

UPMC Health Plan POLICY AND PROCEDURE MANUAL

POLICY NUMBER: MP .010
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SUBJECT: Durable Medical Equipment and Corrective Appliances
INDEX TITLE: Medical Management
ORIGINAL DATE: 8/28/2003

This policy applies to the following lines of business: (Check those that apply.)

Commercial:					
HMO ()		POS ()		PPO ()	
Fully Insured ()		Self-funded/ASO ()		HSA ()	
Medicare Supplement ()		Medicare Select ()		OOA/DOC ()	
				All (X)	
DPW-MA:					
Health Choices ()			Voluntary ()		All (X)
CMS-MA:					
HMO (X)	PPO (X)	Specialty Needs Plan (X)	Part D ()	PFFS ()	All ()
PID-CHIP:					
Free ()			Sub ()		All (X)

I. POLICY

It is the policy of UPMC Health Plan to promote the delivery of high-quality health care and provide payment for durable medical equipment (DME) and corrective appliances that are medically necessary and covered by the member's benefit plan.

All denials are based on medical necessity and appropriateness, and are made by the UPMC Health Plan Health Plan Medical Director (Medical Director).

A Capped Rental DME process has been instituted by UPMC Health Plan for all lines of business. Under the Capped Rental DME program, all DME identified as capped rental equipment will be rented for a period of 10 months without a prior authorization. Rental will be capped at the 10th month, or when the item has reached its purchase price.

II. DEFINITIONS

Corrective Appliances are prosthetic or orthotic devices that facilitate, replace, or restore function of a body part.

Durable Medical Equipment (DME) are items or devices that can withstand repeated use, are used primarily and customarily to serve a medical purpose, are customarily not useful to a person in the absence of illness or injury and which are appropriate for home use.

DME does not include devices and equipment used for environmental control or enhancement, home or vehicle modifications, or convenience items.

Irreparable Damage is considered to mean that the damage has been caused by a specific accident (such as a wheelchair falling from a vehicle) or natural disaster (such as a fire or flood).

Irreparable Wear refers to deterioration sustained from day-to-day usage over time and a specific event cannot be identified. In cases involving irreparable wear, the useful lifetime of the equipment, which is 5 years, is taken into consideration, and in no case can it be less than 5 years.

Repairs means to fix or mend and to put the equipment back in good condition after damage or wear.

Replacements refer to the provision of an identical or nearly identical item.

III. PURPOSE

The purpose of this policy is to define the DME benefit. This policy is designed to address medical guidelines that are appropriate for the majority of individuals.

IV. SCOPE

This policy applies to various UPMC Health Plan Departments as indicated by the Benefit and Reimbursement Committee. These include but are not limited to: Medical Management, Benefit Configuration and Claims Departments.

V. PROCEDURE

A. Background/ Medical Description

N/A

B. Specific Indications

Coverage for DME will be considered on an individual basis for the following:

- Requests for DME or corrective appliances to be provided by out-of-network vendors.
- Repairs, maintenance and replacement of eligible DME and corrective appliances when it is necessary to make the equipment usable.

DME and corrective appliances that are requested to be provided by out-of-network providers are reviewed by a Medical Director.

C. Limitations

1. Total payments for a rental item may not exceed its allowable purchase price, except for those items identified as life sustaining DME, including: oxygen equipment and respiratory assistance devices.
2. DME add-ons or upgrades that are intended primarily for convenience, or upgrades beyond what is necessary to meet the member's medical needs are not covered.

D. Guidelines for Repairs and Replacements

The following are general guidelines for DME repair and replacements. Refer to each policy for specific guidelines for repairs and replacements.

Repairs to medically necessary DME

1. Repairs to medically necessary DME are covered up to the cost of replacement when necessary to make the equipment serviceable.
2. A new Certificate of Medical Necessity (CMN) and/or physician's order is not needed for repairs to an item.
3. Since renters of equipment recover from the rental charge the expenses they incur in maintaining the equipment they rent out; separately itemized charges for repair of rented equipment are not covered. This includes items in the frequent and substantial servicing, oxygen equipment, capped rental and inexpensive or routinely purchased payment categories during a rental period.
4. If the expense for repairs exceeds the estimated expense of purchasing or renting another item of equipment for the remaining period of medical need, no payment can be made for the amount of the excess.
5. When the DME is under the manufacturer's warranty, repairs are the responsibility of the manufacturer

Replacements for medically necessary DME:

1. Irreparable damage- In cases where loss or irreparable damage has occurred, replacement may be reimbursed to both member owned equipment and capped rental equipment.
 - A physician's order and/or a new CMN is needed to reaffirm the medical necessity of the item.
2. Irreparable wear- replacement may be reimbursed if the item of equipment has been in continuous use for the equipment's useful lifetime and irreparable wear is involved.
 - A new physician's order and/or a new CMN is needed to reaffirm the medical necessity of the item.
3. The replacement of a product before the five (5) year life expectancy can only be done if the item is irreparably damaged, for example by a natural disaster such as fire, flood, etc.
4. Replacement due to wear and tear before the five (5) year lifetime is not covered.

5. If DME reaches its 5-year life expectancy, is in good working order, and meets the beneficiary's medical needs, it should not automatically be replaced.

E. Information Required for Review

1. Certificate of Medical Necessity as indicated in this policy.
2. Medical Records as needed.

F. Review Process

1. The Medical Management Ancillary Service staff reviews the request. If the case does not meet the established criteria, it is referred to a UPMC Health Plan Medical Director
2. If referred, the Medical Director determines if the requested service is medically necessary and appropriate.
3. The Medical Management Ancillary Service staff completes the review process and communicates the review decision according to the Timeliness of UM Decisions policy for the member's benefit plan.

G. Variations

For the Medical Assistance Products:

Policy

1. DME or corrective appliances required for a short period of time can be rented for three (3) months if the item is on the Medical Assistance (MA) fee schedule.
2. Requests for continued rental of DME or corrective appliances after the first three (3) months' rental require authorization review.
3. Request for an item that is not on the MA fee schedule will be reviewed for a possible program exception, based on medical necessity for all members under the age of 21. UPMC Health Plan will also review requests for a program exception when a physician provides clinical information and requests a review based on medical necessity.

Specific Indications

1. Requests for continued rental or purchase of DME or corrective appliances after the first three (3) months of rental are reviewed on an individual basis. The Ancillary Nurse Coordinator (ANC) obtains all relevant clinical information. The case is then referred to a Medical Director.
2. Requests for program exceptions are reviewed.

For the CHIP Product

DME is limited to \$5,000 per plan year. For specific information regarding DME exclusions, refer to UPMC *for Kids*[™] Exclusions List which is available on the UPMC Health Plan website.

H. References

1. NHIC Corp. DME MAC A News (PA): Repairs and replacements for beneficiary Owned Equipment, Week ending 5-9-08.

Disclaimer:

UPMC Health Plan medical payment and prior authorization policies do not constitute medical advice and are not intended to govern or otherwise influence the practice of medicine. The policies constitute only the reimbursement and coverage guidelines of UPMC Health Plan and its affiliated managed care entities. Coverage for services varies for individual members in accordance with the terms and conditions of applicable Certificates of Coverage, Summary Plan Descriptions, or contracts with governing regulatory agencies.

UPMC Health Plan reserves the right to review and update the medical payment and prior authorization guidelines in its sole discretion. Notice of such changes, if necessary, shall be provided in accordance with the terms and conditions of provider agreements and any applicable laws or regulations.

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