

Bulletin Number: MSA 15-28

Distribution: Durable Medical Equipment Providers, Medicaid Health Plans

Issued: July 1, 2015

Subject: Development of Used Rates for Specified Durable Medical Equipment

Effective: August 1, 2015

Programs Affected: Medicaid, Healthy Michigan Plan, Children's Special Health Care Services

The purpose of this policy is to inform Durable Medical Equipment (DME) providers of the implementation of used rates for specified DME.

This policy applies to Medicaid Fee-for-Service. For beneficiaries enrolled in a Medicaid Health Plan (MHP), the provider must check with the beneficiary's MHP for coverage, clinical evaluation and Prior Authorization (PA) requirements.

Definition of Used Equipment

Used equipment is defined as non-customized equipment previously purchased or rented by one or more users, or equipment utilized as floor models, demonstration equipment or loaner equipment prior to current purchase.

Standards of Coverage

Used equipment may be rented or purchased when the provider determines the item to be the least costly alternative that meets the beneficiary's medical/functional needs. The item must be in good working condition and comparable to new equipment quality standards. The provider must sanitize, repair and recondition the equipment between each user. A tag should be affixed to the item indicating the equipment's age and make/model/serial number.

The beneficiary has the choice to accept or refuse the used equipment. If the beneficiary does not want used equipment, the provider must provide new equipment following the standards of coverage and payment rules indicated in policy.

Documentation

The provider must maintain specific required information in the equipment service log and beneficiary file to be made available to the Michigan Department of Health and Human Services (MDHHS) upon request. All other documentation requirements and standards of coverage remain unchanged. Refer to the Medicaid Provider Manual, Medical Suppliers Chapter for complete coverage information.

Equipment Service Log

The provider must maintain an equipment service log documenting the equipment has been fully serviced and is in good working condition. The log must include the following information, which must be incorporated into the beneficiary's file upon rental/purchase of the item:

- Equipment repair and sanitization dates with signature(s) of person(s) performing these functions;
- Age of item (if known);
- Serial number/make/model (or other identifying information); and
- Warranty information.

Beneficiary File

Additional documentation that must be maintained in the beneficiary file includes the following:

- A signed and dated agreement from the beneficiary/parent/guardian stating he/she understands the equipment is used. A manufacturer's owner's manual must be provided to the beneficiary.
- Provider attestation that the used equipment is durable enough to meet Medicaid minimum frequency limitations for replacement equipment.

Payment Rules

By offering used medical equipment, it is the provider's responsibility to clean and repair the items between users to assure the equipment is safe and in good working order. The provider must remove the item from service when it no longer meets quality standards. Separate payment will not be made for repair/reconditioning/sanitizing or labor for the initial purchase or rental period of used equipment per beneficiary. All warranties must be exhausted prior to requesting prior authorization to repair or replace the equipment.

Modifiers

Providers must append the following modifiers when submitting prior authorization requests and/or claims for equipment listed in the chart below. Failure to append the correct modifier(s) may result in denied claims or inaccurate payment.

NU- New equipment

UE- Used equipment

Codes

Code	Modifier	Rate	Code	Modifier	Rate	Code	Modifier	Rate
E0100	NU	\$15.81	E0143	NU	\$88.50	E1037	NU	\$487.22
E0100	UE	\$11.86	E0143	UE	\$66.38	E1037	UE	\$365.42
E0105	NU	\$35.77	E0144	NU	\$281.25	E1038	NU	\$165.88
E0105	UE	\$26.83	E0144	UE	\$210.94	E1038	UE	\$124.41
E0110	NU	\$58.25	E0147	NU	\$380.76	E1039	NU	\$314.64
E0110	UE	\$43.69	E0147	UE	\$285.57	E1039	UE	\$235.98
E0111	NU	\$35.29	E0148	NU	\$69.80	E1161	NU	\$2,083.65
E0111	UE	\$26.47	E0148	UE	\$52.35	E1161	UE	\$1562.74
E0112	NU	\$20.83	E0149	NU	\$197.13	K0001	NU	\$470.47
E0112	UE	\$15.62	E0149	UE	\$147.84	K0001	UE	\$352.85
E0113	NU	\$14.00	E0153	NU	\$52.09	K0002	NU	\$476.02
E0113	UE	\$10.50	E0153	UE	\$39.07	K0002	UE	\$357.02
E0114	NU	\$32.01	E0154	NU	\$52.93	K0003	NU	\$684.92
E0114	UE	\$24.01	E0154	UE	\$39.70	K0003	UE	\$513.69
E0116	NU	\$18.38	E0155	NU	\$22.60	K0004	NU	\$1,001.09
E0116	UE	\$13.78	E0155	UE	\$16.95	K0004	UE	\$750.82
E0130	NU	\$52.73	E0156	NU	\$17.51	K0005	NU	\$1,632.83
E0130	UE	\$39.55	E0156	UE	\$13.13	K0005	UE	\$1224.62
E0135	NU	\$64.97	E0157	NU	\$63.09	K0006	NU	\$670.12
E0135	UE	\$48.73	E0157	UE	\$47.32	K0006	UE	\$502.59
E0140	NU	\$282.62	E0158	NU	\$22.60	K0007	NU	\$724.49
E0140	UE	\$211.97	E0158	UE	\$16.95	K0007	UE	\$543.37
E0141	NU	\$96.97	E0776	NU	\$94.84			
E0141	UE	\$72.73	E0776	UE	\$71.13			

Manual Maintenance

Retain this bulletin until the information is incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved



Kathy Stiffler, Acting Director
Medical Services Administration