
42 C.F.R. § 414.210

General payment rules.

(a) *General rule.* For items furnished on or after January 1, 1989, except as provided in paragraphs (c), (d), and (g) of this section, Medicare pays for durable medical equipment, prosthetics and orthotics, including a separate payment for maintenance and servicing of the items as described in paragraph (e) of this section, on the basis of 80 percent of the lesser of—

(1) The actual charge for the item;

(2) The fee schedule amount for the item, as determined in accordance with the provisions of §§ 414.220 through 414.232

(b) *Payment classification.* (1) The carrier determines fee schedules for the following classes of equipment and devices:

(i) Inexpensive or routinely purchased items, as specified in § 414.220.

(ii) Items requiring frequent and substantial servicing, as specified in § 414.222.

(iii) Certain customized items, as specified in § 414.224.

(iv) Oxygen and oxygen equipment, as specified in § 414.226.

(v) Prosthetic and orthotic devices, as specified in § 414.228.

(vi) Other durable medical equipment (capped rental items), as specified in § 414.229.

(vii) Transcutaneous electrical nerve stimulators (TENS), as specified in § 414.232.

(2) CMS designates the items in each class of equipment or device through its program instructions.

(c) *Exception for certain HHAs.* Public HHAs and HHAs that furnish services or items free-of-charge or at nominal prices to a significant number of low-income patients, as defined in § 413.13(a) of this chapter, are paid on the basis of 80 percent of the fee schedule amount determined in accordance with the provision of §§ 414.220 through 414.230.

(d) *Prohibition on special limits.* For items furnished on or after January 1, 1989 and before January 1, 1991, neither CMS nor a carrier may establish a special reasonable charge for items covered under this subpart on the basis of inherent reasonableness as described in § 405.502(g) of this chapter.

(e) *Maintenance and servicing—*(1) *General rule.* Except as provided in paragraph (e)(3) of this section, the carrier pays the reasonable and necessary charges for maintenance and servicing of beneficiary-owned equipment. Reasonable and necessary charges are those made for parts and labor not otherwise covered under a manufacturer's or supplier's warranty. Payment is made for replacement parts in a lump sum

based on the carrier's consideration of the item. The carrier establishes a reasonable fee for labor associated with repairing, maintaining, and servicing the item. Payment is not made for maintenance and servicing of a rented item other than the maintenance and servicing fee for oxygen equipment described in paragraph (e)(2) of this section or for other durable medical equipment as described in § 414.229(e).

(2) *Maintenance and servicing payment for certain oxygen equipment furnished after the 36-month rental period from January 1, 2009 through June 30, 2010.* The carrier makes a maintenance and servicing payment for oxygen equipment other than liquid and gaseous equipment (stationary and portable) as follows:

(i) For the first 6-month period following the date on which the 36-month rental period ends in accordance with § 414.226(a)(1) of this subpart, no payments are made.

(ii) For each succeeding 6-month period, payment may be made during the first month of that period for 30 minutes of labor for routine maintenance and servicing of the equipment in the beneficiary's home (including an institution used as the beneficiary's home).

(iii) The supplier must visit the beneficiary's home (including an institution used as the beneficiary's home) to inspect the equipment during the first month of the 6-month period.

(3) *Exception to maintenance and servicing payments.* For items purchased on or after June 1, 1989, no payment is made under the provisions of paragraph (e)(1) of this section for the maintenance and servicing of:

(i) Items requiring frequent and substantial servicing, as defined in § 414.222(a);

(ii) Capped rental items, as defined in § 414.229(a), that are not beneficiary-owned in accordance with § 414.229(d), § 414.229(f)(2), or § 414.229(h); and

(iii) Capped rental items, as defined in § 414.229(a), that are not beneficiary-owned in § 414.229(d), § 414.229(f)(2), or § 414.229(h); and

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