



# Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

Reimbursement Policy ID: RPC.0074.1200

Recent review date: 01/2026

Next review date: 12/2027

*AmeriHealth Caritas North Carolina reimbursement policies and their resulting edits are based on guidelines from established industry sources, such as the Centers for Medicare and Medicaid Services (CMS), the American Medical Association (AMA), state and federal regulatory agencies, and medical specialty professional societies. Reimbursement policies are intended as a general reference and do not constitute a contract or other guarantee of payment. AmeriHealth Caritas North Carolina may use reasonable discretion in interpreting and applying its policies to services provided in a particular case and may modify its policies at any time.*

*In making claim payment determinations, the health plan also uses coding terminology and methodologies based on accepted industry standards, including Current Procedural Terminology (CPT); the Healthcare Common Procedure Coding System (HCPCS); and the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM), and other relevant sources. Other factors that may affect payment include medical record documentation, legislative or regulatory mandates, a provider's contract, a member's eligibility in receiving covered services, submission of clean claims, and other health plan policies, and other relevant factors. These factors may supplement, modify, or in some cases supersede reimbursement policies.*

*This reimbursement policy applies to all health care services billed on a CMS-1500 form or its electronic equivalent, or when billed on a UB-04 form or its electronic equivalent.*

*To the extent that any procedure and/or diagnosis codes are specified in this policy, such inclusion is provided for reference purposes only, may not be all inclusive, and is not intended to serve as billing instructions. Listing of a code in this policy does not imply that the service described by the code is a covered or non-covered health service. Benefit coverage for health services is determined by federal, state, or contractual requirements and applicable laws that may require coverage for a specific service. The inclusion of a code does not imply any right to reimbursement or guarantee claim payment. Other Policies and Guidelines may apply.*

## Policy Overview

This policy outlines AmeriHealth Caritas North Carolina guidelines for reimbursement of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) submitted on claim form CMS-1500.

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## Exceptions

DMEPOS items dispensed by a hospital or other facility and reported on claim form CMS-1450 are excluded from this policy.

## Reimbursement Guidelines

According to the Centers for Medicare and Medicaid Services (CMS), “DME is equipment that:

- a. Can withstand repeated use.
- b. Is primarily and customarily used to serve a medical purpose.
- c. Generally, is not useful to a person in the absence of an illness or injury; and
- d. Is appropriate for use in the home.”

Consistent with CMS guidelines, industry standard coding guidelines, and North Carolina Medicaid, AmeriHealth Caritas North Carolina considers DMEPOS eligible for reimbursement when prescribed by a physician or other qualified health care provider for treatment of a covered illness or condition and supported in the medical record.

DMEPOS is categorized by CMS into the following payment classes:

- Inexpensive or other routinely purchased DME.
- Items requiring frequent and substantial servicing.
- Certain customized items.
- Other prosthetic and orthotic devices.
- Capped rental items; or
- Oxygen and oxygen equipment.

AmeriHealth Caritas North Carolina considers DMEPOS items and equipment furnished to a member during an inpatient facility stay a component of the facility payment. With the exception of the inpatient admission date and discharge date, AmeriHealth Caritas North Carolina will not consider DMEPOS claims with dates of service overlapping the date span of an inpatient stay eligible for reimbursement. (See RPC.0078.0900 Overlapping Services While Inpatient.)

AmeriHealth Caritas North Carolina follows North Carolina Medicaid and National Correct Coding (NCCI) guidelines for determination of quantity limits allowed for DMEPOS items and supplies. For accurate reimbursement, providers must report appropriate modifiers (e.g., NU – New equipment or item, RR – Rented equipment or item, LT/RT to indicate laterality, etc.) when submitting DMEPOS claims to AmeriHealth Caritas North Carolina.

Some items may be separately billable, as determined by NCDHHS. Please reference NCDHHS Clinical Coverage Policies. ACNC reserves the right to adhere to State contract requirements, including State-issued fee schedules.

Claims or claim lines that have been determined to be an exact duplicate are denied. An exact duplicate for DMEPOS supplier claims submitted to the plan is a claim or claim line that exactly matches another claim or claim line with respect to the following elements:

- HIC Number
- From Date of Service;
- Through Date of Service;
- Place of service;

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- HCPCS code;
- Type of Service;
- Billed Amount;
- Supplier

Such denials may not be appealed.

## Definitions

### Durable Medical Equipment

DME is equipment that serves a medical purpose in the case of an illness or injury. It is appropriate for home use and can withstand repeated use as in the case of rented equipment.

### Knee Orthosis

A knee orthosis is designed to off-load areas of painful osteoarthritis or aid in the stability of the knee joint secondary to ligament injury, postoperative reconstruction, meniscus damage, and for preventative protection.

- **Custom Fabricated** – A custom fabricated item is one that is individually made for a specific patient. No other patient would be able to use this item. A custom fabricated item is a device which is fabricated based on clinically derived and rectified castings, tracings, measurements, and/or other images (such as X-rays) of the body part. The fabrication may involve using calculations, templates, and components. This process requires the use of basic materials including, but not limited to, plastic, metal, leather, or cloth in the form of uncut or unshaped sheets, bars, or other basic forms and involves substantial work such as vacuum forming, cutting, bending, molding, sewing, drilling, and finishing prior to fitting on the patient.
- **Prefabricated** - A prefabricated orthosis is an item that is manufactured in bulk. A prefabricated orthosis may be considered an OTS or a custom fitted device that may be trimmed, bent, molded (with or without heat), or otherwise modified for use by a specific beneficiary. An orthosis that is assembled from prefabricated components is considered prefabricated. It is inherent in the definition of prefabricated that a particular item is complete.
- **Custom Fitted** – These devices are prefabricated orthosis manufactured in bulk. These devices are considered custom fitted when they are trimmed, bent, molded (with or without heat), or otherwise modified for use by a specific beneficiary. Documentation must be sufficiently detailed to include, but is not limited to, a detailed description of the modifications necessary at the time of fitting the orthosis to the beneficiary.
- **Off the Shelf** – These devices are prefabricated orthosis manufactured in bulk. Off the Shelf items require minimal self-adjustment for fitting at the time of delivery for appropriate use and do not require expertise in trimming, bending, molding, assembling, or customizing to fit an individual.

## Edit Sources

- I. Current Procedural Terminology (CPT) and associated publications and services.
- II. International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM).
- III. Healthcare Common Procedure Coding System (HCPCS).
- IV. Centers for Medicare and Medicaid Services (CMS) Medicare Claims Processing Manual, Chapter 20 – Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS).
- V. <https://www.cms.gov/regulations-and-guidance/guidance/transmittals/downloads/r3262cp.pdf>
- VI. The National Correct Coding Initiative (NCCI).

- VII. North Carolina Medicaid Fee Schedule(s).
- VIII. Current NC DHB\_DME-POS\_Manual Pricing methodology
- IX. Clinical Coverage Policy: 5A-1, Physical Rehabilitation Equipment and Supplies
- X. Clinical Coverage Policy: 5A-2, Respiratory Equipment and Supplies
- XI. Clinical Coverage Policy: 5A-3, Nursing Equipment and Supplies
- XII. Clinical Coverage Policy: 5B, Orthotics & Prosthetics

## Attachments

N/A

## Associated Policies

- RPC.0026.1200 National Correct Coding Initiative (NCCI)
- RPC.0078.1200 Overlapping Services While Inpatient

## Policy History

01/2026	Reimbursement Policy Committee Approval
01/2026	Annual review <ul style="list-style-type: none"> <li>• Minor revision, addition of duplicate claim</li> </ul>
04/2025	Revised preamble
10/2024	Definitions updated
09/2024	Reimbursement Policy Committee Approval
04/2024	Revised preamble
08/2023	Removal of Policy Implemented by AmeriHealth Caritas North Carolina from Policy History section
01/2023	Template Revised <ul style="list-style-type: none"> <li>• Revised preamble</li> <li>• Removal of Applicable Claim Types table</li> <li>• Coding section renamed to Reimbursement Guidelines</li> <li>• Added Associated Policies section</li> </ul>