



Network Notification

Date: May 23, 2011

Number: OH-P-2011-26

To: Ohio Providers

From: CareSource

Subject: CareSource Medicaid DME and Modifier Policy

Modifiers Affected: RR, NU, UE, LL, NR

Effective Date: July 1, 2011

Beginning July 1, 2011, CareSource will no longer accept the non-HIPAA compliant modifiers RP, RO and PP. Please begin billing the HIPAA-compliant modifiers as outlined in the Policy below starting July 1, 2011.

(1) Rental Only

Appropriate HIPAA modifier:

- RR – Rental (use the RR modifier when DME is to be rented)

Certain durable medical equipment requiring servicing to ensure the health and safety of recipients will be designated as rental only. The rental payment is specified in appendix DD to rule 5101:3-1-60 of the Administrative Code.

Unless otherwise specified, no modifier code is used in billing rental only items. Use the modifier code RR when billing short-term rental.

(2) Routinely Purchased Items, Lump Sum Purchase

Appropriate HIPAA modifier:

- NU – New equipment
- UE – Used durable medical equipment

Most items on the Medicaid Supply List are categorized as routinely purchased items and would ordinarily be purchased and become the property of the consumer.

(3) Short Term Rental and Rent to Purchase

Appropriate HIPAA modifier:

- LL – Lease/rental (use the LL modifier when DME equipment rental is to be applied against the purchase price)
- NR – New when rented (use the NR modifier when DME which was new at the time of rental is subsequently purchased)

(a) Payment for short term rental of equipment will be made at 10% per month of the maximum amount allowable for a specific item.

(b) The combined total reimbursement for rental and subsequent (within 90 days of the end of the rental service) purchase of a DME item, cannot exceed the Medicaid maximum fee.

(c) For items authorized for rental on a monthly basis, payment will be made through the month in which the consumer becomes ineligible, the item is no longer medically necessary or the maximum amount allowable is reached. For items authorized for rental on a daily basis, only those days when the consumer is eligible through CareSource and the item is medically necessary are billable to CareSource.

Reminder of Prior Authorization Policy for DME

CareSource does not require Prior Authorization for Durable Medical Equipment from participating providers under \$750 billed charges.

The \$750 rule does not apply to the following DME/other items (these require prior authorization):

- All powered or customized wheelchairs
- Manual wheelchair rentals over 3 months
- Hearing Aids
- Contact Lenses
- All miscellaneous codes (example E1399)