Eli's Rehab Report

Medical Necessity Is Key to Reimbursement for DME Supplies

Physiatrists and therapists often dispense durable medical equipment (DME), prosthetics, orthotics and other supplies to their patients to assist with the treatment process. But when they seek reimbursement for such equipment, many physical medicine and rehabilitation (PM&R) practices are at a loss as to where to start the coding process.

DME Types Vary in PM&R Practices

The most common types of DME supplies used in our office are muscle stimulators, lumbar corsets and TENS units, which are usually rented by patients, but are sometimes purchased, depending on the severity of the patients condition says **Jeannine Wittenberg,** office manager at Spine Care and Rehabilitation, a solo PM&R practice in Carson City, Nev. But we have given patients other supplies as well, such as knee braces and crutches.

Note: A comprehensive list of 2001 **HCPCS Codes for** PM&R-specific DME can be found in the shaded box at the end of this article.

For example, a patient presents with a herniated lumbar disk (**722.10**), which causes severe lower back pain and difficulty walking. The physiatrist gives the patient a level-three examination (99213) and prescribes a conservative first course of treatment, recommending that the patient use a heating pad and NSAIDs (nonsteroidal anti-inflammatory drugs) and wear a lumbar corset when mobile. The physiatrist gives the patient a lumbar corset from his or her supply and sends the patient home. The coder is handed the chart but doesnt know where to begin coding for the corset.

Billing Through DMERCs

First, coders should know that DME claims are not routed through the practices normal Medicare carrier. Instead, they go through one of four regional Durable Medical Equipment Regional Carriers (DMERCs), says Deborah Paz, owner of DNA Billing Inc., a reimbursement firm in Miami that bills for DME providers and pharmacies. The DMERCs are just like Medicare carriers, but they only process DME claims, says Paz. However, each DME supplier has to get a supplier number from its regional DMERC or it is not allowed to bill for DME supplies.

Most physician practices, however, do not have their own DME supplier numbers, says **Richard C. Papperman, CHBME,** owner of Cape Professional Billing, a medical billing service in Cape May Court House, N.J., that bills for four DME providers. If a medical practice wanted to dispense its own wheelchairs or other supplies, it would have to get its own provider number. But thats a bit touchy because of the federal anti-kickback laws, explains Papperman. Most physicians who seek their own DME provider numbers have good intentions they want to dispense the products themselves because they want to offer their patients better quality supplies than what theyve been getting. But physicians have to be careful nonetheless.

Any practice considering getting their own provider number should research it very carefully and talk to a healthcare attorney to avoid running afoul of anti-kickback charges, says Papperman.

Medicares DMERCs have extensive medical review guidelines for DME products. The guidelines are posted on each DMERCs Internet site, as follows:

Region A (Northeast): www.uhc.com
Region B (Midwest): www.astar-federal.com/anthem/affiliates/adminastar/dmerc
Region C (South): www.pgba.com
Region D (West): www.cignamedicare.com/dmerc

Billing Through Suppliers

The alternative to a physician getting his or her own DME provider number is to bill directly through the sup-plier, says Paz. Practices who dont have a DME provider number can align with suppliers who can provide them with an inventory of DME supplies that are commonly used in the practice, or a supplier who will bill the DMERC for the supplies and send the equipment directly to the patient. For example, a practice that specializes in treating sports injuries might keep a stock of crutches, knee braces, splints and other supplies on hand. Then if the physician dispenses the supplies, the practice would forward the paperwork to the supplier, and the supplier would bill the DMERC directly.

The other alternative, says Papperman, is to give the patient a prescription and certificate of medical necessity (CMN) for the item, and the patient would pick up the DME supply at a pharmacy or DME dispensary.

The Certificate of Medical Necessity

The CMN is a form letter that the physician must complete and sign for each DME prescribed. It contains various questions unique to the piece of equipment. If you dont have the CMN filled out correctly, it might be worthless, says Papperman. For example, if youre prescribing a wheelchair to a stroke (436) patient, one of the critical questions is, Does the patient require and use a wheelchair to move around in his or her residence? If the answer to that question is no, then the rest of the form is irrelevant because you cant get reimbursed for a wheelchair that a patient doesnt need to move around the house.

Papperman stresses the importance of precision when filling out the CMN. The questions arent hard, but if the form isnt completed correctly and the supplier doesnt look it over before dispensing the item, the product could be dispensed and later rejected for payment by Medicare. Unless the patient has already signed an advance beneficiary notice (ABN) stating that they will pay should Medicare deny the fee, the wheelchair becomes free to the patient for the period that he or she has it.

Papperman recommends that DME suppliers require a CMN before dispensing any products. Physicians have to write prescriptions up front for suppliers to dispense DMEs, but the physician has up to 30 days to fill out the CMN, he says. Even so, whenever possible, a supplier should not dispense anything, especially big-ticket items such as wheelchairs, without a CMN.

In fact, some practices make arrangements with their DME suppliers requiring them to fax the patients prescription and CMN to the supplier, and the supplier ships the product directly to the patient.

Physicians Must Be Precise With Supplier

Because the coding rules for DME products vary greatly, physicians must be very specific when prescribing each item. In the example above, the patient requires a lumbar corset. Cigna Healthcares DMERC (which provides DME services for the western United States) does not allow any payment for K0112 (trunk support device, vest type, with inner frame, prefabricated), which it describes as not medically necessary, or K0113 (trunk support device, vest type, without inner frame, prefabricated), which it states is noncovered because it doesnt meet the definition of a brace (e.g., rigid or semirigid).

Cignas policy on other lumbosacral support devices (L0500-L0565), however, states that these supplies are covered when they are ordered by a physician to reduce pain by restricting mobility of the trunk, to facilitate healing following an injury to and/or a surgical procedure on the spine or related soft tissues, or to otherwise support weak spinal muscles and/or a deformed spine. Therefore, the physiatrist should confirm that insurance covers the DME supply before providing it.

Be Aware of Global Procedure Constraints

Papperman reminds coders that supplies provided as part of a global procedure fee cannot be billed separately. If a patient is receiving postoperative care and the physician checks the wound and puts a dressing on it, the dressing is part

of the global fee, and its not billable. If patients want additional dressings or bandages to take home so they can dress their own wounds, they could dispense those to the patients and bill the DMERC, but again, only if they had a supplier number.

HCPCS Codes for Common PM&R DME Supplies

Following is a list of HCPCS codes commonly used by physical medicine and rehabilitation practices and therapists. Remember that any HCPCS code that starts with an E or L can be billed only by durable medical equipment (DME) suppliers, not physicians, except in the uncommon scenario when the physician has a supplier number.

E0230 (ice cap or collar) cold pack used for acute conditions during the first 24 to 48 hours.

E0720 (TENS, two lead, localized stimulation), E0730 (TENS, four lead, larger area/multiple nerve stimulation) anesthetizes nerves to control or block pain. [Prior authorization required]

E0760 (osteogenesis stimulator, low intensity ultrasound, non-invasive) ultrasound stimulator for healing nonunion of bone fracture. [Not covered by Medicare CIM 35-48]

E0860 (traction equipment, overdoor, cervical) traction used to help restore normal cervical curve of the joints resulting from compression.

E0943 (cervical pillow) pillow used to help address an unstable cervical curve that could be brought on by trauma or a chronic situation.

L0120 (cervical, flexible, nonadjustable [foam collar]) cervical collar used for problems with stability that often are brought on by trauma or accidents.

L0515 (lumbar-sacral orthosis, flexible [lumbo-sacral surgical support] elastic type, with rigid posterior panel) lumbar brace used to promote stability when a patient suffers from an acute condition.

L1830 (knee orthosis, immobilizer, canvas longitudinal, prefabricated, includes fitting and adjustment) knee brace code includes cost of fitting and adjustment.

L3030 (foot insert, removable, formed to patient foot, each) orthotics used to provide stability for low back and knee condition that may result from poor posture or a chronic condition.

L3334 (lift, elevation, heel, per inch) heel lift prescribed for leg length inequality.

L3720 (elbow orthosis, double upright with forearm/arm cuffs, free motion, custom fabricated) custom-fabricated elbow orthosis, used for elbow stability in conditions such as lateral epicondylitis (726.32).

L4396 (static ankle-foot orthosis, including soft interface material, for positioning, pressure reduction, may be used for minimal ambulation) ankle orthosis to provide stability.

Before billing any HCPCS codes for DME, coders should refer first to the HCPCS 2001 code index to ensure whether their specific codes are flagged for quantity review, which are not covered by Medicare and are payable at the discretion of the local carrier.