

RB.007.D Durable Medical Equipment (DME) Rental Payment

Original Implementation Date : 11/01/2015
Version [D] Date: 3/5/2025
Last Reviewed Date: 2/5/2025

MEDICAL POLICY/CLAIM PAYMENT POLICY BULLETIN

*** NOTIFICATION OF PENDING POLICY IMPLEMENTATION ***

Please note that this Policy Bulletin will be implemented on 3/5/2025

This document provides a 30-day notification of its pending implementation and is not currently implemented.

PRODUCT VARIATIONS

This policy applies to all Jefferson Health Plans/Health Partners Plans lines of business unless noted below.

Application of Claim Payment Policy is determined by benefits and contracts. Benefits may vary based on product line, group, or contract. Payment may vary based on individual contract.

This policy is compliant and aligned with all CMS regulations and claim payment requirements.

POLICY STATEMENT

The intent of this Claim Payment Policy Bulletin is to explain our payment position on durable medical equipment (DME) rentals.

Most DME rentals are considered capped DME and are rented until the rental cost of the device meets or exceeds the purchase price. This allows the member to own the item once the rent to purchase maximum has been met.

Similar to CMS, Monthly rental payments for specific oxygen equipment can exceed the purchase price but should not exceed a period of continuous use of longer than 36 months. Oxygen codes included in a 36-month payment are in the coding table below.

A period of oxygen equipment continuous use allows for temporary interruptions. These interruptions may last for up to 60 consecutive days plus the days remaining in the rental month. If the interruption continues beyond this time, no payment will be made and a new date of service will need to be reestablished when use resumes. Unpaid months of oxygen equipment interruption do not count toward the monthly limit.

POLICY GUIDELINES

Durable medical equipment (DME) items may be:

- Designed by CMS as oxygen equipment and rented for no longer than 36 months
- Purchased without a rental period.
- Rented until the rental cost of the device meets or exceeds the purchase price.

All DME rental items require prior authorization to establish medical necessity.

DME is a covered service according to the individual’s eligibility and benefit plan. DME may be eligible for reimbursement consideration when ordered by a participating physician, considered a medically necessary treatment, and provided by an eligible participating DME provider.

CODING

Note: The Current Procedural Terminology (CPT®), Healthcare Common Procedure Coding System (HCPCS), and the 10th revision of the International Statistical Classification of Diseases and Related Health Problems (ICD-10) codes that may be listed in this policy are for reference purposes only. Listing of a code in this policy does not imply that the service is covered and is not a guarantee of payment. Other policies and coverage guidelines may apply. When reporting services, providers/facilities should code to the highest level of specificity using the code that was in effect on the date the service was rendered. This list may not be all inclusive.

CPT® is a registered trademark of the American Medical Association.

CPT Code	Description
N/A	N/A

DME RENTALS

HCPCS Code	Description
E0424	Stationary compressed gaseous oxygen system, rental; includes container, contents, regulator, flowmeter, humidifier, nebulizer, cannula or mask, and tubing
E0431	Portable gaseous oxygen system, rental; includes portable container, regulator, flowmeter, humidifier, cannula or mask, and tubing
E0434	Portable liquid oxygen system, rental; includes portable container, supply reservoir, humidifier, flowmeter, refill adaptor, contents gauge, cannula or mask, and tubing
E0439	Stationary liquid oxygen system, rental; includes container, contents, regulator, flowmeter, humidifier, nebulizer, cannula or mask, & tubing
E1390	Oxygen concentrator, single delivery port, capable of delivering 85 percent or greater oxygen concentration at the prescribed flow rate
E1391	Oxygen concentrator, dual delivery port, capable of delivering 85 percent or greater oxygen concentration at the prescribed flow rate, each
E1392	Portable oxygen concentrator, rental
K0738	Portable gaseous oxygen system, rental; home compressor used to fill portable oxygen cylinders; includes portable containers, regulator, flowmeter, humidifier, cannula or mask, and tubing

ICD-10 Codes	Description
N/A	N/A

BENEFIT APPLICATION

This Reimbursement Policy does not constitute a description of benefits. Rather, this assists in the administration of the member’s benefits which may vary by line of business. Applicable benefit documents govern which services/items are eligible for coverage, subject to benefit limits, or excluded completely from coverage.

DESCRIPTION OF SERVICES

DME is equipment that can withstand repeated use, is primarily and customarily used to serve a medical purpose, generally not useful in the absence of illness or injury, and appropriate for use in the home.

DEFINITIONS

N/A.

DISCLAIMER

Approval or denial of payment does not constitute medical advice and is neither intended to guide nor influence medical decision making.

Policy Bulletins are developed to assist in administering plan benefits and constitute neither offers of coverage nor medical advice.

This Policy Bulletin may be updated and therefore is subject to change.

POLICY HISTORY

This section provides a high-level summary of changes to the policy since the previous version.

Summary	Version	Version Date
2025 ad-hoc review. Revisions were made to the policy statement and guidelines sections. Code revisions and references updated.	D	3/5/2025
2024 Biennial review. The following codes were added: E0433, E0467, E0468 & K0606.	C	6/1/2024
2022 Biennial review. No changes. Reissue version B.	B	05/25/2018
2020 Biennial review. No changes. Reissue version B.	B	05/25/2018
E0470 - Respiratory assist device, bi-level pressure capability, without backup rate feature, used with noninvasive interface. e.g., nasal, or facial mask (intermittent assist device with continuous positive airway pressure device), aka "BiPap". <i>No longer eligible for rental on a continuous basis and is now subject to a rent-to-purchase maximum (10 months).</i>	B	05/25/2018
New policy bulletin.		

**Note that this was originally identified as Policy Bulletin #00-04.		
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REFERENCES

- 1) <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf>
- 2) Noridian Medicare: [Oxygen and Oxygen Equipment - JA DME - Noridian](#)