



## Reimbursement Policy

Subject: **Reimbursement for Items under Warranty**

Policy Number: **G-06112**

Policy Section: **Administration**

Last Approval Date: **04/06/2023**

Effective Date: **04/06/2023**

\*\*\*\* Visit our provider website for the most current version of the reimbursement policies. If you are using a printed version of this policy, please verify the information by going to <https://www.bluecrossnc.com/providers/blue-medicare-providers/healthy-blue-medicare>. \*\*\*\*

### Disclaimer

These reimbursement policies serve as a guide to assist you in accurate claims submissions and to outline the basis for reimbursement if the service is covered by a member's Blue Cross and Blue Shield of North Carolina (Blue Cross NC) Medicare Advantage benefit plan if the service is covered for Healthy Blue + Medicare<sup>SM</sup> (HMO D-SNP). The determination that a service, procedure, item, etc. is covered under a member's benefit plan is not a determination that you will be reimbursed. Services must meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis as well as to the member's state of residence.

You must follow proper billing and submission guidelines. You are required to use industry standard, compliant codes on all claim submissions. Services should be billed with Current Procedure Terminology<sup>®</sup> (CPT) codes, Healthcare Common Procedure Coding System (HCPCS) codes, and/or revenue codes. These codes denote the services and/or procedures performed and, when billed, must be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our reimbursement policies apply to both participating and non-participating professional providers and facilities.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, Blue Cross NC Medicare Advantage may:

- Reject or deny the claim.
- Recover and/or recoup claim payment.
- Adjust the reimbursement to reflect the appropriate services and/or procedures performed.

These reimbursement policies may be superseded by mandates in provider, state, federal, or Centers for Medicare & Medicaid Services (CMS) contracts and/or requirements.

<https://www.bluecrossnc.com/providers/blue-medicare-providers/healthy-blue-medicare>

Blue Cross and Blue Shield of North Carolina Senior Health, DBA Blue Cross and Blue Shield of North Carolina, is an HMO D-SNP plan with a Medicare contract and a NC State Medicaid Agency Contract (SMAC). Enrollment in Blue Cross and Blue Shield of North Carolina Senior Health depends upon contract renewal.

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Blue Cross NC Medicare Advantage strives to minimize delays in policy implementation. If there is a delay, we reserve the right to recoup and/or recover claims payment to the effective date in accordance with the policy. We reserve the right to review and revise these policies when necessary. When there is an update, we will publish the most current policy to the website.

## Policy

Blue Cross NC Medicare Advantage does not allow reimbursement for repair or replacement of rented or purchased items during the warranty period designated by the applicable manufacturer unless provider, state, federal, or CMS contracts and/or requirements indicate otherwise.

Items include:

- Durable medical equipment.
- Supplies.
- Prosthetics.
- Orthotics.

The manufacturer and/or distributor is responsible for:

- Repairing the item or providing an acceptable replacement item.
- All fees associated with shipment of the defective item.
- All fees associated with delivery of the repaired item.

In circumstances in which Blue Cross NC Medicare Advantage has reimbursed the provider for repair or replacement of an item during the warranty period, Blue Cross NC Medicare Advantage is entitled to recoup fees from the manufacturer and/or distributor holding the warranty. Providers are required to supply members with information concerning the manufacturer's warranty for all items dispensed to members.

- Blue Cross NC Medicare Advantage will consider reimbursement for replacement of the item through another manufacturer, after review, only in circumstances where both the member and member's provider deem the manufacturer's replacement of the applicable item unacceptable. The design, materials, measurements, fabrications, testing, fitting, and training in the use of another manufacturer's replacement item are included in the reimbursement of the item and are not separately reimbursable expenses.
- If the manufacturer offers an acceptable reduced-price replacement, but either the member prefers another replacement at full price or a provider did not utilize the reduced-price offer, Blue Cross NC Medicare Advantage allows reimbursement only up to the cost of the reduced-price item.

If the manufacturer offers an acceptable replacement, but imposes a charge or pro rata payment, Blue Cross NC Medicare Advantage allows reimbursement for the partial payment imposed by the manufacturer, subject to approval.

### Related Coding

Standard correct coding applies

### Policy History

04/06/2023	Review approved and effective: removed prudent buyer language under reimbursement consideration
01/01/2021	Initial approval and effective

### References and Research Materials

This policy has been developed through consideration of the following:

- CMS
- State contract
- Blue Cross NC Medicare Advantage contract(s)

### Definitions

General Reimbursement Policy Definitions

### Related Policies and Materials

Durable Medical Equipment (Rent to Purchase)

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