Chapter 8 Section 2.1

Durable Equipment (DE): Basic Program

Issue Date: December 29, 1982
Authority: 32 CFR 199.2, 32 CFR 199.4(d)(3)(ii), and 32 CFR 199.6(c)(3)(i), (ii), and (iii)

1.0 HCPCS PROCEDURE CODES

Level II Codes E0100 - E1900, K0001 - K0547

2.0 POLICY

2.1 DE, which is a medically necessary and appropriate item, ordered by a TRICARE authorized individual professional provider for the specific use of the beneficiary, and which complies with the following DE definition and coverage criteria may be cost-shared. A TRICARE authorized individual professional provider who may order or prescribe DE is a physician, a dentist, or any TRICARE authorized allied health care professional as described in 32 CFR 199.6(c)(3)(ii), when acting within the scope of their license or certification, including the following:

- Doctors of Podiatric Medicine (DPMs).
- Doctors of Optometry (ODs).
- Certified Physician Assistants (CPAs).
- Certified Clinical Nurse Specialists (CCNSs) when recognized by TRICARE as:
  - Certified Nurse Practitioners (CNPs),
  - Certified Nurse Midwives (CNMs), or
  - Certified Psychiatric Nurse Specialists (CPNSs).
- Certified Registered Nurse Anesthetists (CRNAs).
- Certified Psychiatric Nurse Specialists (CPNSs).

2.2 Definition. As defined in the 32 CFR 199.2, DE is a medically necessary item that:

2.2.1 Can withstand repeated use;

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

2.2.3 Is generally not useful to an individual in the absence of an illness or injury.

3.0 COVERAGE CRITERIA

3.1 Covered items that may be provided to a beneficiary as DE includes the following:

- Hospital beds.
- Iron lungs.

- Durable Medical Equipment (DME).
- Wheelchairs.
- Cardiorespiratory monitor under conditions specified in Section 2.2 of this chapter.

3.2 A covered DE shall be provided on a rental or purchase basis.

3.2.1 Coverage of DE shall be based on the price most advantageous to the government, taking into consideration the anticipated duration of the medically necessary need for the equipment and current price information for the type of item.

3.2.2 The cost analysis must include a comparison of the total price of the item as a monthly rental charge, a lease-purchase price, and a lump-sum purchase price and a provision for the time value of money at the rate determined by the U.S. Department of Treasury.

3.3 A prescribed item of DE that provides the medically appropriate level of performance and quality for the beneficiary's medical condition present must be supported by adequate documentation, as defined in 32 CFR 199.2. Luxury, deluxe, immaterial, or non-essential features, which increase the cost of the item relative to a similar item without those features, based on industry standards for a particular item at the time the equipment is prescribed or replaced for a beneficiary, are not authorized. Only the "base" or "basic" model of equipment (or more cost-effective alternative equipment) shall be covered, except as authorized in paragraphs 3.6, 3.7, or 4.1.

3.4 The item of DE must be prescribed 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.

3.5 The item of DE must not be 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.).

3.6 Durable Medical Equipment (DME) is DE (as defined in paragraph 2.2) that meets the following additional coverage criteria:

3.6.1 It is medically appropriate to:

3.6.1.1 Improve, restore, or maintain the function of a malformed, diseased, or injured body part, or can otherwise minimize or prevent the deterioration of the beneficiary's function or condition; or

3.6.1.2 Maximize the beneficiary's function consistent with the beneficiary's physiological or medical needs.

3.6.2 DME Customization. Customization of DME (equipment designed permanently to preclude the use of such equipment by another individual) owned by a beneficiary, and any

accessory or item of supply for any such equipment, may be covered as determined by the Director (or designee) to be essential for:

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

3.7 Wheelchairs, which otherwise meet the DE definition in paragraph 2.2, are covered to provide medically appropriate basic mobility.

3.7.1 Electric wheelchairs. An electric wheelchair, or TRICARE approved alternative to an electric wheelchair (e.g., scooter), may be provided in lieu of a manual wheelchair to provide basic mobility. 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.

3.7.2 Lifts. A vehicle lift, which otherwise meets the requirements of paragraph 3.3 and all other applicable provisions of this policy, may be covered when necessary to transport an otherwise authorized wheelchair (or an approved alternative). Coverage is limited to the basic model lift and must be a temporary (non-permanent/transferable) lift that transports the wheelchair itself (or an approved alternative).

3.7.2.1 Labor charges may be allowed to cover only the installation of the allowable vehicle wheelchair lift.

3.7.2.2 TRICARE does not cover transportation of beneficiaries, including to and from medical appointments, except for ambulances when medical care is provided to the individual in transit. A lift may be authorized solely to transport the wheelchair so that a traveling beneficiary may have "basic" mobility once at his or her destination.

3.7.2.3 Vehicle conversions are excluded. That is conversions such as but not limited to, raising the roof, widening the door, or permanent attachments installed (e.g., items that are non-transferable to another vehicle). Purchases and (or) conversions of personal vehicles for a wheelchair bound beneficiary fall outside the scope of the TRICARE medical benefits and, therefore, are excluded.

3.7.2.4 TRICARE's allowable charge is based on the basic (or standard) model lift and authorized installation fees. Lifts beyond the basic (or standard) model required for transport of an authorized wheelchair are excluded from TRICARE coverage and cannot be considered in determining the TRICARE allowable costs. Beneficiaries who choose a lift other than the basic (or standard) model (i.e., luxury/deluxe) are responsible for the costs above and beyond the allowable amount of the basic lift. In such a case, the beneficiary is responsible for submitting sufficient information regarding the otherwise authorized basic model lift and costs of installation along with the itemized costs of the luxury/deluxe model and installation costs.

Note: Refer to paragraph 4.0 for TRICARE description of "any item of DE beyond the basic/standard model."

3.7.3 Modifications of wheelchairs. Medically appropriate modifications (i.e., slight or small changes or alterations) to the wheelchair (or an approved alternative) to accommodate a particular

physiological or medical need may be covered if necessary to provide basic mobility and to allow proper use of the wheelchair. When an otherwise covered wheelchair requires substantial modification, or is uniquely built to meet the special needs of a beneficiary, for basic mobility and proper use of the wheelchair, coverage may be provided only under a lump-sum purchase or rental-purchase agreement resulting in the beneficiary owning the modified wheelchair.

3.8 Repairs. Benefits are allowed for repair of beneficiary-owned DE when necessary to make the equipment functional because of reasonable wear and usage and the manufacturer's warranty has expired, but only on the condition that the repair cost is less than the replacement cost. Coverage includes the use of a temporary replacement item provided during a reasonable period of repair.

3.9 Replacements. Benefits are allowed for replacement of beneficiary-owned DE with documentation that the DE is lost or stolen and not otherwise covered by another insurance (such as a homeowner's policy). Replacement of beneficiary-owned DE is also allowed when the item is not functional 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.)

Note: Replacement is subject to review of documentation supporting why the current DE item is no longer usable/repairable and that the replacement cost is less than the repair cost.

Note: Replacement equipment is allowed only upon a new order or prescription by a TRICARE authorized individual professional provider with an explanation of the medical need.

3.9.1 When a rented item of DE is lost or stolen, the supplier is required to use modifier **RA** to notify the TRICARE contractor that the item has been lost or stolen, and a replacement item is being provided. Payment for the original rented item of DE that was lost or stolen is the contractual responsibility of the supplier.

3.9.2 TRICARE will not continue to pay rental fees on equipment that has been lost or stolen. Once the medically necessary DE has been replaced by the supplier and provided to the beneficiary, rental fees for the replacement item shall resume based on the continuous use provision, if applicable.

3.10 An item of DE which otherwise meets the DE benefits requirement that is essential to provide a fail-safe in-home life-support system, or that replace in-like-kind an item of equipment that is not serviceable because of normal wear, accidental damage, a change in the beneficiary's condition, has been declared adulterated by the FDA, or is being, or has been recalled by the manufacturer, is not considered duplicate and, therefore is covered.

Note: For the purpose of this policy, "duplicate" means an item of equipment that meets the definition of DE and serves the same purpose that is served by an item of DE 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 DE 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.

4.0 POLICY CONSIDERATION

4.1 Upgraded DE (Deluxe, Luxury, or Immaterial Features)

4.1.1 Medically Necessary Upgrades. An upgraded item of DE, which otherwise meets the DE 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. For a wheelchair, the upgrade must be required for the beneficiary to maintain basic mobility. See the TRICARE Reimbursement Manual (TRM), Chapter 1, Section 11 for pricing and payment policy.

4.1.2 If the beneficiary prefers to upgrade an item of DE, which otherwise meets the DE 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).

4.2 Beneficiary Liability

4.2.1 When the beneficiary prefers to upgrade an item of DE, which otherwise meets the DE 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.

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

Note: Deluxe, luxury, or immaterial features are items of DE that are more expensive than the item that is medically necessary. Deluxe items include comfort or convenience features that enhance standard DE 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.

5.0 EXCLUSIONS

5.1 DE 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.

5.2 DE that is available to the beneficiary from a Uniformed Services Medical Treatment Facility (USMTF).

5.3 An item of DE that has been lost or stolen (except as provided in paragraph 3.9), or for an item under warranty, or when a DE is damaged while using the equipment in a manner inconsistent with its common use.

5.4 DE with luxury, deluxe, immaterial, or non-essential features, which increase the cost of the item relative to a similar item without those features, based on industry standards for a particular item at the time the equipment is prescribed or replaced for a beneficiary. (See paragraph 4.0 for Policy Consideration.)

5.5 Exercise, relaxation, comfort, sporting items, or sporting devices. Exercise equipment, to include wheelchairs and items primarily and customarily designed for use in sports or recreational activities, spas, whirlpools, hot tubs, swimming pools health club memberships or other such charges, or items.

5.6 Repairs of deluxe, luxury, or immaterial features of DE (except as provided in paragraph 3.8).

5.7 Repairs of DE damaged while using the equipment in a manner inconsistent with its common use.

5.8 Maintenance agreement.

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

5.10 Duplicate items of otherwise allowable DE to be used solely as a back-up to currently owned or rented equipment, except as provided in paragraph 3.10.

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

5.12 Non-medical equipment (e.g., humidifier, electric air cleaners, exercycle, safety grab bars, training equipment, etc.). See 32 CFR 199.4.

6.0 EFFECTIVE DATE

September 1, 2005.

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