

Part B Insider (Multispecialty) Coding Alert

Durable Medical Equipment: Are You Throwing \$200 K Away?

Gain reimbursement for items that you already provide

If your practice already sends patients home with a month's worth of dressings, or provides complicated wound care supplies, you could be losing out. If your practice enrolled as a durable medical equipment provider, you could bill Medicare for those supplies.

One multi-specialty group looked into enrolling either its podiatry practice or its ambulatory surgery center as a DME supplier, says **Wendy Ross**, vice president of operations with the **Medical Technology Group** in Bradenton, FL. The group decided not to pursue DME licensure, even though Ross believes the group loses over \$200,000 per year in potential DME revenue.

"They lose money every month because they cannot bill for DME," Ross says of the group. "If you are providing the supply and it is reimbursable," you should make "every effort" to obtain DME licensure, she insists.

Becoming a durable medical equipment provider involves submitting an application to Medicare's **National Supplier Clearinghouse**, passing a site inspection and complying with a list of supplier standards. Also, your state may require you to obtain a license and comply with local requirements.

Evaluate Your DME Situation First

But before you obtain a durable medical equipment supplier number, stop and make sure doing so is worthwhile for you, say experts. Here are some things you should do:

1. Look at your volume and see whether you can obtain supplies cheaply enough to allow for a profit margin at the low rates that Medicare pays, advises **Richard Papperman**, owner of **Cape Professional Billing** in Cape May Court House, NJ. Often, a large DME company will buy supplies in bulk and keep their costs down.
2. Figure out how many of your patients qualify for the DME benefit and look into how much you're likely to make per patient. "Unless you're in a heavily Medicare-populated area where you treat conditions that use a substantial amount of those kind of supplies for a substantial period of time, I can't imagine that it's ever going to make sense to do this," cautions **Joan Gilhooly**, president of **Medical Business Resources** in Deer Park, IL.
3. See if you can join together with other practices to form a buying group and lower your costs, Papperman suggests.
4. Remember that any dressings or wound care you provide in your office are considered bundled into other procedures and not separately billable, notes Papperman. If the payor "considers it part of the wound care for the surgery, it's a freebie," he adds.
5. If you're considering providing "hard" DME such as canes or walkers, understand Medicare's complex rules on rentals and repairs, Gilhooly urges.

6. Compare the amount of profit per square foot your practice could make on DME with the per-foot profit margin you could gain from other services, Gilhooly adds.

If your practice already provides orthotics and braces, then adding other supplies to the mix may make sense, Gilhooly notes. But for most providers, obtaining a DME number may be more trouble than it's worth.