



Reimbursement Fast Facts: Integrated Devices

This tool is an overview of Medicare’s coverage and payment categories and the Durable Medical Equipment Medicare Administrative Contractors (DME MACs) guidance related to integrated devices.

An integrated device is a device that consists of multiple components such as flow generator, humidifier, and a remote monitor that can be billed separately. Separately billed items may be classified under different payment categories. The most common payment categories for positive airway pressure medical devices include inexpensive or other routinely purchased DME and capped rental items. This overview is intended to assist you with general information related to integrated devices and ResMed encourages you to seek specific reimbursement information from your DME MAC or Medicare.

HCPCS Code	Description	Payment Category
E0601	Continuous positive airway pressure (CPAP) device	Capped Rental
E0470	Respiratory assist device, bilevel 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)	Capped Rental
E0471	Respiratory assist device, bilevel pressure capability, with backup rate feature, used with noninvasive interface, e.g., nasal or facial mask (intermittent assist device with continuous positive airway pressure device)	Capped Rental
E0562	Humidifier, heated, used with positive airway pressure device	Inexpensive and Routinely Purchased
A9279	Monitoring feature/device, stand-alone or integrated, any type, includes all accessories, components and electronics, not otherwise classified	Non-Covered Item ¹

Capped rental payment category²

Payments for this category are made on a monthly rental basis not to exceed a continuous 13-month period. For the first three rental months, the monthly rental fee schedule is limited to 10% of the average allowed purchase price. For each of the remaining months, the monthly rental is limited to 75% of the average allowed purchase price. This means that months 1–3 are paid at the published fee schedule rental rate, and months 4–13 are paid at 75% of the published rate.

Modifiers used in this category include:

- **RR** Rental
- **KH** First rental month
- **KI** Second and third rental months
- **KJ** Fourth to the thirteenth months

At the end of the capped rental period (after 13 paid rental months), the title of ownership for capped rental devices transfers from the provider to the patient.

Inexpensive and routinely purchased payment category

Payment options for this category are made on either a rental or lump sum purchase basis. The cumulative rental payment amounts may not exceed the fee for a purchase, which would

occur following 10 months of rental. The option to purchase or rent must be presented to the Medicare beneficiary.

Modifiers used in this category include:

- **RR** for Rental
- **NU** for Purchase of new equipment
- **UE** for Purchase of used equipment

Noncovered items

Medicare will not pay for items that are statutorily non-covered. The financial liability that remains when Medicare does not pay belongs to either providers or beneficiaries. Medicare allows providers and beneficiaries to make their own agreements on payment without billing Medicare.³

An Advance Beneficiary Notices of Non-Coverage ([ABN](#)) serves as a courtesy notice to the beneficiary advising him/her of possible financial obligation for an item or service. An ABN is not required for an item that is not covered by statute under Medicare, but may be issued voluntarily. If an ABN is used as a voluntary notice, the beneficiary should not be asked to choose an option box or sign the notice.⁴

To submit a non-covered line item where an ABN was issued voluntarily, providers should append the –GX modifier. This



modifier can only be used on statutorily non-covered services.⁵ Providers are encouraged to consult with local payors and Medicare for specific guidance as to whether to issue a mandatory or voluntary ABN.

Q & A

Q: What is the best resource to identify the HCPCS codes to bill for the integrated pieces of equipment?

Medicare's Pricing, Data Analysis & Coding (PDAC) contractor assigns billing codes to products. To determine the correct billing codes, please use the [PDAC website](#) and search the DMEPOS Product Classification List.

Q: If a patient elects to rent an item classified in the Routinely Purchased DME category, such as a humidifier, how is a rental schedule structured?

Total payment amount for rentals may not exceed the actual charge or the fee schedule amount for the humidifier.⁶ Generally, the humidifier is considered purchased after 10 months because the published rental allowables are 10% of the purchase price.

Q: If a patient discontinues CPAP coverage due to non-compliance after the first 90 days, what option does a provider have to address a rented CPAP device with a purchased integrated Heated Humidifier (E0562)?

If a patient has a CPAP with an integrated heated humidifier that has been purchased (because the Medicare beneficiary elected to purchase instead of rent the humidifier) and the CPAP unit (in the Capped Rental category) is being rented but is no longer medically necessary, then the provider should leave whatever components of the humidifier that can be separated (i.e., the water tub) and pick up the CPAP device.⁷

Q: If a patient discontinues CPAP coverage due to non-compliance after the first 90 days, what option does a provider have to address a rented CPAP device with a rented integrated heated humidifier (E0562)?

Patients have the right to rent items classified in the Routinely Purchased category. Claims for rentals are paid up to the Medicare purchase price for the item. During the rental period of the CPAP and the integrated humidifier equipment, the provider may pick up the entire device and is not required to leave the heated humidifier components as such components are still being rented.

Q: If a provider re-issues a previously returned device to a new patient, which code is preferred to bill for the used heated humidifier and the CPAP as a capped rental item?

The provider would need to first add a new humidifier chamber to the device before delivery. If the beneficiary elects to purchase the used, re-issued, integrated heated humidifier, the item would be billed as a used heated humidifier with the following HCPCS/modifier combination: E0562-UE. The returned humidifier must be filed as "used" due to its classification in the Inexpensive and Routinely Purchased category. The UE modifier results in a 25% reduction in the Medicare purchase price. As for a rented, used CPAP with an integrated heated humidifier, the UE modifier is not required because it is a capped rental item.⁸

Q: How should an integrated device be billed since it has only one serial number?

The provider should enter the same serial number for both the CPAP (E0601) line item and the humidifier (E0562) line item. These items are still separately billable and the same serial number is used for both line items. For billing software that asks for two separate serial numbers/codes for the humidifier and PAP device, the provider may choose to add an "H" to the end of the humidifier's serial number to differentiate between the two components.

Q: May a provider bill a beneficiary directly for remote monitor devices (A9279)?

Yes, with a voluntary ABN. A9279 is not covered or paid separately under Medicare. This item is denied by Medicare as statutorily non-covered when claims are filed with this HCPCS code.

We hope that this general coverage and reimbursement guidance has been helpful with respect to your integrated devices billing options. The information provided is general reimbursement information only, is not legal advice, and not direction or advice about how to code, complete or submit any particular claim for payment. It is always the provider's responsibility to determine and submit appropriate codes, charges, modifiers and bills for the services that were rendered.

- 1 Correct Coding Reminder - Monitoring Technology Used with Positive Airway Pressure Devices (PAP) and Respiratory Assist Devices (RAD), 11/15/13
- 2 Medicare Benefit Policy Manual, Chapter 15, Section 110 (Rev. 1., 10-01-03)
- 3 MLN Matters Number MM7821
- 4 Medicare Claims Processing Manual Chapter 30, Section 50.3.2, Voluntary ABN Uses, Rev. 09-04-2012
- 5 MLN Matters Number MM6563
- 6 Medicare Claims Processing Manual, Chapter 20, Section 30.1, Inexpensive or Other Routinely Purchased DME, Rev. 10-01-03
- 7 November 20, 2014 CGS communication on behalf of DME MAC Medical Directors for Jurisdiction A, Jurisdiction B, Jurisdiction C, and Jurisdiction D, to ResMed regarding CPAP with Integrated Humidifier – Correct Coding Confirmation
- 8 Noridian Used DME Equipment Modifiers; 4/15/15

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