

Durable Medical Equipment (DME) Specialty Billing Training

Health First Colorado
(Colorado's Medicaid Program)

Training Overview

Introduction and
Covered Services

Prior Authorization
Requests (PARs)

Billing and Payment



Introduction

- Durable Medical Equipment (DME) refers to providers who supply equipment and appliances that are primarily and customarily used to serve a medical purpose, generally are not useful to an individual in the absence of a disability, illness or injury, can withstand repeated use, and can be reusable or removable.
- DME may be rented or purchased.
- Durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) must be medically necessary and prescribed by an authorized prescriptive authority for use by an eligible member.

Covered Benefits

Covered benefits for Durable Medical Equipment (DME) include:

- Transcutaneous or neuromuscular electrical nerve stimulators (TENS or NMES)
- Speech generating devices (SGDs)
- Oxygen contents and oxygen delivery systems
- Continuous and bilevel positive airway pressure devices (CPAP/BiPAP)
- Mobility equipment (manual wheelchairs, power wheelchairs and scooters)
- Complex rehabilitation technology (CRT)
- Prosthetics and orthotics (P&O)
- Disposable supplies
- Enteral nutrition products
- Home intravenous (IV) equipment
- Diabetic supplies
- Incontinence products or briefs

Prior Authorization Requests (PARs)

- Many Durable Medical Equipment products require a prior authorization request (PAR). Please review the Health First Colorado Fee Schedule to determine if a PAR is required.
- Contact information for PARs can be found on the [Provider Contact web page](#).

Billing and Payment Pricing

Most codes are listed on the fee schedule. Miscellaneous codes are manually priced and must be submitted with either the invoice or quote via the provider web portal.

Usual and customary charge (What a provider would charge the general public for the product or service)

- Usual and customary charges, regardless of how the maximum allowable is determined, should always be a provider's submitted charge.

Billing and Payment

- Reimbursement is the lower of the billed charges or the fee schedule rate for fee schedule items. No additional handling, shipping, or tax charges may be billed.
 - The fee schedule can be found on the [Health First Colorado Fee Schedule](#) web page.
- Federal upper payment limit (UPL) requirement: Health First Colorado cannot pay more than what Medicare would have paid in the aggregate for certain durable medical equipment (DME) services.
 - The fee schedule for the DME UPL codes can be found on the [Rates and Fee Schedules web page](#) under Durable Medical Equipment, Upper Payment Limit.

Billing and Payment

Manufacturer Suggested Retail Price

If the fee schedule states "Code is Manually Priced", reimbursement is the lower of manufacturer suggested retail price (MSRP) less a percentage or the provider's usual and customary charge (U&C).

- The provider must keep a copy of the item's invoice and documented MSRP.
- The documented MSRP must include the name of the provider's employee that received and documented the MSRP, and the date the MSRP was received.
- Providers may not submit for reimbursement for either state sales tax collection or shipping costs.
- Providers must add the 'SC' modifier when using the MSRP for pricing.
- Providers must attach a copy of the MSRP on all claims.
 - Providers may manually indicate on the MSRP documentation the actual quantity supplied to the member if it differs from claim total.

Billing and Payment Invoice

- If the fee schedule indicates "Code is Manually Priced" and the product has no MSRP, reimbursement is the lower of the Actual Acquisition Cost plus 21.90% or the provider's U&C.
- Actual acquisition costs are defined as the manufacturer's list price for the item less any standard trade discount applied to lower the actual cost to the provider but excluding any time sensitive or otherwise conditional discounts available to the provider. The provider must keep a copy of the item's invoice.
- In order to receive the maximum allowable reimbursement for By Invoice items, one (1) unit of procedure code with the 'UB' modifier must be included on the claim.
- **All claims with attachments must be submitted through the Provider Web Portal.**

Resources

Provider Contacts web page

<https://hcpf.colorado.gov/provider-help>

- Provider Services Call Center

Training web page

<https://hcpf.colorado.gov/provider-training>

Billing Manuals web page

<https://hcpf.colorado.gov/billing-manuals>

- [Durable Medical Equipment, Prosthetics, Orthotics, and Supplies \(DMEPOS\) Billing Manual](#)
- Appendix R (for a detailed list of Explanation of Benefits (EOB) codes)
- General Provider billing manual

Resources

Quick Guides web page

<https://hcpf.colorado.gov/interchange-resources>

- [Copy, Adjust, or Void a Claim - Provider Web Portal Quick Guide](#)
- [Reading the Remittance Advice \(RA\) - Provider Web Portal Quick Guides](#)

Thank you!