

cmi\_145899

<b>Title</b>	<b>Modifier NU – New DME Equipment and Modifier NR – New DME Equipment When Rented</b>		
<b>Number</b>	<b>CP.PP.379.v1.7</b>		
<b>Last Approval Date</b>	05/14/24	<b>Original Effective Date</b>	02/11/13
<b>Replaces</b>	N/A		
<b>Cross Reference</b>	<ul style="list-style-type: none"> <li>• <i>Modifier RR – Durable Medical Equipment (DME) Rental and KR-Rental item-billing for a partial month and Modifier LL-Lease/Rental</i></li> <li>• <i>Modifier RA – Replacement of a DME, Orthotic or Prosthetic Item</i></li> <li>• <i>Durable Medical Equipment (DME)/Home Medical Equipment (HME): Rental to Purchase</i></li> </ul>		

Coverage of any service is determined by a member's eligibility, benefit limits for the service or services rendered and the application of the Plan's Medical Policy. Final payment is subject to the application of claims adjudication edits common to the industry and the Plan's **professional or facility services claims coding policies**. Reimbursement is restricted to the provider's scope of practice as well as the fee schedule applicable to that provider.

<b>Purpose</b>	To define when the Plan recognizes services submitted with Modifiers NU and NR that are submitted on a CMS 1500 paper claim or 837P electronic claim form.
<b>Scope</b>	Applies to all Premera Blue Cross, Premera Blue Cross Blue Shield of Alaska, LifeWise Health Plan of Washington, LifeWise Assurance Company and Premera Blue Cross HMO lines of business and products. Medicare Advantage products are not subject to this policy.
<b>Policy</b>	<p>The Plan requires that the following modifiers be appended to a durable medical equipment (DME ) service to indicate that the purchased DME was new or new at the time of rental:</p> <ul style="list-style-type: none"> <li>• <b>Modifier NU</b> – indicates the purchase of new DME</li> <li>• <b>Modifier NR</b> - indicates the purchase of DME that was new at the time of rental</li> </ul> <p>Modifier NU is used only for new DME items that <b>have never been previously used by any patient/member.</b></p> <p>Modifier NR is used only for DME items that were <b>new at the time of rental and is subsequently being purchased.</b></p> <p>Codes submitted for <b>new</b> DME equipment without modifier NU or NR will be denied reimbursement.</p> <p>If the DME item is <b>being rented, either on a monthly or daily basis</b>, Modifier <i>RR-DME rental</i>, Modifier <i>KR-Rental item-billing for a partial month</i> or Modifier <i>LL-Lease Rental</i> must be appended to the DME code.</p> <p><b><u>Replacement of a DME, orthotic or prosthetic item</u></b></p> <p>The replacement DME procedure code must be appended with Modifier RR-RA for the <b>first rental month claim only</b>. Claims submitted with a procedure code appended with modifier RR-RA must include a narrative explaining the reason/need for the</p>

	<p>replacement. The patient’s medical records must document the reason/need for the replacement and be made available for review upon request. Subsequent rental months must then be submitted with a rental modifier (modifier RR) for the remaining rental months.</p> <p>If the replacement piece of DME is being <b>purchased outright</b>, a purchase modifier, NU-RA, must be appended to the DME procedure code. In addition, a narrative explaining the reason/need for the replacement must be included. The patient’s medical records must document the reason/need for the replacement and be made available for review upon request.</p> <p>A file containing a list of the categories of DME can be accessed using the following link. Codes on this list do not guarantee that they will be reimbursed. Coverage and therefore reimbursement is dependent upon the member’s benefits:</p> <p style="text-align: center;"><a href="https://www.premera.com/documents/044055.pdf">https://www.premera.com/documents/044055.pdf</a></p>
<b>Violations of Policy</b>	<p>Violations of this policy by any party that enters into a written arrangement with the Plan may result in increased auditing and monitoring, performance guarantee contractual penalties and/or termination of the contract. Disciplinary actions will be determined in Plan’s sole discretion.</p> <p>Violations of this policy may be grounds for corrective action, up to and including termination of employment.</p>
<b>Exceptions</b>	None
<b>Laws, Regulations &amp; Standards</b>	None
<b>References</b>	<ul style="list-style-type: none"> <li>• Durable Medical Equipment Prosthetics Orthotics and Supplies (DMEPOS) Fee Schedule, Center for Medicare and Medicaid Services (CMS)</li> <li>• Healthcare Common Procedure Coding System (HCPCS) codebook</li> <li>• Medicare National Correct Coding Initiative (NCCI) edits</li> <li>• Medicaid National Correct Coding Initiative (NCCI) edits</li> </ul>

<b>Policy Owner Review</b>	Payment Integrity Oversight Committee	
<b>Contact</b>	Any questions regarding the contents of this policy or its application should be directed to the Payment Integrity Department.	
<b>Annual Review Dates</b>	05/14/24; 10/12/23; 11/07/22; 12/02/21; 12/30/20; 01/10/20; 01/10/19; 01/15/18; 01/24/17; 01/02/16; 02/06/15; 02/08/14, 02/11/13	
<b>Version History</b>	01/15/18	Corrected policy title in “Cross Reference” section; Clarified wording in paragraph 5 to include modifier LL
	01/10/19	Annual review; no changes
	01/10/20	Annual review; no changes
	12/30/20	Clarified the Purpose statement to indicate that the policy pertains to Professional services billed on a CMS-1500 or 837P claim forms
	12/02/21	Annual review; no changes
	11/07/22	Annual review; no changes
	10/12/23	In the Policy section, expanded upon how replacement DME is to be coded. Added the last paragraph which describes the three types of DME categories and included a link to the list of codes

	05/14/24	Created a new section in the Policy “Replacement of a DME, orthotic or prosthetic item” and moved the existing paragraphs into this new section.
--	----------	--