

Update to Manual Pricing Calculation for Complex Rehab Technology DME Prior Approval Requests and Claims Processing

Manual pricing calculation for Durable Medical Equipment (DME) Prior Approval requests approved according to the appropriate clinical policy procedures are:

- Providers must submit an invoice or quote (or an estimate if the request is for non-warranty repair) with [DMA 372-131 form](#) (Certificate of Medical Necessity/Prior Approval or CMN/PA) when requesting prior approval for a manually priced item.
- The maximum allowable rate will be the vendor's invoice or quote amount, **net** of all discounts, **plus** 20 percent. When freight is allowed, it will be added to the reimbursement at actual cost. If there are multiple items on the same invoice, the freight component of the maximum allowable rate will be the total freight charge divided by the number of items billed on the invoice.

Exceptions:

- **Wheelchairs and wheelchair accessories** are the **only** medical equipment supplies where the maximum allowable rate may be based on MSRP for prior approval purposes.
- **External insulin pumps** are covered in a separate pricing policy.
- **For procedure code A9999 - Farrell valves**, the designated maximum allowable rate is \$8.48, until a memo is submitted changing the designated rate.
- **Effective with dates of service beginning May 1, 2017**, the maximum allowable rate for manually priced complex rehab technology procedure codes E0328, E0637, E0641, E8000, E8001, E8002, and E1399/W4047 pediatric bath system (E0240) will be the vendor's invoice or quote amount, net of all discounts, plus 35 percent.

All other DME policies, such as paying lower of billed versus maximum allowable rate still apply. Provider should bill their usual and customary charge.

Except for wheelchairs, wheelchair accessories and Farrell valves, claims submitted for services which were authorized prior to Nov. 6, 2015, must include an invoice.

Additional Resources

For more information about the new specified facilities discharge process on select DME codes, consult [Clinical Coverage Policy 5A, Durable Medical Equipment and Supplies](#).