

Payment Policy

Title	Modifier RA – Replacement of a DME, Orthotic or Prosthetic item		
Number	CP.PP.385.v2.1		
Last Approval Date	04/07/25	Original Effective Date	03/17/14
Replaces			
Cross Reference	<ul style="list-style-type: none"> • <i>Durable Medical Equipment (DME)/Home Medical Equipment (HME): Rental to Purchase</i> • <i>Modifier NU – New DME Equipment and Modifier NR – New DME Equipment When Rented</i> • <i>Modifier RR – Durable Medical Equipment (DME) Rental, Modifier KR – Rental item-partial month and Modifier LL – Lease/Rental</i> • <i>Medical Policy 1.01.526 – Durable Medical Equipment Repair/Replacement</i> 		

Coverage of any service is determined by a member's eligibility, benefit limits for the service or services rendered and the application of the Plan's Medical Policy. Final payment is subject to the application of claims adjudication edits common to the industry and the **Plan's professional or facility services claims coding policies**. Reimbursement is restricted to the provider's scope of practice as well as the fee schedule applicable to that provider.

Purpose	To define when the Plan recognizes services submitted with modifier RA when submitted on a CMS 1500 paper claim or 837P electronic claim form.
Scope	Applies to all Premiera Blue Cross, Premiera Blue Cross Blue Shield of Alaska, LifeWise Health Plan of Washington, LifeWise Assurance Company and Premiera Blue Cross HMO lines of business and products.
Policy	<p>The Plan recognizes modifier RA appended to a service to indicate that a member owned DME, orthotic or prosthetic item is being replaced during or after the item's reasonable useful lifetime (RUL) of 5 years due to one or more of the following reasons:</p> <ul style="list-style-type: none"> • reasonable deterioration over time • the item is non-functional and cannot be repaired • the DME being replaced is member owned • loss/theft/stolen • accidental or irreparable damage to the item • needed due to change in member's medical condition • replacement cost is less than repair cost <p>When a member owned DME, orthotic or prosthetic item is being replaced during or after the item's reasonable useful lifetime (RUL) of 5 years, modifier RA must be appended to the procedure code along with either a rental DME modifier or a new purchase DME modifier.</p> <p>If the DME is being rented, the replacement DME procedure code must be appended with modifier RR-RA for the first rental month claim only. Claims submitted with a procedure code appended with modifier RR-RA must include a narrative explaining the reason/need for the replacement. The patient's medical records must document the reason/need for the replacement and be made available for review upon request. Subsequent rental months must then be submitted with a rental modifier (modifier RR) for the remaining rental months.</p>

	<p>If the replacement piece of DME is being purchased outright, a purchase modifier, NU-RA, must be appended to the DME procedure code. In addition, a narrative explaining the reason/need for the replacement must be included. The patient's medical records must document the reason/need for the replacement and be made available for review upon request.</p> <p>Codes submitted for replacement of a DME, orthotic or prosthetic item without Modifier RR-RA or NU-RA will be denied reimbursement.</p>
Codes/Coding Guidelines	<p><u>Replacement Modifier:</u></p> <ul style="list-style-type: none"> • RA – Replacement of a DME, Orthotic or Prosthetic Item <p><u>Rental Modifiers:</u></p> <ul style="list-style-type: none"> • RR – Rental • LL – Lease/Rental • KR – Rental item – billing for partial month (used for daily rentals) <p><u>Purchase Modifiers:</u></p> <ul style="list-style-type: none"> • NU – New equipment • NR – New when rented • UE – Used DME
Violations of Policy	<p>Violations of this policy by any party that enters into a written arrangement with the Plan may result in increased auditing and monitoring, performance guarantee contractual penalties and/or termination of the contract. Disciplinary actions will be determined in Plan's sole discretion.</p> <p>Violations of this policy may be grounds for corrective action, up to and including termination of employment.</p>
Exceptions	None
Laws, Regulations & Standards	None
References	<ul style="list-style-type: none"> • Durable Medical Equipment Prosthetics Orthotics and Supplies (DMEPOS) Fee Schedule, Center for Medicare and Medicaid Services (CMS) • Healthcare Common Procedure Coding System (HCPCS) codebook • Medicare National Correct Coding Initiative (NCCI) edits • Medicaid National Correct Coding Initiative (NCCI) edits

Policy Owner Review	Payment Integrity Oversight Committee	
Contact	Any questions regarding the contents of this policy or its application should be directed to the Payment Integrity Department.	
Annual Review Dates	04/07/25; 09/06/23; 11/07/22; 12/02/21; 12/30/20; 01/10/20; 01/10/19; 01/15/18; 03/13/17; 03/14/16; 03/15/15; 03/16/14	
Version History	01/15/18	Deleted Medical Policy 1.01.524 from the "Cross Reference" section; Added second paragraph in the "Policy" section

	01/10/19	Annual Review; no changes
	01/10/20	Minor clarification to paragraphs one and two of the Policy statement to be more in alignment with the Medical Policy
	12/30/20	Clarified the Purpose statement to indicate that the policy pertains to Professional services billed on a CMS-1500 or 837P claim forms
	12/02/21	Revised first paragraph in Policy statement to be more readable. Made minor revisions to second paragraph in the Policy statement to reflect criteria in the Medical Policy regarding repair or replacement of DME.
	11/07/22	In the Policy section, added two bullets from the Medical Policy
	09/06/23	<ul style="list-style-type: none"> • Added the second paragraph in the Policy section which describes when to append Modifier RA for a rented piece of replacement DME; • Added the third paragraph in the Policy section which describes what modifier to append when the replacement DME is purchased outright; and • Added a new section Codes/Coding Guidelines which identified the replacement, rental and purchase modifiers
	05/14/24	Revised the second and third paragraphs in the Policy to reflect the correct guidelines for appending modifiers for Rental and Purchased replacement DME items.
	04/07/25	In the Policy section, added the second paragraph indicating that replacement DME needs two modifiers to identify whether a rental or purchase replacement piece of DME.