



Medicare DMEPOS Payments While Inpatient



What's Changed?

- Added link to 2020 Medicare Fee-for-Service Supplemental Improper Payment Data (page 3)
- Added link to certain DMEPOS items that may be delivered to a facility (page 4)
- Added language and link related to supplier's responsibility during transition from inpatient to home (page 4)

You'll find substantive content updates in dark red font.

Some Durable Medical Equipment, Prosthetics, Orthotics, & Supplies (DMEPOS) suppliers bill Medicare for items provided to patients while they're in a facility. **These are improper DMEPOS claims because we pay the facility to provide DMEPOS.**

Under our payment systems, we pay inpatient hospital facilities in full, including DMEPOS items. Generally, the facility directly provides DMEPOS items to an eligible Medicare inpatient or under arrangements between the facility and the supplier. Normally, Medicare makes no supplier payment.

DMEPOS Payments

ACHs, LTCHs, IRFs, IPFs, and CAHs must directly provide DMEPOS items **during the stay** or the facility must arrange for a supplier to provide them. The facility includes those supplier items on its Medicare inpatient claims. We make no separate payments for items provided during an inpatient stay. If a supplier provides an item during an inpatient stay, we won't pay the supplier for that item. The supplier should refund the patient any deductible or coinsurance amounts incorrectly collected.

SSA Section 1861(n) limits Medicare Part B DME coverage to items used in the patient's home. Under 42 CFR Section 410.38, we don't pay DME separately to hospitals, CAHs, or skilled nursing facilities because the facility isn't a qualified home. The facility must provide all medically necessary DMEPOS during a Part A covered stay.

We include all DMEPOS items during a Part A covered stay in the inpatient PPS rate and the facility can't separately bill them. The inpatient facility directly pays the supplier for provided items.

Together we can advance health equity and help eliminate health disparities for all minority and underserved groups. Find resources and more from the CMS Office of Minority Health:

- Health Equity Technical Assistance Program
- Disparities Impact Statement

Prospective Payment Systems

Medicare Part A pays Acute Care Hospitals (ACHs) through the Inpatient Prospective Payment System (IPPS) under 42 CFR Section 412.1 and specifically excludes Long-Term Care Hospitals (LTCHs), Inpatient Rehabilitation Facilities (IRFs), and Inpatient Psychiatric Facilities (IPFs) from the IPPS under 42 CFR Section 412.23.

We pay these facilities through a Prospective Payment System (PPS) or per diem PPS, and pay Critical Access Hospitals (CAHs) on a reasonable cost basis under SSA Section 1814(l).

DMEPOS Deliveries Before Inpatient Discharge

In some cases before a patient discharges, a supplier may deliver certain DMEPOS items to a facility **not considered the patient's home**. These items may include prosthetics or orthotics, but not supplies. We allow pre-discharge delivery and training when patients meet conditions in the [Medicare Claims Processing Manual, Chapter 20, Section 110.3.1](#):

- Item's medically necessary for patient to use in their home
- Item's medically necessary on patient discharge date
- Supplier delivers item for training or fitting only and patient uses it in their home after discharge
- Supplier delivers item no earlier than 2 days before discharge
- Patient takes item home or supplier delivers it on discharge date
- Supplier doesn't eliminate inpatient facility's responsibility to provide medically necessary item
- Supplier doesn't bill any item before discharge date
- Supplier doesn't bill added delivery costs to Medicare or patient
- Patient discharges to qualified place of service and not another facility that's not their home

[Medicare Claims Processing Manual, Chapter 20, Section 110.3.2](#) describes scenarios related to pre-discharge DMEPOS delivery and [Section 110.3.3](#) discusses a facility's responsibilities during the transition from inpatient to home.

Resources

- [Medicare Claims Processing Manual Chapter 3, Section 10.4 A](#)
- [Medicare Claims Processing Manual Chapter 30, Section 130.1](#)
- [Medicare Improperly Paid Suppliers for DMEPOS Provided to Beneficiaries During Inpatient Stays \(HHS-OIG, Office of Audit Services\)](#)
- [Medicare Payment Systems](#)
- [Medicare Quarterly Provider Compliance Newsletter](#)

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