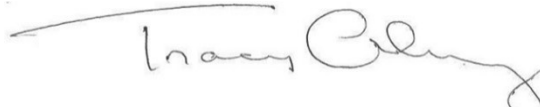
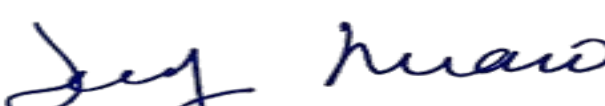


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|--|--|---|------------------------|
| Policy Title:<br>Durable Medical Equipment Rental and Purchase   |  | POLICY #: 10.02.68                      |                        |
| Department Name:<br>Utilization Management   |  | Original Date<br>12/17                  | Effective Date<br>5/19 |
|  |  | Revision Date<br>12/18, 11/22,<br>11/23 |                        |
| VP Approval:<br>Tracy Alvarez, VP, Medical Care Solutions<br>                                   |  | Date of Approval:<br><br>06/11/2024     |                        |
| Medical Services/P&T Committee: (If Applicable)<br>Jennifer Nuovo, MD Chief Medical Officer<br> |  | Date of Committee Review:<br>06/11/2024 |                        |

A. PURPOSE

To establish Blue Shield of California Promise Health Plans (Blue Shield Promise) guidelines for approving the rental or purchase of Durable Medical Equipment (DME).

B. DEFINITIONS

1. "DME" is any equipment prescribed by a licensed practitioner to meet medical equipment needs of the member that can withstand repeated use; is primarily and customarily used to serve a medical purpose; is not useful to an individual in the absence of an illness, injury, functional impairment, or congenital anomaly; and is appropriate for use in or out of the member's home in accordance with Title 22, California Code of Regulations (CCR), §51160.
2. "Capped Rentals" are DMEs that a member uses continuously over a relatively short period of time, where rental is more appropriate than purchase, as determined by Medi-Cal, and are approved as rentals rather than purchases.

Capped rental items for the effective use of the equipment by the member, including equipment, accessories, supplies, delivery, shipping and handling, labor, set-up, visits, patient education, maintenance, repairs, and replacement parts of the DME item in question.

## C. POLICY

In order for DME items to be eligible for authorization, the DME supplier must meet eligibility and/or credentialing requirements. DME requires a prescription to rent or purchase before it is eligible for coverage. Once eligible for coverage, DME is considered part of the member's DME benefits provision.

DME purchase or rental decisions are made based on the item prescribed, the patient's prognosis, the time frame required for use, and the least costly item available to meet member's medical necessity.

A rented item is considered the property of the provider and should be returned to the provider if not purchased and is no longer medically necessary for the member.

- Members will retain possession of a rented item until it is no longer considered medically necessary and/or met purchased price.

Equipment that is purchased without prior rental will be owned by the patient.

## D. PROCEDURE

- I. Eligible DME rentals, at the contracted rental rates for an uninterrupted thirteen (13) month prescription period, will be considered capped at the end of the thirteenth month period. A new 13-month period shall commence with prescription if the period of interruption is 30 days or more. Oxygen therapy equipment will be considered capped at thirty-six (36) months .
- II. DME rental is based on rental period of one (1) calendar month with beginning dates of rental as date of service based on eligibility and/or as specified by Medi-Cal. The entire month will be counted for the item(s) rented for a partial month.
- III. DME that has reached its rental capped ceiling will remain with the member for the duration of the prescription. The provider will provide ongoing maintenance and support for DME when requested and authorized by Blue Shield Promise and/or item warrantee. For DME that is no longer covered under the manufacturer's warrantee, Blue Shield Promise will proceed with the standard authorization processes to establish medical necessity if the item is still requested.
- IV. Upon Blue Shield Promise's request, the Provider will convert an ongoing rental item to a purchase item. All months of paid rental will apply towards the purchase of that item as set forth by Medi-Cal.
- V. Blue Shield Promise and provider shall follow Medi-Cal oxygen therapy guidelines in respect to oxygen equipment maintenance billing, oxygen contents/supply reimbursement, and the reasonable useful lifetime of the member.

E. MONITORING

N/A

F. REPORTING

N/A

G. REFERENCES & ATTACHMENTS

1. 45 CFR §414.229
2. Title 22, California Code of Regulations (CCR), §51160 & §51321 (c)(5)(c)

H. REVISION HISTORY

| Date    | Modification (Reviewed and/or revised)   | E-Filing Number |
|---------|--|-----------------|
| 11/2023 | Annual Review <ul style="list-style-type: none"><li>• Annual Review of Regulatory Requirements DHCS, DMHC, NCQA</li><li>• Removed references to Medicare</li><li>• Clarified definition of DME</li></ul> |                 |
| 11/2022 | Annual Review <ul style="list-style-type: none"><li>• Updated Policy Numbering to reflect Medi-Cal Only</li><li>• Annual Review of Regulatory Requirements DHCS, DMHC, NCQA</li></ul>                    |                 |