



Provider Notice: #0048

Date: 10/3/05

Subject: DME Replacement Parts, Repair, and Labor for Patient Owned Equipment

The 2004 conversion of Medi-Cal local procedure codes and modifiers for DME was implemented effective for dates of service on or after November 1, 2004.

The new national DME modifiers are defined by Healthcare Common Procedure Codes System (HCPCS) as follows:

- NU New equipment (purchase)
- RR Rental
- RP Replacement and repair

Since modifier –RP describes both “replacement” and “repair”, Medi-Cal has made the following requirements:

1. Repair and/or Replacement of Items with Specific HCPCS Procedure Codes

a. Replacement Items

Claims for replacement items for wheelchairs and non-wheelchair items for which there is a specific HCPCS code **must** be billed with that code and modifier –RP **AND** –NU. Providers must also document in Box 19 (Reserved for Local Use) on the HCFA 1500 Claim Form that the equipment is patient-owned.

Claims must be submitted with both modifiers on one claim line, listing modifier –RP first, followed by modifier –NU (RPNU). TARs must be requested with modifier –RP. Therefore, modifier-RP must be listed first to ensure the claim matches correctly to the TAR/SAR.

b. Repair Items

Claims for repair (not replacement) of non-wheelchair items must be billed with the HCPCS code for the piece of equipment that is being repaired and modifier-RP only. The following documentation is required:

- Description of service provided
- Manufacturer name
- List of parts used with their catalog number and cost
- Reason/justification for repair

Providers must also document in Box 19 (Reserved for Local Use) that the equipment is patient-owned.

2. Repair and/or Replacement of Unlisted Items

Claims for repair and/or replacement of unlisted items require the following:

- Unlisted wheelchair items: HCPCS code K0108 (wheelchair, other accessories) and modifier –RP and NU
- Unlisted replacement items for non-wheelchair equipment: HCPCS code E1399 (DME, miscellaneous) and modifier –RP and –NU.

Providers must also indicate in Box 19 (Reserved for Local Use) that the equipment is patient-owned. This will allow for payment of labor.

Both codes K0108 and E1399 are reimbursed “By Report” methodology. The following documentation is required:

- Description of service provided
- Manufacturer name
- List of parts used with their catalog number and cost

Providers must submit claims with both modifiers on one claim line, listing modifier –RP first, followed by modifier –NU (RPNU). TARs should also be requested with modifier –RP. This ensures that the claim matches correctly to the TAR/SAR.

3. Labor

Claims for labor for patient-owned DME must be billed with HCPCS code E1340 (repair or non-routine service for DME requiring the skill of a technician, labor component, per 15 minutes) and modifier –RP only. The provider must include a statement in Box 19 (Reserved for Local Use) that the equipment is patient-owned and contain a notation of what equipment was repaired or serviced (either the specific procedure code for the equipment or a description). If the equipment is under warranty or rented, reimbursement for labor is not allowed.

NOTE:

HCPCS code E1340 is not reimbursable for the replacement of specified:

- Stand-alone items.
- Separately reimbursable accessories or supplies that are rented or purchased to support patient-owned equipment.

Stand-alone Items

The following procedure codes identify stand-alone DME items:

A4660, A4670, E0100, E0105, E0110, E0112, E0114, E0117, E0188, E0189, E0199, E0210, E0241 – E0246, E0484, E0602, E0710, E0780, E0942, E0944, E0945, S8185, S8265

Separately Reimbursable Accessories or Supplies (Rented or Purchased)

The following procedure codes identify accessories or supplies that are separately reimbursable with the rental or purchase of their associated equipment:

A4230 – A4232, A6550, A6551, E0352, E2360 – E2365, K0601 – K0605

4. Patient-Owned Equipment – Supplies and/or Accessories

The following list of DME codes are for accessories or supplies related to other equipment. These items are only reimbursable if they are billed for equipment that is owned by the patient. They **must** be billed with modifier –**NU** and labor charges are not separately reimbursable. The codes are:

A4230 – A4232, A4556, A4557, A4595, A4615, A4619, A4620, A4632, A4635 – A4637, A4640, A4660, A4663, A4670, A6550, A6551, A7000, A7001, A7005, A7030 – A7039, A7044, A7046, E0100, E0105, E0110, E0112, E0114, E0117, E0155, E0156, E0157, E0158, E0159, E0167, E0188, E0189, E0199, E0210, E0241 – E0246, E0352, E0484, E0555, E0602, E0607, E0621, E0710, E0780, E0942, E0944, E0945, E1355, E2360 – E2365, K0552, K0601 – K0605, S8185, and S8265.

Providers must also indicate in Box 19 (Reserved for Local Use) that the code is being billed for patient-owned equipment.