

## Chapter 8

## Section 2.1

# Durable Medical Equipment (DME): Basic Program

Issue Date: December 29, 1982

Authority: [32 CFR 199.2](#) and [32 CFR 199.4\(d\)\(3\)\(ii\)](#)

Revision:

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### 1.0 HCPCS PROCEDURE CODES

Level II Codes E0100 - E1900, K0001 - K0547

### 2.0 POLICY

**2.1** DME) which is medically necessary and appropriate medical care, ordered by a physician for the specific use of the beneficiary, and which complies with the following definition of DME and coverage criteria may be cost-shared.

#### 2.2 Definition.

As defined in the [32 CFR 199.2](#), DME:

**2.2.1** Can withstand repeated use;

**2.2.2** Is primarily and customarily to serve a medical purpose; and

**2.2.3** Generally is not useful to an individual in the absence of an illness or injury.

#### 2.3 Coverage Criteria. DME that:

**2.3.1** Can improve, restore, or maintain the function of a malformed, diseased, or injured body part, or can otherwise minimize or prevent the deterioration of the patient's function or condition;

**2.3.2** Can maximize the patient's function consistent with the patient's physiological or medical needs;

**2.3.3** Provides the medically appropriate level of performance and quality for the medical condition present (that is, nonluxury and nondeluxe);

**2.3.4** Is not otherwise excluded by the regulation and policy (for example, those found in [32 CFR 199.4\(g\)](#), to include communication devices other than those allowed in [Chapter 7, Section 23.1](#), eyeglasses, exercise/relaxation/comfort devices, comfort or convenience items, etc.).

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**2.4** Any customization of DME owned by the patient is authorized to be provided to the patient and any accessory or item of supply for any DME may be provided if the customization, accessory, or item is essential for:

- Achieving therapeutic benefit for the patient;
- Making the equipment serviceable; or
- Otherwise assuring the proper functioning of the equipment.

**Note:** A car lift for a wheelchair, or an approved alternative, is considered an accessory.

**2.5** Equipment must be prescribed by the attending physician for a use consistent with required U.S. Food and Drug Administration (FDA) approved labeling for the item. When prescribed use of an item appears to be extraordinary, a signed statement from the manufacturer that a specific medical device is FDA approved for such a use is adequate evidence that the requirement of FDA approval is met.

**2.6** Repairs. Benefits are allowed for repair of beneficiary owned DME when it is necessary to make the equipment serviceable. This includes the use of a temporary replacement item provided during the period of repair.

**2.7** Replacements. Benefits are allowed for replacement of beneficiary owned DME when the DME is not serviceable due to normal wear, accidental damage, a change in the beneficiary's condition, or the device has been declared adulterated by the FDA. Exceptions exist for prosthetic devices. See [Section 4.1](#) for more information.

**2.8** Modifications. A wheelchair, or an approved alternative, which is necessary to provide basic mobility, including reasonable additional cost to accommodate a particular disability, is covered.

**2.9** A duplicate item of DME which otherwise meets the DME benefit requirement that is essential to provide a fail-safe in-home life-support system is covered. For the purpose of this policy, "duplicate" means an item of durable medical equipment that meets the definition of durable medical equipment and serves the same purpose that is served by an item of durable medical equipment previously cost-shared by TRICARE. For example, various models of a stationary oxygen concentrator with no significant differences are considered duplicates, whereas stationary and portable concentrators are not considered duplicates of each other because the latter is intended to provide a beneficiary with mobility outside the home. Also for example, an electric wheelchair which otherwise meets the definition of durable medical equipment would not be duplicative of a manual wheelchair previously cost-shared by TRICARE in that the electric wheelchair provides independent mobility not provided by the manual wheelchair.

**2.10** Electric-powered, cart-type vehicles may be cost-shared as an alternate to an electric wheelchair. Benefits will not be extended for the use of both an electric-powered, cart-type vehicle and an electric wheelchair during the same period of time.

### 3.0 POLICY CONSIDERATION

#### 3.1 Upgraded DME (Deluxe, Luxury, or Immaterial Features)

**3.1.1** Medically Necessary Upgrades. An upgraded item of DME, which otherwise meets the DME benefit requirement and is medically necessary, is covered if the prescription specifically states the medical reason why an upgrade is necessary. For example, the beneficiary does not have the physical strength or balance required to lift a standard walker and, therefore, one with wheels is required. Equipment lacking documentation of medical necessity for the deluxe, luxury, or immaterial feature device may have the TRICARE allowed amount for the base model applied to the upgraded equipment, with the beneficiary responsible for the difference between the allowed amount for the base model and the provider's billed charges. See the TRICARE Reimbursement Manual (TRM), [Chapter 1, Section 11](#) for pricing and payment policy.

**3.1.2** If the beneficiary prefers to upgrade an item of DME, which otherwise meets the DME benefit requirements, the beneficiary will be solely responsible for the cost that exceeds the cost of what the Government would pay for the standard equipment. The upgraded item must be within the range of services that are appropriate for the beneficiary's medical condition (e.g., beneficiaries can upgrade from a standard manual wheelchair to a power wheelchair, when there is no medical objection from the physician, but not from a walker to a wheelchair).

#### 3.2 Beneficiary Liability

**3.2.1** When the beneficiary prefers to upgrade an item of DME, which otherwise meets the DME benefit requirements, the provider may collect the charges that exceed the cost of what the Government would pay for the standard equipment, only if the beneficiary were given written notice that the item has been (or may be) denied and agrees in writing, to be financially liable for the difference between the charges for the upgraded item, and the charges for the standard item. Should the provider fail to provide written notice and receive written agreement from the beneficiary of financial liability, for network providers, the beneficiary is "held harmless" in accordance with the TRICARE Operations Manual (TOM), [Chapter 5, Section 1, paragraph 2.5.1](#). For non-network providers, [Chapter 1, Section 4.1](#) of this manual applies.

**3.2.2** Beneficiaries are also liable for the repairs on the upgraded item/features.

**Note:** Deluxe, luxury, or immaterial features are items of DME that are more expensive than the item that is medically necessary. Deluxe items include comfort or convenience features that enhance standard DME equipment, but are not considered medically necessary. Comfort and convenience items are defined as those optional items, which the patient may elect at an additional charge, but are not medically necessary in the treatment of a patient's condition. These devices exceed what is medically necessary and increase the cost of the item to the Government relative to a similar item without those features.

### 4.0 EXCLUSIONS

**4.1** DME for a beneficiary who is a patient in a type of facility that ordinarily provides the same type of DME item to its patients at no additional charge in the usual course of providing its services is excluded.

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**4.2** DME which is available to the beneficiary from a Uniformed Services Medical Treatment Facility (USMTF).

**4.3** DME with deluxe, luxury, or immaterial features, which increase the cost of the item to the Government relative to similar item without those features. (See exception above.)

**4.4** Maintenance agreement.

**4.5** Routine periodic servicing, such as testing, cleaning, regulating, and checking which the manufacturer does not require be performed by an authorized technician.

**4.6** Duplicate items of otherwise allowable durable medical equipment to be used solely as a back-up to currently owned or rented equipment, except as provided in [paragraph 2.1](#).

**4.7** DME must be considered durable -- can withstand repeated use. Therefore DME does not include expendable items such as incontinent pads, diapers, ace bandages, etc. Such items are excluded from DME coverage. Refer to [Section 6.1](#) for policy regarding supplies and dressings (consumables).

**4.8** Non-medical equipment is excluded (e.g., humidifier, electric air cleaners, exercycle, safety grab bars, training equipment, etc.). See [32 CFR 199.4](#).

**5.0 EFFECTIVE DATE**

September 1, 2005.

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