

Supply Limits For Ongoing Medical Supplies

Last Updated: 2/3/2025

Last Reviewed: 2/12/2025

Originally Effective: 3/10/2021

Last update includes payment policy changes, subject to 28 TAC §3.3703(a)(20)(D)? No

If yes, Texas Last Update Effective Date: n/a

Policy #: RPM072

Scope

Companies: Moda Partners, Inc. and its subsidiaries & affiliates (All)

Provider Contract Status: Any

Claim Forms: CMS1500 & CMS1450 (paper and electronic versions)

Claim Dates: Beginning March 10, 2021

Reimbursement Guidelines

A. Supply Limits

1. For medical supplies with ongoing regular use, Moda Health will allow pharmacies and DME suppliers to dispense, ship, and bill up to a 90-day supply of the usual medical needs of the member at a time.
2. Additional quantities billed more often than every 3 months will require documentation of increased utilization/medical necessity.
3. Examples of medical supplies with ongoing regular use:
 - a. Diabetic test strips and lancets
 - b. Insulin syringes
 - c. Ostomy supplies
 - d. Etc.

B. Exceptions

1. Any supply code with a description that specifies per month or a one month's supply. For these codes only one (1) unit of service (UOS) may be billed at a time.
2. Billing more than 1 UOS per calendar month will be denied to provider liability as exceeding the MUE or maximum quantity allowed.
3. Procedure codes to which this exception applies include:

Code	Code Description
A4595	Electrical stimulator supplies, 2 lead, per month, (e.g., TENS, NMES)
E0441	Stationary oxygen contents, gaseous, 1 month's supply = 1 unit
E0442	Stationary oxygen contents, liquid, 1 month's supply = 1 unit
E0443	Portable oxygen contents, gaseous, 1 month's supply = 1 unit
E0444	Portable oxygen contents, liquid, 1 month's supply = 1 unit
E0447	Portable oxygen contents, liquid, 1 month's supply = 1 unit, prescribed amount at rest or nighttime exceeds 4 liters per minute (LPM)

4. Changing guidelines for continuous glucose monitor (CGM) supply allowances:

Code	Code Description
A4238	Supply allowance for adjunctive, nonimplanted continuous glucose monitor (CGM), includes all supplies and accessories, 1 month supply = 1 unit of service
A4239	Supply allowance for nonadjunctive, nonimplanted continuous glucose monitor (CGM), includes all supplies and accessories, 1 month supply = 1 unit of service

- a. For dates of service through December 31, 2023, CGM supply allowance code(s) were limited to a 30-day supply.
- b. For dates of service beginning January 1, 2024, CGM supply allowance codes are included in the updated CMS rule allowing Continuous Glucose Monitor (CGM) supplies to be billed in 90-day increments.^{13, 15}
- c. See [2022-03-31-MLNC](#) for CMS instructions for correct billing and issuing sufficient supplies to ensure patients don't run out of supplies before the end of the month/90-day billing period.⁸ Note that the example procedure code K0553 from that newsletter was deleted effective 1/1/2023, but A4238 & A4239 are similar procedure codes which are still valid.

C. Billing Requirements

- 1. The date of service billed is to be the date of delivery documented in the proof of delivery. (CMS⁹)
- 2. Date ranges are not allowed. The date of delivery is to be listed in both the From Date and the To Date field on the claim.
 - a. Claims billed with date ranges are counted against frequency limits for all dates within the range between the billed From Date and To Date.
 - b. Failure to comply with this requirement and instead billing with date ranges may result in denials on the current or future claims for exceeding frequency limits and/or MUE limits for procedure codes.
 - c. When such frequency/MUE limit denials occur, the only way to remedy the denial is to submit a corrected claim (claim frequency code "7") removing the date range, and then request that the denied claim be reprocessed.
- 3. The "Delivery Date/Date of Service" on the claim must not precede the date of the prescribing provider's signature on the written order.³

D. Documentation Requirements

- 1. Physician's orders and proof of delivery documentation must be kept on file by the billing provider.
- 2. Physician orders and/or proof of delivery documentation may be requested at times for review to validate orders, quantities, patient receipt, and correct billing and coding.
 - a. Proof of delivery (POD) is a supplier standard as noted in 42 CFR § 424.57(c)(12).^{7, 9} Suppliers are required to maintain proof of delivery documentation in their files, and to provide the documentation upon request.^{4, 9, 10}
 - b. All orders for services and supplies must be signed.
 - c. The reader or reviewer must be able to determine from the information in the documentation on which date the service or supply was performed or ordered. The documentation needs to contain enough information for the reviewer to determine the date on which the supply or item(s) was ordered.^{5, 12}

Definitions

Acronyms/Abbreviations

Acronym	Definition
AMA	American Medical Association
CCI	Correct Coding Initiative (see "NCCI")
CMS	Centers for Medicare and Medicaid Services
CPT	Current Procedural Terminology
DIF	DME Information Form
DME	Durable Medical Equipment

Acronym	Definition
DRG	Diagnosis Related Group (also known as/see also MS DRG)
HCPCS	Healthcare Common Procedure Coding System (acronym often pronounced as "hick picks")
HIPAA	Health Insurance Portability and Accountability Act
ICD	International Classification of Diseases
ICD-10	International Classification of Diseases, Tenth Edition
ICD-10-CM	International Classification of Diseases, Tenth Edition, Clinical Modification
ICD-10-PCS	International Classification of Diseases, Tenth Edition, Procedure Coding System
LCD	Local Coverage Determination
MPFS MPFSD MPFSDB	(National) Medicare Physician Fee Schedule Database (aka RVU file)
MS DRG	Medicare Severity Diagnosis Related Group (also known as/see also DRG)
MUE	Medically Unlikely Edits
NCCI	National Correct Coding Initiative (aka "CCI")
NCD	National Coverage Determination
POD	Proof of Delivery
PTP	Procedure-To-Procedure (a type of CCI edit)
RPM	Reimbursement Policy Manual (e.g., in context of "RPM052" policy number, etc.)
UB	Uniform Bill
UOS	Unit(s) of Service
WOPD	Written Order Prior to Delivery

Definition of Terms

Term	Definition
Proof of delivery	A complete record tracking the item(s) from the DMEPOS supplier to the beneficiary, containing all the elements of information required by Noridian/CMS. (Noridian ⁴)

Related Policies

- A. ["Moda Health Reimbursement Policy Overview."](#) Moda Health Reimbursement Policy Manual, RPM001.
- B. ["Medical Records Documentation Standards."](#) Moda Health Reimbursement Policy Manual, RPM039.
- C. ["Medically Unlikely Edits \(MUEs\)."](#) Moda Health Reimbursement Policy Manual, RPM056.

Resources

1. Noridian Healthcare Solutions, LLC. "Glucose Monitors." Noridian Healthcare Solutions, LLC. LCD 33822. Last updated: February 14, 2020. Last accessed: March 23, 2021. <https://med.noridianmedicare.com/documents/2230703/7218263/Glucose+Monitors/b300483e-8205-47cf-9a04-36bad7ac2eea> .
2. CMS. "Completing a CMN or DIF." Medicare Program Integrity Manual, Chapter 5 – Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Items and Services Having Special DME Review Considerations, § 5.5.1. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/pim83c05.pdf> .
3. CMS. "Timing of the Order/Prescription." Medicare Program Integrity Manual, Chapter 5 – Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Items and Services Having Special DME Review

Considerations, § 5.2.4. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/pim83c05.pdf> .

4. Noridian Medicare. “Proof of Delivery.” Last accessed March 26, 2021. <https://med.noridianmedicare.com/web/jddme/topics/documentation/proof-of-delivery> .
5. Noridian Medicare. “Medical Documentation Signature Requirements.” Last accessed March 26, 2021. <https://med.noridianmedicare.com/web/jfb/cert-reviews/signature-requirements>.
6. CMS. “Physician Assistant Rules Concerning Orders and CMNs.” Medicare Program Integrity Manual, Chapter 5 – Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Items and Services Having Special DME Review Considerations, §5.8. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/pim83c05.pdf>.
7. CMS. “Supplier Proof of Delivery Documentation Requirements.” Medicare Program Integrity Manual, Chapter 4 – Program Integrity, § 4.26. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/pim83c05.pdf> .
8. CMS. “Continuous Glucose Monitor: Provide Supplies for a Calendar Month.” *MLN Connects® Newsletter*, dated Thursday, March 31, 2022. Last accessed April 11, 2022. https://www.cms.gov/outreach-and-education/outreachffsprovpartprogprovider-partnership-email-archive/2022-03-31-mlnc#_Toc99524250 .
9. CMS. “Proof of Delivery Documentation Requirements.” *MLN Matters*, SE19003, January 17, 2019. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE19003.pdf>.
10. CMS. “Supplier Proof of Delivery Documentation Requirements.” Medicare Program Integrity Manual, Chapter 4 – Program Integrity, § 4.7.3.1. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/pim83c05.pdf> .
11. CMS. “Signature Requirements.” Medicare Program Integrity Manual, Chapter 3 3 - Verifying Potential Errors and Taking Corrective Actions, § 3.3.2.4. <https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/pim83c03.pdf> .
12. CMS. “Signature Dating Requirements.” Medicare Program Integrity Manual, Chapter 3 3 - Verifying Potential Errors and Taking Corrective Actions, § 3.3.2.4.H. <https://www.cms.gov/regulations-and-guidance/guidance/manuals/downloads/pim83c03.pdf> .
13. CMS. “MLN Connects, Weekly Edition, Thursday, January 25, 2024.” *MLN Connects*. 2024-01-25-MLNC. Last updated January 25, 2024; Last accessed January 25, 2024. <https://www.cms.gov/training-education/medicare-learning-network/newsletter/2024-01-25-mlnc> .
14. CMS. “Diabetic Accessories & Supplies (including Glucose Monitors), Medicare Provider Compliance Tip.” *MLN Educational Tool*, MLN4824456, Last updated December 2023; Last accessed January 25, 2024. <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/medicare-provider-compliance-tips/medicare-provider-compliance-tips.html#DiabeticAccessories> .
15. CMS. “Adjustment to Fraud Prevention System (FPS) and Unified Program Integrity Contractor (UPIC) Edits to Increase Billing Increments From 30 Days to 90 Days for Continuous Glucose Monitor (CGM) Supplies.” Transmittal 12303. Change Request 13397. Last updated October 19, 2023; Last accessed January 25, 2024. <https://www.cms.gov/files/document/r12303otn.pdf> .

Policy History

Reminder: The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the current information by going to: https://www.modahealth.com/medical/policies_reimburse.shtml

Date	Summary of Update
2/12/2025	Updated CGM monthly supply codes. Related Policies updated. Formatting updates. No policy changes.

Date	Summary of Update
8/14/2024	Formatting updates. No policy changes.
2/14/2024	Updated information for K0553 per change in CMS policy. Updated Coding Guidelines and Resources.
8/9/2023	Clarified documentation of order date per CMS guidelines. Resources updated. No policy changes.
7/13/2022	Updated Coding Guidelines & Sources, Related Policies, and Resources. Formatting updates. No policy changes.
4/14/2021	Policy document initially approved by the Reimbursement Administrative Policy Review Committee & initial publication.
3/10/2021	Original Effective Date (with or without formal documentation). Policy based on research and internal administrative decision.