
Break-In-Service for Capped Rental Items

Per Centers for Medicare & Medicaid Services (CMS) guidelines, as of January 1, 2006, capped rental items are paid on a monthly rental basis, not to exceed a period of continuous use of 13 months. For companies contracted with The Health Plan DME POS Authorization and Compensation Guide, the capped rental period is 10 months. Oxygen is 36 months. THP will follow West Virginia Medicaid rules for Medicaid plans and oxygen.

For an item described by the same code, a new capped rental period begins if there has been an interruption in the medical necessity for the item and the interruption lasted for 60+ consecutive days. CMS defines a 60+ consecutive day interruption as a period including two full rental months **plus** whatever days are remaining in the rental month during which the need ends.

Precertification is required if there is a break in service due to medical necessity-BREAK IN NEED (BIN).

For the same item, a new capped rental period would begin for a break-in-service due to medical necessity and may be for the same or different diagnosis. The following information would be required for precertification:

1. When was item originally prescribed? Include condition and diagnosis
2. When did member begin using item? i.e., delivery date
3. When did member stop using item?
4. Why did member stop using item? i.e., condition improved
5. New date item ordered by physician.
6. Condition change that precipitated restart of service. Include diagnosis and clinical presentation, symptoms, etc.
7. New delivery date.

For an item described by a different code, a new capped rental period would begin if there is a substantial change in the patient's condition that necessitates a significantly different item. The precertification for these items must include, but is not limited to:

1. A description of the patient's prior medical condition that necessitated the previous item.
2. A statement explaining when and why the medical necessity for the previous item ended.
3. A statement explaining the patient's new or changed medical condition and when the new need began (i.e., member returned equipment due to improved condition, but now has a decline necessitating the equipment).

Note: The items listed above should be present in the patient's medical documentation and sent with redetermination requests for these types of referrals.

The dates for the break-in-service or extended service along with a notation "BIS," which stands for break-in-service, must be entered in the NTE segment on an electronic claim or in Item 19 on the CMS 1500 claim form. This will ensure accurate processing of this capped rental claim based on the information submitted.

If a new capped rental period is not allowed, the end date on the existing referral may need to be extended to allow the remaining months to be paid. The referral can be extended for one of the following reasons:

1. Delay in delivery of an item not d/t requesting provider issue.
2. Item provided before eligibility.
3. BIS due to a stay in a hospital/nursing home.

The following reason may or may not allow an extension of the end date of the existing CR rental period. It will be reviewed on a case-by-case basis:

1. BIS due to break in billing issue (BIB), not necessitated by break-in-medical need of the member.

MEDICARE DEFINITIONS/CLARIFICATIONS

Break in Billing (BIB)

When a beneficiary's admission to an inpatient stay overlaps the supplier's "anniversary date", the date of discharge from the inpatient stay becomes the new "anniversary date" for subsequent claims. The claim must include a narrative statement explaining the reason for the interruption and change in the anniversary date.

An example of the narrative statement would be: ADM TO SNF 010116 DISC 021516

Shortcut to CGS for examples of Chapter 4 break-in-coverage:

<https://www.cgsmedicare.com/jc/pubs/pdf/Chpt4.pdf>

Policy based on: [cms.hhs.gov](https://www.cms.hhs.gov)

Noridian Healthcare. Capped rental Items. Last accessed 2/21/2019. Retrieved from: <https://med.noridianmedicare.com/web/jddme/topics/payment-categories/capped-rental>