Maintenance

Routine periodic servicing, such as testing, cleaning, regulating, and checking of the equipment is not reimbursed. However, more extensive maintenance which, based on the manufacturers' recommendations, is to be performed by authorized technicians, would be reimbursed as repairs. This maintenance must be performed by an authorized technician.

Replacement

Replacement of equipment is reimbursed when due to a change in the condition of the patient that requires it. Reimbursement is also made in cases of irreparable damage, irreparable wear, or loss of the equipment. Replacement of equipment due to irreparable wear takes into consideration the reasonable useful lifetime of the equipment. Replacement of the DME that are a result of abuse or neglect are not reimbursed.

Total reimbursement for a rental item may not exceed its allowable purchase price, except for those items identified as life sustaining DME. (see RP-070, Continuous Rental of Life Sustaining Durable Medical Equipment)

Reimbursement for code K0462 is only made for DME that has been rented by the member and K0739 is only considered reimbursable for DME that has been purchased by the member.

Applicable Codes:

Code	Description
K0462	Temporary replacement for patient owned equipment being repaired, any type
K0739	Repair or nonroutine service for durable medical equipment other than oxygen requiring the skill of a technician, labor component, per 15 minutes
K0740	Repair or nonroutine services for oxygen equipment requiring the skill of a technician, labor component, per 15 minutes

Additional Reimbursement Guidelines for Medicare Advantage

Repairs

Repairs to equipment which a beneficiary owns are covered when necessary to make the equipment serviceable. However, payment will not be made for repair of equipment that was previously denied and not medically necessary or was otherwise not covered.

Reimbursement is allowed for reasonable and necessary repairs or non-routine service of member owned DME (not to include Oxygen) if not otherwise covered under an equipment warranty.

Suppliers should not bill K0462 when repairing supplier owned oxygen equipment. Reimbursement will not be made for loaner equipment furnished during periods when repairs, maintenance, or servicing services are performed on rented equipment, since rental equipment is not owned by the member. Reimbursement for loaner equipment is only considered for member owned DME equipment.

Maintenance

Routine periodic servicing, such as testing, cleaning, regulating, and checking of the member's equipment, is not covered. However, more extensive maintenance, based on the manufacturer's recommendations, is covered for medically necessary member owned equipment.

Durable Medical Equipment companies' reimbursement for rental equipment includes reimbursement for the expenses associated with maintaining their rental equipment. Separately itemized charges for maintenance of rented equipment are generally not covered.

Suppliers should use code K0739 to bill for labor associated with the reasonable and necessary repair of member owned durable medical equipment. Suppliers should use code K0740 to bill for labor associated with the repair of stationary or portable, member owned oxygen equipment. K0740 is a non-covered code and claims or claim lines for code K0740 will be denied.

Replacement

If the item of equipment has been in continuous use by the member on either a rental or purchase basis for the equipment's useful lifetime, the member may elect to obtain a new piece of equipment. The reasonable useful lifetime of DME is determined through the Medicare Claims process program instructions. In the absence of program instructions, the reasonable useful lifetime of equipment may be determined, but in no case can it be less than five (5) years. Computation of the useful lifetime is based on when the equipment is delivered to the member, not the age of the equipment. Replacement due to wear is not covered during the reasonable useful lifetime of the equipment. During the reasonable useful lifetime, repair up to the cost of replacement (but not actual replacement) for medically necessary equipment owned by the member will be covered.

ADDITIONAL BILLING INFORMATION AND GUIDELINES:

Cases suggesting malicious damage, culpable neglect, or wrongful disposition of equipment will be investigated and denied when it is determined it is unreasonable to make reimbursement under the circumstances.

DEFINITIONS:

Term	Definition
Durable Medical Equipment	Equipment that provides therapeutic benefits to a member because of certain medical conditions and/or illnesses that can withstand repeated use, is primarily and customarily used to serve a medical purpose and is appropriate for use in the home.
Irreparable Damage	Irreparable damage refers to a specific accident or to a natural disaster. While the term irreparable damage means the item is not repairable, in the context of this policy, irreparable damage also refers to equipment that is not cost effective to repair.
Irreparable Wear	Deterioration of equipment sustained from day-to-day usage over time and a specific event cannot be identified. Irreparable wear means the item is not repairable. However, in the context of this policy, irreparable wear also means equipment is not cost effective to repair.
Loaner Equipment	Equipment that is temporarily provided to the member by the provider while maintenance is performed on the primary DME.
Maintenance	More extensive maintenance which, based on the manufacturers' recommendations, is to be performed by authorized technicians.
Repairs	Repairs to equipment after damage or wear when necessary to make the equipment usable and fulfill its function adequately.
Replacement	Equipment which the member owns or is a capped rental item that needs replaced.

Modifier	Definition
BP	The beneficiary has been informed of the purchase and rental options and has elected to purchase the item
BR	The beneficiary has been informed of the purchase and rental options and has elected to rent the item
KC	Replacement of special power wheelchair interface
MS	Six-month maintenance and servicing fee for reasonable and necessary parts and labor which are not covered under any manufacturer or supplier warranty
RA	Replacement of a DME orthotic or prosthetic item
RB	Replacement of a part of DME orthotic or prosthetic item furnished as part of a repair

RELATED POLICIES:

Refer to the following Commercial Medical Policies for additional information:

- E-1: Durable Medical Equipment
- E-2: Home Dialysis Equipment and Supplies
- E-6: Wheelchairs (WC) and Options/Accessories
- E-8: Patient Lifts
- E-12: Beds – Accessories and Related Items
- E-20: Devices Used for the Treatment of Obstructive Sleep Apnea in Adults
- E-32: Nebulizers
- E-34: Respiratory Assist Devices
- E-52: Home Cervical Traction Therapy
- E-68: High Frequency Chest Wall Oscillation Devices

Refer to the following Reimbursement Policies for additional information:

- RP-035: Correct Coding Guidelines
- RP-070: Continuous Rental of Life Sustaining Durable Medical Equipment

REFERENCES:

- Centers for Medicare and Medicaid Services. Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 110.2.
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>
- Medicare Carriers Manual Claims Process Part 3, Transmittal 1815
- Temporary Replacement Equipment (K0462) Billing Reminder (GEN), DME MAC Jurisdiction A, Posted April 20, 2007.
- Centers for Medicare and Medicaid Services Pub. 100-04, Medicare Claims Processing Manual, Chapter 20, Sections 40, 50.
- Centers for Medicare and Medicaid Services Pub. 100-20 One Time Notification, Transmittal 443, CR 6296.

POLICY UPDATE HISTORY INFORMATION:

7 / 2021	Implementation
11 / 2021	Added New York region applicable to the policy
7 / 2022	Removed Medical Policies E-3, E-21, E-37
10 / 2023	Administrative policy review with no changes in policy direction
3 / 2024	Merged direction from MRP-005 into policy

Highmark Reimbursement Policy Bulletin



HISTORY VERSION

Bulletin Number: RP-069

Subject: DME Maintenance, Repair and Replacement

Effective Date: July 12, 2021

End Date:

Issue Date: October 23, 2023

Revised Date: October 2023

Date Reviewed: October 2023

Source: Reimbursement Policy

Applicable Commercial Market

PA WV DE NY

Applicable Medicare Advantage Market

PA WV DE NY

Applicable Claim Type

UB 1500

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Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this policy.

PURPOSE:

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REIMBURSEMENT GUIDELINES:

Under the circumstances specified below, payment may be made for repair, maintenance, and replacement of medically required durable medical equipment which the individual owns or is purchasing:

Repairs

Repairs are reimbursed, when necessary, to make the equipment functional and operational. The repair charge may include the use of loaner equipment where this is required. When the charge for

the loaner equipment is not included in the repair charge, code K0462 should be used. Repairs of the DME that are a result of abuse or neglect are not reimbursed.

Maintenance

Routine periodic servicing, such as testing, cleaning, regulating, and checking of the equipment is not reimbursed. However, more extensive maintenance which, based on the manufacturers' recommendations, is to be performed by authorized technicians, would be reimbursed as repairs.

Replacement

Replacement of equipment is reimbursed when due to a change in the condition of the patient that requires it. Reimbursement is also made in cases of irreparable damage, irreparable wear, or loss of the equipment. Replacement of the DME that are a result of abuse or neglect are not reimbursed.

Total reimbursement for a rental item may not exceed its allowable purchase price, except for those items identified as life sustaining DME. (see RP-070, Continuous Rental of Life Sustaining Durable Medical Equipment)

Reimbursement for code K0462 is only made for DME that has been ~~rented by~~ the member and K0739 is only considered reimbursable for DME that has been purchased ~~by the member~~

DEFINITIONS:

Term	Definition
Durable Medical Equipment	Equipment that provides therapeutic benefits to a member because of certain medical conditions and/or illnesses that can withstand repeated use, is primarily and customarily used to serve a medical purpose and is appropriate for use in the home.
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Irreparable Wear	Deterioration of equipment sustained from day-to-day usage over time and a specific event cannot be identified. Irreparable wear means the item is not repairable. However, in the context of this policy, irreparable wear also means equipment is not cost effective to repair.
Loaner Equipment	Equipment that is temporarily provided to the member by the provider while maintenance is performed on the primary DME.
Maintenance	More extensive maintenance which, based on the manufacturers' recommendations, is to be performed by authorized technicians.
Repairs	Repairs to equipment after damage or wear when necessary to make the equipment usable and fulfill its function adequately.
Replacement	Equipment which the member owns or is a capped rental item that needs replaced.

Modifier	Definition
BP	The beneficiary has been informed of the purchase and rental options and has elected to purchase the item
BR	The beneficiary has been informed of the purchase and rental options and has elected to rent the item
KC	Replacement of special power wheelchair interface

MS	Six-month maintenance and servicing fee for reasonable and necessary parts and labor which are not covered under any manufacturer or supplier warranty
RA	Replacement of a DME orthotic or prosthetic item
RB	Replacement of a part of DME orthotic or prosthetic item furnished as part of a repair

RELATED POLICIES:

Refer to the following Commercial Medical Policies for additional information:

- E-1: Durable Medical Equipment
- E-2: Home Dialysis Equipment and Supplies
- E-6: Wheelchairs (WC) and Options/Accessories
- E-8: Patient Lifts
- E-12: Beds – Accessories and Related Items
- E-20: Devices Used for the Treatment of Obstructive Sleep Apnea in Adults
- E-32: Nebulizers
- E-34: Respiratory Assist Devices
- E-52: Home Cervical Traction Therapy
- E-68: High Frequency Chest Wall Oscillation Devices

Refer to the following Reimbursement Policies for additional information:

- RP-035: Correct Coding Guidelines
- RP-070: Continuous Rental of Life Sustaining Durable Medical Equipment

REFERENCES:

- Centers for Medicare and Medicaid Services. Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 110.2.
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>

POLICY UPDATE HISTORY INFORMATION:

7 / 2021	Implementation
11 / 2021	Added New York region applicable to the policy
7 / 2022	Removed Medical Policies E-3, E-21, E-37
10 / 2023	Administrative policy review with no changes in policy direction

Highmark Reimbursement Policy Bulletin

HISTORY VERSION



Bulletin Number: RP-069
Subject: DME Maintenance, Repair and Replacement
Effective Date: July 12, 2021 **End Date:**
Issue Date: July 25, 2022 **Revised Date:** July 2022
Date Reviewed: July 2022
Source: Reimbursement Policy

Applicable Commercial Market

PA WV DE NY

Applicable Medicare Advantage Market

PA WV DE NY

Applicable Claim Type

UB 1500

Reimbursement Policy designation of Professional or Facility application is based on how the provider is contracted with the Plan. This Policy supersedes direction provided in Bulletins prior to the effective date of this Policy.

PURPOSE:

Durable Medical Equipment (DME) is any equipment that provides therapeutic or healing benefits to members with a specific medical condition and/or illness. DME is further defined as any equipment that can withstand repeated use and is primarily and customarily used to serve a medical purpose. These reusable items are ordered or prescribed by the patient's doctor or health care provider for use in the patient's home. At times this equipment may need repaired or replaced and this policy provides direction on the reimbursement parameters for these items in those circumstances.

✓ Important Note

Reimbursement policies provide guidance regarding reimbursement direction for services and procedures only. Service benefit determinations are based on the member's applicable benefit contract language in all cases and service medical necessity requirements are determined by medical policies in all cases. The member's benefits and medical policies should be referenced.

REIMBURSEMENT GUIDELINES:

Under the circumstances specified below, payment may be made for repair, maintenance, and replacement of medically required durable medical equipment which the individual owns or is purchasing:

Repairs

Repairs are reimbursed when necessary, to make the equipment functional and operational. The repair charge may include the use of loaner equipment where this is required. When the charge for

the loaner equipment is not included in the repair charge, code K0462 should be used. Repairs of the DME that are a result of abuse or neglect are not reimbursed.

Maintenance

Routine periodic servicing, such as testing, cleaning, regulating, and checking of the equipment is not reimbursed. However, more extensive maintenance which, based on the manufacturers' recommendations, is to be performed by authorized technicians, would be reimbursed as repairs.

Replacement

Replacement of equipment is reimbursed when due to a change in the condition of the patient that requires it. Reimbursement is also made in cases of irreparable damage, irreparable wear, or loss of the equipment. Replacement of the DME that are a result of abuse or neglect are not reimbursed.

Total reimbursement for a rental item may not exceed its allowable purchase price, except for those items identified as life sustaining DME. (see RP-070, Continuous Rental of Life Sustaining Durable Medical Equipment)

Reimbursement for code K0462 is only made for DME that has been rented by the member and K0739 is only considered reimbursable for DME that has been purchased by the member.

DEFINITIONS:

Term	Definition
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Loaner Equipment	Equipment that is temporarily provided to the member by the provider while maintenance is performed on the primary DME.
Maintenance	More extensive maintenance which, based on the manufacturers' recommendations, is to be performed by authorized technicians.
Repairs	Repairs to equipment after damage or wear when necessary to make the equipment usable and fulfill its function adequately.
Replacement	Equipment which the member owns or is a capped rental item that needs replaced.

Modifier	Definition
BP	The beneficiary has been informed of the purchase and rental options and has elected to purchase the item
BR	The beneficiary has been informed of the purchase and rental options and has elected to rent the item

KC	Replacement of special power wheelchair interface
MS	Six-month maintenance and servicing fee for reasonable and necessary parts and labor which are not covered under any manufacturer or supplier warranty
RA	Replacement of a DME orthotic or prosthetic item
RB	Replacement of a part of DME orthotic or prosthetic item furnished as part of a repair

RELATED HIGHMARK POLICIES:

Refer to the following Commercial Medical Policies for additional information:

- E-1: Durable Medical Equipment
- E-2: Home Dialysis Equipment and Supplies
- E-6: Wheelchairs (WC) and Options/Accessories
- E-8: Patient Lifts
- E-12: Beds – Accessories and Related Items
- E-20: Devices Used for the Treatment of Obstructive Sleep Apnea in Adults
- E-32: Nebulizers
- E-34: Respiratory Assist Devices
- E-52: Home Cervical Traction Therapy
- E-68: High Frequency Chest Wall Oscillation Devices

Refer to the following Reimbursement Policies for additional information:

- RP-070: Continuous Rental of Life-Sustaining Durable Medical Equipment

REFERENCES:

- Centers for Medicare and Medicaid Services. Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 110.2.
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7 / 2021	Implementation
11 / 2021	Added New York region applicable to the policy
7 / 2022	Removed Medical Policies E-3, E-21, E-37

Highmark Reimbursement Policy Bulletin



HISTORY VERSION

Bulletin Number: RP-069
Subject: DME Maintenance, Repair and Replacement
Effective Date: July 12, 2021 **End Date:**
Issue Date: November 1, 2021 **Revised Date:** July 2021
Date Reviewed: July 2021
Source: Reimbursement Policy

Applicable Commercial Market

PA WV DE NY

Applicable Medicare Advantage Market

PA WV DE NY

Applicable Claim Type

UB 1500

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PURPOSE:

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Maintenance

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Replacement

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Replacement	Equipment which the member owns or is a capped rental item that needs replaced.

Modifier	Definition
BP	The beneficiary has been informed of the purchase and rental options and has elected to purchase the item
BR	The beneficiary has been informed of the purchase and rental options and has elected to rent the item

KC	Replacement of special power wheelchair interface
MS	Six-month maintenance and servicing fee for reasonable and necessary parts and labor which are not covered under any manufacturer or supplier warranty
RA	Replacement of a DME orthotic or prosthetic item
RB	Replacement of a part of DME orthotic or prosthetic item furnished as part of a repair

RELATED HIGHMARK POLICIES:

Refer to the following Commercial Medical Policies for additional information:

- E-1: Durable Medical Equipment
- E-2: Home Dialysis Equipment and Supplies
- E-3: Home Apnea Monitors
- E-6: Wheelchairs (WC) and Options/Accessories
- E-8: Patient Lifts
- E-12: Beds – Accessories and Related Items
- E-20: Devices Used for the Treatment of Obstructive Sleep Apnea in Adults
- E-21: Transcutaneous Transducer Garments
- E-32: Nebulizers
- E-34: Respiratory Assist Devices
- E-37: Electric Breast Pumps
- E-52: Home Cervical Traction Therapy
- E-68: High Frequency Chest Wall Oscillation Devices

Refer to the following Reimbursement Policies for additional information:

- RP-070: Continuous Rental of Life Sustaining Durable Medical Equipment

REFERENCES:

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POLICY UPDATE HISTORY INFORMATION:

7 / 2021	Implementation
11 / 2021	Added New York region applicable to the policy

Highmark Reimbursement Policy Bulletin



Bulletin Number: RP-069
Subject: DME Maintenance, Repair and Replacement
Effective Date: July 12, 2021 **End Date:**
Issue Date: July 12, 2021 **Revised Date:**
Date Reviewed: June 2021
Source: Reimbursement Policy

Applicable Commercial Market
Applicable Medicare Advantage Market
Applicable Claim Type

PA	<input checked="" type="checkbox"/>	WV	<input checked="" type="checkbox"/>	DE	<input checked="" type="checkbox"/>
PA	<input type="checkbox"/>	WV	<input type="checkbox"/>		
UB	<input type="checkbox"/>	1500	<input checked="" type="checkbox"/>		

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Refer to the following Reimbursement Policies for additional information:

- RP-070: Continuous Rental of Life Sustaining Durable Medical Equipment

REFERENCES:

- Centers for Medicare and Medicaid Services. Pub. 100-02, Medicare Benefit Policy Manual, Chapter 15, Section 110.2.
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>

POLICY UPDATE HISTORY INFORMATION:

7 / 2021	Implementation
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