DME Capped Rental

Reimbursement Policy

Purpose

To define billing requirements and reimbursement impact on billed Durable Medical Equipment (DME) capped rental claims as supported by nationally recognized standards and medical record documentation.

Definitions

Capped Rental: monthly payment for the use of the DME for a limited period of time, not to exceed thirteen (13) months, after which ownership is transferred to the beneficiary.

- Applicable capped rental Items (i.e., complex rehabilitative power wheelchairs and parental/enteral pumps, etc.).

See Appendix A for a list of capped rental HCPCS codes, as defined by CMS DMEPOS fee schedule.

Policy

Community Health Options adheres to the billing/coding guidelines defined by American Medical Association (AMA) and Centers for Medicare and Medicaid Services (CMS) for appropriate use of modifiers that may be appended to HCPCS/CPT codes to provide additional information about the services rendered.

Community Health Options requires all DME capped rental claims to be billed using the appropriate rental modifier, followed by the applicable rental month modifier to be considered for reimbursement.

Durable Medical Equipment (DME) Rental Modifiers:

Modifier	Modifier Description
RR	Rental
KH	Initial Claim, first month rental
KI	Second or third monthly rental
KJ	Capped rental months four to fifteen
KR	Partial Month

The secondary modifiers are used for tracking purposes during the rental period of DME. To be considered for reimbursement, the claim must include the appropriate rental modifier (RR) in conjunction with the applicable secondary rental month modifier, as referenced in the table above.

Non-Covered Services

DME capped rental billing using primary RR modifier without the corresponding rental period secondary modifier.

References

Centers for Medicare & Medicaid Services (CMS), https://www.cms.gov/medicare/payment/fee-schedules/dmepos/dmepos-fee-schedule

Related Policies

Modifier Reference Guide

Document Publication History

8/4/2025	Policy creation