



Medicare DMEPOS Payments While Inpatient



Target Audience: Providers and suppliers who bill Medicare for DMEPOS items and services provided to patients while they're in an inpatient facility.

What's Changed?

Note: No substantive content updates.

Some providers and suppliers bill Medicare for DMEPOS items and services provided to Medicare patients while they're in a facility. These are [improper claims](#) because we pay the facility to provide DMEPOS items and services.

In this fact sheet, **you** refers to the DMEPOS supplier, and **we** refers to CMS.

Under our [payment systems](#), we pay inpatient hospital facilities in full, including for DMEPOS items and services. Generally, the facility directly provides DMEPOS items and services to an eligible inpatient or under arrangements between you and the facility.

DMEPOS Inpatient Payments

These facility types must directly provide DMEPOS items and services during an inpatient stay or arrange for a supplier to provide them:

- Acute care hospitals (ACHs)
- Long-term care hospitals (LTCHs)
- Inpatient rehabilitation facilities (IRFs)
- Inpatient psychiatric facilities (IPFs)
- Critical access hospitals (CAHs)

We include all DMEPOS items and services during a Medicare Part A-covered stay in the [Inpatient Prospective Payment System \(IPPS\) rate](#). The facility includes those supplier items on its Medicare inpatient claims, and we make [no separate payments](#) for items provided during an inpatient stay.

We won't pay you for items provided during an inpatient stay. You should refund patients any incorrectly collected [deductible or coinsurance](#) amounts. The inpatient facility directly pays you for the provided items.

Section 1861(n) of the [Social Security Act](#) limits Medicare Part B DME coverage to items and services used in the patient's home. As described in [42 CFR 410.38](#), we don't pay for DME provided to patients for use in hospitals, CAHs, or skilled nursing facilities (SNFs) because these facilities aren't a qualified home. The facility must provide all medically necessary DMEPOS items and services during a Part A-covered stay.

Prospective Payment Systems

Part A pays ACHs through the IPPS under [42 CFR 412.1](#) and specifically excludes LTCHs, IRFs, and IPFs from the IPPS under [42 CFR 412.23](#).

We pay these facilities through a prospective payment system (PPS) or per diem PPS and pay CAHs on a reasonable cost basis under section 1814(l) of the [Social Security Act](#).

DMEPOS Deliveries Before Inpatient Discharge

In some cases before a patient discharges, [you 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 all parties meet these conditions:

Item Conditions

The item is medically necessary:

- For the patient to use in their home
- On the patient's discharge date

Supplier Conditions

You deliver the item:

- Only for training or fitting, and the patient uses it in their home after discharge
- No earlier than 2 days before discharge

You don't:

- Eliminate the inpatient facility's responsibility to provide the medically necessary item
- Bill any item before the discharge date
- Bill added delivery costs to us or the patient

Patient Conditions

The patient:

- Takes the item home or the supplier delivers it on the discharge date
- Discharges to a qualified place of service and not another facility that's not their home

[Medicare Claims Processing Manual, Chapter 20](#), sections 110.3.1–110.3.3 describe scenarios for pre-discharge DMEPOS delivery and facility responsibilities during the transition from inpatient to home.

Interruptions in Period of Continuous Use of DME

Part B makes monthly payments for certain capped rental DME items like wheelchairs and hospital beds for a period of continuous use not to exceed 13 months.

Similarly, Part B makes monthly payments for oxygen and oxygen equipment for a period of continuous use not to exceed 36 months.

Continuous use means the patient continues to have a medical need for the equipment and continues to use it, regardless of where they're located (at home or in the hospital). If a patient is admitted to the hospital or other facility that's not a qualified home while they're in a [period of continuous use](#), the period of continuous use and monthly payments can be interrupted or may end. In this case, it depends on how long the patient is in the facility and whether medical need for the equipment continues.

When you supply capped rental DME items used in the patient's home, you:

- Can pick up the equipment while the patient is in the facility
- Must redeliver the equipment once the patient leaves the facility and returns home if the 13-month period of continuous use didn't end while the patient was in the facility

When you supply oxygen and oxygen equipment used in the patient's home, you:

- Can pick up the equipment while the patient is in the facility
- Must provide the equipment for use in the home again once the patient leaves the facility and returns home at any time during the 5-year reasonable useful lifetime of the oxygen equipment, regardless of how many times the patient enters a facility during the 5-year period

No Interruption in Use

If the patient's medical need and use of the equipment continues while they're in the hospital or other facility that isn't a qualified home, monthly Part B payments for the equipment stop while they're in the facility, but there's no break in the period of continuous use. Once the patient returns home, the monthly rental payments continue where they left off when they entered the facility, regardless of how long they were there.

For example, if you got payment for the 10th month of continuous use before the patient was admitted to the facility, after they leave the facility and start using the equipment again in their home, the next payment you get will be for the 11th month of continuous use.

Interruptions in Use of Less Than 60 Days

If the patient's medical need and use of the equipment is interrupted while they're in the hospital or other facility that isn't a qualified home, and the interruption is less than 60 consecutive days, plus the days remaining in the last paid rental month, the period of continuous use is also interrupted, but doesn't end.

As described in the example above, if you got payment for the 10th month of continuous use before the patient was admitted to the facility, after they leave the facility and start using the equipment again in their home, the next payment you get will be for the 11th month of continuous use.

Interruptions in Use of Capped Rental DME of More Than 60 Days

If the patient's medical need for the capped rental DME ends while they're in the facility and the break in need continues for more than 60 consecutive days plus the days remaining in the last paid rental month, the period of continuous use ends.

You aren't required to provide the equipment for use in the home again once the patient leaves the facility, even if you provided it before they entered the facility.

Any supplier can provide the equipment for use in the home once the patient returns home from the facility, and a new 13-month period of continuous use can start.

You must submit:

- A new prescription
- New medical necessity documentation
- A statement describing the reason medical necessity for the equipment ended while the patient was in the facility

If you don't submit this documentation, a new 13-month period of continuous use and rental payments won't start.

[Medicare Claims Processing Manual, Chapter 20](#), section 30.5.4 describes payment for capped rental items during the continuous use period.

Interruptions in Use of Oxygen and Oxygen Equipment of More Than 60 Days

If the patient's medical need for the oxygen and oxygen equipment ends while they're in the facility and the break in need continues for more than 60 consecutive days plus the days remaining in the last month where payment was made, the period of continuous use ends if less than 36 continuous monthly payments were made.

You aren't required to provide the oxygen equipment for use in the home again once the patient leaves the facility, even if you provided it before they entered the facility.

Any supplier can provide the oxygen equipment for use in the home once the patient returns home from the facility, and a new 36-month period of continuous use can start.

You must submit:

- A new prescription
- New medical necessity documentation
- A statement describing the reason medical necessity for the oxygen and oxygen equipment ended while the patient was in the facility

If you don't submit this documentation, a new 36-month period of continuous use and rental payments won't start.

NOTE: When we make 36 continuous monthly payments to you before the patient enters the facility, you're responsible for continuing to provide the oxygen and oxygen equipment for use in the home for any period of medical need during the 5-year reasonable useful lifetime of the oxygen equipment.

Find your [Medicare Administrative Contractor's website](#) for additional questions about billing for inpatient DMEPOS items.

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 \(HHS-OIG, Office of Audit Services\)](#)

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