

**WAC 182-552-1500 Respiratory care equipment and supplies—Reimbursement—Decision to rent or purchase.**

(1) The medicaid agency bases the decision to rent or purchase respiratory care equipment and supplies for a client, or pay for repairs and associated labor for client-owned equipment, on cost and on the length of time the client needs the equipment.

(2) A provider must not bill the medicaid agency for the rental or purchase of equipment supplied to the provider at no cost by suppliers/manufacturers.

(3) The medicaid agency purchases new equipment only.

(a) A new item that is placed with a client initially as a rental item is considered a new item by the medicaid agency at the time of purchase.

(b) A used item that is placed with a client initially as a rental item must be replaced by the supplier with a new item prior to purchase by the medicaid agency.

(4) The medicaid agency requires a dispensing provider to ensure the item rented to a client is:

(a) In good working order; and

(b) Comparable to equipment the provider rents to individuals with similar medical equipment needs who are either private pay or who have other third-party coverage.

(5) The medicaid agency's minimum rental period for covered respiratory care equipment and supplies is one day.

(6) The medicaid agency's reimbursement amount for rented respiratory care equipment and supplies includes all of the following:

(a) A full service warranty;

(b) Cost of delivery to, or pick up from, the client's residence and, when appropriate, to and from the room in which the equipment will be used;

(c) Fitting, setup, adjustments, and modifications;

(d) Maintenance, repair and/or replacement, and cleaning of the equipment;

(e) Instructions to the client and/or client's caregiver for safe and proper use of the equipment; and

(f) All medically necessary accessories, contents, and disposable supplies, unless separately billable according to the agency's current respiratory care medicaid provider guide.

(7) The medicaid agency considers some rented equipment to be purchased after twelve months' rental unless the equipment is restricted as rental only; this equipment is identified in the respiratory care medicaid provider guide.

(8) Respiratory care equipment and supplies purchased by the medicaid agency for a client are the client's property, unless identified as capped rental items by the agency. Capped rental items are considered the property of the provider and are identified in the respiratory care medicaid provider guide.

(9) The medicaid agency stops paying for any rented equipment effective the date of a client's death. The medicaid agency prorates monthly rentals as appropriate.

(10) For a client who is eligible for both medicare and medicaid, the medicaid agency pays only the client's coinsurance and deductibles. The medicaid agency discontinues paying client's coinsurance and deductibles for rental equipment when either of the following applies:

(a) The reimbursement amount reaches medicare's reimbursement cap for the equipment; or

(b) Medicare considers the equipment purchased.

(11) The medicaid agency does not obtain or pay for insurance coverage against liability, loss and/or damage to rental equipment that a provider supplies to a client.

(12) The medicaid agency does not pay for:

(a) Defective equipment;

(b) The cost of materials covered under the manufacturer's warranty or administrative fees charged by the manufacturer to perform warranty or repair work; or

(c) Repair or replacement of equipment as a result of the client's carelessness, negligence, recklessness, or misuse in accordance with WAC 182-501-0050(7). The medicaid agency may request documentation (e.g., police report, etc.) at its discretion.

(13) Capped rental oxygen equipment and client-owned equipment:

(a) Capped rental oxygen equipment is considered to have a reasonable useful lifetime of five years. The medicaid agency will pay for new equipment on capped rental items for eligible clients after five years of continuous use, at which point the capped rental period of thirty-six months will start again.

(b) Equipment is considered to be client-owned if it is not identified as a capped rental item in the agency's respiratory care medicaid provider guide and if the medicaid agency has reached the maximum reimbursement for the item.

(c) The agency pays for the repair of client-owned respiratory equipment with prior authorization. The age of the equipment is considered, and all of the following criteria must be met:

(i) All warranties are expired;

(ii) The cost of the repair is less than fifty percent of the cost of a new item and the provider has supporting documentation; and

(iii) The repair has a warranty for a minimum of ninety days.

[Statutory Authority: RCW 41.05.021. WSR 12-14-022, § 182-552-1500, filed 6/25/12, effective 8/1/12.]