



## Policy Memo

An Independent Licensee of the  
Blue Cross and Blue Shield Association.

### HOME MEDICAL EQUIPMENT SUPPLIER

#### I. CONTENT OF SERVICE

Content of service refers to specific services and/or procedures that are considered to be an integral part of the total price of the equipment or supply to the extent that separate reimbursement is not recognized. Examples of services which can be considered content of service are:

- a. Any entries into the patient's records.
- b. Evaluation of reports on tests or studies.
- c. Advice, counseling or information provided during or in association with the service.
- d. Containers and labeling.
- e. Shipping or delivery within normal trade area or practice.
- f. Setup of equipment.
- g. Repair and maintenance of normal wear on rental equipment.
- h. Billing fees.
- i. Taxes.
- j. Fittings, adjustments and video monitoring.
- k. Items of office overhead such as malpractice insurance, telephones, personnel, etc.

Content of service issues related to specific services and/or procedures are identified throughout the policy and procedure documents.

Note: Appropriate all inclusive HCPCS codes must be used when available.

**II. UTILIZATION REVIEW AND MEDICAL NECESSITY**

**A. PRE-CERTIFICATION (REQUIRED BY CERTAIN MEMBERS' CONTRACTS)**

Prior to providing large dollar priced items or items of questionable medical necessity, certain members' contracts require the item to be pre-certified or authorized by calling or writing the Company. This pre-approval must be received before delivery or benefits may be reduced or excluded. Suppliers will be told of member groups with this option.

**B. IDENTIFY ANY TRENDS OR PATTERNS OF PATIENT CARE WHICH APPEAR INCONSISTENT WITH OVERALL PATTERNS OR TRENDS.**

**C. BE IN ACORDANCE WITH STANDARDS OF GOOD HEALTH CARE PRACTICE.**

**D. NOT BE FOR THE CONVENIENCE OF THE PATIENT OR SUPPLIER.**

**III. NON-COVERED SERVICES**

**A. CONTRACT EXCLUSIONS**

This agreement excludes certain services such as professional services that the contracting provider is not licensed/certified to perform.

**B. MEMBER CONTRACT EXCLUSIONS**

Some member contracts may exclude an item or service in their entirety or parts of the service thereof. Examples would be total enteral nutrition (TEN); infusion therapy; pharmaceuticals.

**C. INDEMNIFIED AMOUNTS**

Some member contracts limit the actual dollar amount that can be reimbursed for a given service. Balances on these amounts are the member's responsibility.

**D. DELUXE FEATURES**

The company will base reimbursement on the standard item and any member's choice of deluxe features is their financial responsibility. The contracting provider must have the appropriate waiver signed before the service is rendered. Failure to provide prior notification to the member will result in a contracting provider write-off.

**IV. RENTAL IN LIEU OF PURCHASE**

On items or equipment so designated by Blue Cross and Blue Shield of Kansas, Inc., monthly rental will be allowed toward the normal retail price up to the MAP or provider's charge whichever is less. Once rental allowables have met the purchase price, Blue Cross and Blue Shield of Kansas, Inc.'s and the supplier's obligations for that item ends. (This provision does not apply to ventilators. Monthly rental may continue.)

**V. MEMBER'S COVERAGE IS TERMINATED**

If the member drops coverage or switches carriers at any time, Blue Cross and Blue Shield of Kansas, Inc.'s obligation ends and the supplier can bill the patient or pick up the item or equipment.

**VI. USED EQUIPMENT**

Used equipment can be distributed when the supplier handles such equipment and it is available. Allowances will be less than the new equipment allowances and based on the life of the equipment.

**VII. AVAILABILITY OF EQUIPMENT AND PERFORMANCE CRITERIA**

The contracting supplier agrees to provide to members medical equipment and other supplies. Such supplies will be immediately available in the contracting supplier's warehouse. Additionally, items not routinely available will be obtained as rapidly as possible, not to exceed ten calendar days, by the contracting supplier (unless delayed by manufacturer). Additional responsibilities include:

- A. Accept orders for medical equipment, related products and services on a 24-hour basis.
- B. Deliver and service medical equipment and related products ordered for or furnished to members.
- C. If required, perform in-service training to employees of Blue Cross and Blue Shield of Kansas, Inc., to provide an understanding of the equipment and types of services provided.
- D. Maintain an adequate inventory of medical equipment and related products and supplies.
- E. The contracting supplier agrees to provide full medical liability, accident, automobile, workers compensation, comprehensive general liability and professional malpractice insurance for its employees, or to undertake the obligations for coverage which would ordinarily be contained within a standard form of such policies.