

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION
OREGON MEDICAL FEE AND RELATIVE VALUE SCHEDULE

ADMINISTRATIVE ORDER NO. 99-053
EFFECTIVE MARCH 31, 1999

DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
WORKERS' COMPENSATION DIVISION
OREGON ADMINISTRATIVE (TEMPORARY) RULES
CHAPTER 436, DIVISION 009

NOTE: This rule number 0999 is newly adopted. However, marked revisions show changes from the "Durable Medical Equipment and Supplies Fee Schedule" published under Administrative Order No. 98-052.

436-009-0999 Durable Medical Equipment and Supplies Fee Schedule

1. Fees

a. The insurer shall pay for the purchase [or rental] of all compensable DME, medical supplies, and other devices that are ordered and approved by the [attending] physician, at [120% of provider's cost] **85% of the manufacturer's suggested retail price (MSR)[except]. Expendable medical supplies, and** all prosthetics and orthotics **as defined in OAR 436-010-0230(10)** will be listed as BR - by report[, and shall be paid as charged].

b. [Providers shall submit a substantiating invoice for any DME, medical supply or device with a unit price greater than \$25.] **The DME provider shall be entitled to reimbursement for any labor and expenses related to any subsequent modifications other than those performed at the time of purchase, or repairs. A subsequent modification is one done other than as a part of the initial set-up at the time of purchase. Labor shall be reimbursed BR.**

c. The DME provider may offer a service agreement at an additional cost.

d. Rental of all compensable DME and other devices shall be listed as BR. Within 90 days of the beginning of the rental, the insurer shall be entitled to purchase the DME or device at the fee provided in this rule, with a credit for rental paid up to 2 months.

2. Definition

a. [WCD adopts the Health Care Financing Administration (HCFA) definition of] DME [as] **is defined as** equipment which is primarily and customarily used to serve a medical purpose, appropriate for use in the home, not generally useful to a person in the absence of an illness or injury; and can withstand repeated use.

b. WCD defines medical supplies as being expendable materials including, but not limited to, incontinent pads, catheters, bandages, elastic stockings, irrigating kits, sheets, and bags. The insurer shall use Medicare's 199[8]**9** National Level II Codes, HCPCS, [tenth] **eleventh** edition, copyright, 199[7]**8**, [Medicode, Inc. as the definitive source when paying providers. The HCPCS are adopted for reporting purposes only. The following HCFA Common Procedure Coding System (HCPCS) of the Level II codes] **for reporting purposes only.** [will comprise the DME fee schedule:]

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HCPCS (Level II Codes)

A4206 - A9600	Medical and surgical supplies
D5110-D5899, D5911-D5999 D6010-D6999	Dental Supplies
E0100 - E1830	Durable medical equipment
K0000 - K0530	Prosthetics, orthotics and supplies
L0000 - L9999	Orthotic and prosthetic procedures and devices
V-2020 - V5299 ¹	Glasses, contacts, hearing aids with/screening and fitting

¹ V codes for contact lens services, ocular prosthetics (artificial eye) and spectacle prosthesis (glasses, vision aid or devices) similar to those found in CPT-9[7]9 [shall] **may** be used instead of CPT codes 92310-92396. V codes better represent products and equipment that are expendable materials, as defined in DME instead of diagnostic or treatment procedures, usually included in an evaluation or office visit, as reported as an integrated medical service.

c. Under certain circumstances, the code chosen may require a modifier. [wcd] The division recommends using all HCPCS Level II Codes modifiers to report whether the services were performed by a physician assistant and whether the DME provided to the patient was new. However, reimbursement is provided as above.

3. **Selection of DME Provider**

The injured worker shall have the right to select the DME service provider of their choice. Both the insurer and health care provider may recommend providers, but the injured worker has the right to choose a provider. Should the injured worker be enrolled in a managed care organization (MCO), contracted services for DME will be governed by the MCO contract.

4. **Payment Methodology**

[a.] This section shall not apply to a worker's direct purchase of DME and medical supplies, and shall not limit a worker's right to reimbursement for actual out of pocket expenses pursuant to OAR 436-060-0070.

[b. Nothing in this section precludes the insurer from entering into agreements for lower reimbursement rates with DME providers to promote the continuity of care and the reduction of DME costs.]

5. Hospital DME

DME dispensed by a hospital, including inpatient and outpatient, shall be billed pursuant to OAR 436-009-0020(1).