

Durable Medical Equipment Rental to Purchase Reimbursement Payment Policy CPP_36



**BlueCross BlueShield
of Vermont**

An Independent Licensee of the Blue Cross and Blue Shield Association.



bluecrossvt.org

Origination: June 2024
Last Review: June 2024
Next Review: June 2025
Effective Date: June 1, 2024

Description

Certain Durable Medical Equipment (DME) is designed as “rental to purchase” meaning it is to be billed as a rental. The total rental benefit may not exceed our allowed amount for the purchase of the equipment.

The DME rental to purchase is not anchored to the allowed amount of the equipment at the start of the DME rental, nor is the initial allowed amount a guarantee, and it can change throughout the billable period.

Examples:

Decrease:

E0601 (CPAP) rental to purchase starts on January 1. The allowed amount at that time is \$700, and the DME supplier’s monthly rental fee is \$70. On June 1, the allowed amount is changed to \$600. The total amount applied toward the purchase as of June 1 is \$350 (\$70/month for five months), so the remaining allowed amount moves to \$250 (current allowed amount of \$600 less the \$350 already paid).

Increase:

E0601 (CPAP) rental to purchase starts on January 1. The allowed amount at that time is \$600, and the DME supplier monthly rental fee is \$60. On June 1, the allowed amount is changed to \$700. The total amount applied toward the purchase as of June 1 is \$300 (\$60/month for five months), so the remaining allowed amount moves to \$400 (current allowed amount of \$700 less the \$300 already paid).

Policy & Guidelines

Eligible

DME supplies that are eligible for rental to purchase are defined by related Medical Policies. See “Related Policies” section further down.

Provider Billing Guidelines and Documentation

Details are in our online Provider Handbook, located here:
<https://www.bluecrossvt.org/documents/provider-handbook>

Benefit Determination Guidance

Payment for services is determined by the member's benefits. It is important to verify the member's benefits **prior** to providing the service to determine if benefits are available or if there is a specific exclusion in the member's benefit.

Eligible services are subject to applicable member cost sharing such as co-payments, co-insurance, and deductible.

Federal Employee Program (FEP): Members may have different benefits that apply. For further information, please contact FEP customer service or refer to the FEP Service Benefit Plan Brochure. It is important to verify the member's benefits **prior** to providing the service to determine if benefits are available or if there is a specific exclusion in the member's benefit.

Inter Plan Programs (IPP): In accordance with the Blue Cross and Blue Shield Association's Inter-Plan Programs Policies and Provisions, this payment policy governs billing procedures for goods or services rendered by a Vermont-based provider (Blue Cross VT is the local Plan), including services rendered to out-of-state Blue members. Provider billing practices, payment policy and pricing are a local Plan responsibility that a member's Blue Plan must honor. A member's Blue Plan cannot dictate the type of claim form upon which services must be billed, codes and/or modifiers, place of service or provider type, unless it has its own direct contract with the provider (permitted only in limited situations). A member's Blue Plan cannot apply its local billing practices on claims rendered in another Plan's service area. A member's Blue Plan can only determine whether services rendered to their members are eligible for benefits. To understand if a service is eligible for payment, it is important to verify the member's benefits prior to providing services. In certain circumstances, the member may be financially responsible for services beyond the benefit provided for eligible services.

Claims are subject to payment edits that are updated at regular intervals and generally based on Current Procedural Terminology (CPT®), Health Care Procedural Coding System (HCPCS), Internal Classification of Diseases, CMS National Correct Coding Initiative Edits, Specialty Society guidelines, etc.

Eligible Providers

This policy applies to all providers/facilities contracted with the Plan's Network (participating/in-network) and any non-participating/out-of-network providers/facilities.

Audit Information

Blue Cross VT reserves the right to conduct audits on any provider and/or facility to ensure adherence with the guidelines stated in the payment policy. If an audit identifies instances of non-adherence with this payment policy, Blue Cross VT reserves the right to recover all non-adherence payments.

Legislative and Regulatory Guidelines

N/A

Related Policies

- Durable Medical Equipment, Prosthetics, Orthotics and Supplies Corporate Medical Policy
- Hospital Beds Corporate Medical Policy
- Sleep Disorders Diagnosis & Treatment Corporate Medical Policy
- Wheelchairs Corporate Medical Policy

These policies are located on our Provider Policies web page:

<https://www.bluecrossvt.org/providers/provider-policies> under Vermont Medical Policies.

- Frequency of Supplies (Diabetic and CPAP BIPAP) Corporate Payment Policy CPP_33

This policy is located on our Provider Policies web page:

<https://www.bluecrossvt.org/providers/provider-policies> under Vermont Payment Policies.

Document Precedence

The Blue Cross VT Payment Policy Manual was developed to provide guidance for providers regarding Blue Cross VT payment practices and facilitates the systematic application of Blue Cross VT member contracts and employer benefit documents, provider contracts, Blue Cross VT corporate medical policies, and Plan's claim editing logic. Document precedence is as follows:

- 1) To the extent that there may be any conflict between the Blue Cross VT Payment Policy Manual and the member contracts or employer benefit documents, the member contract or employer benefit document language takes precedence.
- 2) To the extent that there may be any conflict between the Blue Cross VT Payment Policy Manual and provider contract language, the provider contract language takes precedence.
- 3) To the extent that there may be any conflict between the Blue Cross VT Payment Policy Manual and corporate medical policy, the corporate medical policy takes precedence.
- 4) To the extent that there may be any conflict between the Blue Cross VT Payment Policy Manual and the Plan's claim editing solutions, the Plan's claim editing solution takes precedence.


Policy Implementation/Update Information

This policy was originally implemented on June 1, 2024

Date of Change	Effective Date	Overview of Change
	June 2024	Policy created to provide clarification on the allowance of rental to purchase items

Approved by

Update Approved: 06/12/2024



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