

Commercial Reimbursement Policy	
Subject: DME Modifiers – Professional	
Policy Number: C-19006	Policy Section: DME
Last Approval Date: 01/01/2026	Effective Date: 01/01/2025

Policy

The health plan allows reimbursement for new, rented or used durable medical equipment appended with the appropriate modifier unless provider, state, or federal contracts and/or mandates indicate otherwise. Claims submitted for equipment without the appropriate reimbursement modifier may be denied. The listed modifiers are considered reimbursement modifiers and must be billed in the primary or first modifier field to determine appropriate reimbursement.

Modifiers are appropriate for Durable Medical Equipment (DME), prosthetics, and orthotics and are inappropriate for supplies unless required under State guidelines. Claims for supplies appended with a DME modifier may be denied.

When reporting daily rental items, modifier RR is to be appended. Reimbursement for continuous/rent to purchase items is based on the health plan allowance for the monthly rental period. A rental modifier such as BR, KI, KR, LL, or RR is to be appended to the DME code when the DME item is a continuous rental.

To report the replacement of a DME item, modifiers KC, RA or RB must be appended to the HCPCS code. The labor component may be reported separately. Positive airway pressure devices and corresponding humidifiers are not eligible for reimbursement when submitted with a Purchase Modifier.

Related Coding		
Modifier	Description	Comments
BP	The beneficiary has been informed of the purchase and rental options and has elected to purchase the item	Used to designate that a DME item was elected to be purchased
BR	The beneficiary has been informed of the purchase and rental options and has elected to rent the item	Used to designate that a DME item was elected to be rented

EX	Expatriate beneficiary	Used to designate that a DME item was furnished to a beneficiary in the United States
KC	Replacement of special power wheelchair interface	Used to designate that a special wheelchair item was replaced
KI	DMEPOS item, 2nd or 3rd month rental	Used to designate that a DME item was rented for the 2 nd and 3 rd month
KR	Rental item, billing for partial month	Used to designate that a DME item was a rental item for partial month
LL	Lease/Rental	Used when DME equipment rental is to be applied against the purchase price
MS	Six-month maintenance and servicing fee for reasonable and necessary parts and labor which are not covered under any manufacturer or supplier warranty	Used to designate for a DME item that underwent six-month maintenance
NR	New when rented	Used when DME which was new at the time of rental is subsequently purchased
NU	New equipment	Used to designate that a new DME item was purchased
RA	Replacement of a DME, orthotic or prosthetic item	Used to designate that a DME, orthotic or prosthetic item was a replacement
RB	Replacement of a part of a DME, orthotic or prosthetic item furnished as part of a repair	Used to designate that a DME, orthotic or prosthetic item was a replacement part
RR	Rental	Used to designate that a DME item was rented
UE	Used durable medical equipment	Used to designate that a DME item was used

Exemptions

There are no exemptions to this policy.

Definitions

Durable Medical Equipment (DME)	<p>Equipment that provides therapeutic benefits to a patient in need because of certain medical conditions and/or illnesses and meets the following criteria:</p> <ul style="list-style-type: none"> • Are primarily and customarily used to serve a medical purpose rather than convenience or comfort. • Can withstand repeated use. • Generally, are not useful to a person without an illness or injury. • Are appropriate for use in the home. • Are prescribed by a licensed physician/practitioner.
Purchase	Items that are generally not reusable (such as supplies), or are available for long-term use, and/or are customized.

Purchase/Rent to Purchase (P/RTP)	Items are not routinely purchased up-front. They are reusable, not service intensive, not customized, and/or may only be needed for short term use.
Continuous Rental	Equipment, which is never purchased, and the rental reimbursement is not capped at a purchase price. These items are also referred to as “frequently serviced” (FS) items and the Health Plan reimburses these FS items as rentals for as long as is medically necessary.
Daily Rental	Items that are considered short term rentals, which are generally rented for less than a month
General Reimbursement Policy Definitions	

Related Policies and Materials
Frequency Editing – Professional
Modifier Usage – Professional

References and Research Materials
<ul style="list-style-type: none"> • CMS • Optum EncoderPro 2024

Policy History	
01/01/2026	Entered Washington
01/01/2025	Initial approval and effective for Florida, Maryland, and Texas

Disclaimer

These reimbursement policies serve as a guide to assist you in accurate claims submissions and to outline the basis for reimbursement if the service is covered by a member’s benefit plan. The determination that a service, procedure, or item is covered under a member’s benefit plan is not a determination that you will be reimbursed. Services must also meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis, as well as to the member’s state of residence.

Ensure that you use proper billing and submission guidelines, including industry-standard, compliant codes on all claim submissions. Services should be billed with Current Procedural Terminology (CPT®) codes, Healthcare Common Procedure Coding System (HCPCS) codes, and/or revenue codes. These codes denote the services and/or procedures performed and, when billed, must be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our reimbursement policies apply to both participating and non-participating professional providers and facilities.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, we may:

- Reject or deny the claim.
- Recover and/or recoup claim payment.

These reimbursement policies may be superseded by mandates in provider, state, federal, or Centers for Medicare & Medicaid Services (CMS) contracts and/or requirements. We strive to minimize delays in policy implementation. If there is a delay, we reserve the right to recoup and/or recover claims payment to the effective date, in accordance with the policy. We

reserve the right to review and revise these policies when necessary. When there is an update, we will publish the most current policy to the website.

Use of Reimbursement Policy

This policy is subject to federal and state laws, to the extent applicable, as well as the terms, conditions, and limitations of a member's benefits on the date of service. Reimbursement Policy is constantly evolving and we reserve the right to review and update these policies periodically.

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