# Vocational Rehabilitation Standards for Providers Manual Chapter 8: Durable Medical Equipment (DME)

Contract Type: DME (Durable Medical Equipment)

The contractor and contractor staff that provide services described in this chapter also must comply with Chapters 1–3 of the VR Standards for Providers manual.

Contents

[Vocational Rehabilitation Standards for Providers Manual Chapter 8: Durable Medical Equipment (DME) 1](#_Toc155099320)

[8.1 Overview of Durable Medical Equipment 1](#_Toc155099321)

[8.2 DME Contractor Qualifications 2](#_Toc155099322)

[8.3 Description of DME 2](#_Toc155099323)

[8.3.1 Professional Recommendations 3](#_Toc155099324)

[8.3.2 Existing Equipment 4](#_Toc155099325)

[8.3.3 Fabricated Goods 4](#_Toc155099326)

[8.4 DME Maintenance and Warranty 4](#_Toc155099327)

[8.5 DME Products Returned 4](#_Toc155099328)

[8.6 DME Methodology for Payment 5](#_Toc155099329)

[8.7 DME Process and Procedure 5](#_Toc155099330)

[8.8 DME Outcomes Required for Payment 6](#_Toc155099331)

## 8.1 Overview of Durable Medical Equipment

The standards in this chapter apply to contracted durable medical equipment (DME) purchased by the Texas Workforce Commission Vocational Rehabilitation (TWC-VR) for customers.

TWC-VR may only purchase the DME described in this chapter from contracted providers.

The VR counselor may authorize the purchase of DME described in this chapter only when it is vocationally necessary and is expected to improve the customer's ability to participate in VR services that are required to obtain, maintain, advance in, or regain employment as defined in the customer's individualized plan for employment (IPE).

## 8.2 DME Contractor Qualifications

A contract with TWC-VR is required to provide the goods listed in 8.3 Description of DME.

The contractor is required to:

* have staff license(s) and/or certification(s) related to the DME, as set by the industry standards;
* have either a store front and/or have the ability to deliver and set-up functional and calibrated DME for the customer's use; and
* maintain an accessible business location, which allows TWC-VR customers to obtain, return or be fitted for the DME.

## 8.3 Description of DME

TWC-VR may purchase the following DME on a contract basis, including parts and accessories, when the medical prescription for the customer is less than six months old:

* Rehabilitation or hospital beds;
* Manual and power wheelchairs;
* Bathroom assistive devices;
* Patient lifts (manual or power);
* Seating and positioning systems;
* Scooters;
* Continuous Positive Airway Pressure (CPAP) machine; and
* Bilevel Positive Airway Pressure (BiPAP) machine.

DME may be purchased or rented from a noncontracted provider when the cost:

* is less than the available contract rate; and
* does not exceed the rates listed in TWC-VR's Maximum Affordable Payment Schedule (MAPS).

Note: TWC-VR may purchase other types of DME (not listed) using TWC-VR's MAPS.

The provider determines the specific equipment needed based on professional recommendations, the customer's prescription and additional information from the VR counselor.

A provider will deliver prescribed DME that is fully functional, calibrated, set up, and ready for immediate use by the customer in accordance with the TWC-VR approved recommendations and the service authorization issued by TWC-VR. As requested by the customer or TWC-VR, the TWC-VR contractor must be able to make necessary adjustments when setting up the equipment.

### 8.3.1 Professional Recommendations

The DME provider obtains written recommendations that include the specifications (type, size, and special features) of the equipment prescribed.

* A physiatrist, physical or occupational therapist, rehabilitation engineer, or assistive technology professional not affiliated with the contractor must complete the evaluation and/or reevaluation of the following:
  + Manual wheelchairs
  + Power wheelchairs
  + Seating and positioning systems
  + Scooters
  + Rehabilitation
  + Hospital Beds
  + Bathroom assistive devices
  + Manual patient lifts
  + Powered patient lifts
* A pulmonologist or medical doctor, preferably certified in sleep medicine must complete the evaluation and/or reevaluation for:
  + CPAP; or
  + BiPAP

### 8.3.2 Existing Equipment

When an existing wheelchair owned by the customer needs to be repaired, TWC-VR obtains an estimate of the cost for repair to the original chair from the local provider of wheelchair repair services. TWC-VR applies best value principles in considering whether repair or replacement is the more cost-effective course.

### 8.3.3 Fabricated Goods

Fabricated goods must meet the specification approved by the VR counselor. This includes:

* development of schematics, drawings, or other required descriptive materials;
* installation;
* setup and training;
* written instructions on use and maintenance; and
* self-repair information, parts, warranty, and post-warranty repair.

## 8.4 DME Maintenance and Warranty

The contractor gives the VR customer written instructions on how to operate and maintain the purchased equipment.

Based on the product type and the manufacturer's warranty, the contractor provides preventive maintenance at no additional cost to VR:

* at the end of the sixth and 12th months of operation, or when the contractor is notified; and
* within three days of notification by VR, at the customer's home or other address specified by VR.

## 8.5 DME Products Returned

If goods or equipment purchased with VR funds are subsequently returned to the contractor, or exchanged or replaced by the contractor, the contractor must notify the VR office in writing.

The notice must include:

* a description of the item returned;
* the date the item was returned;
* the reason for the return;
* the amount of credit due, if any;
* the customer's name;
* the case ID number; and
* any subsequent actions that were taken (exchanged or replaced by the contractor).

If the item or equipment being returned has a different price or is substantially different from the original item or equipment, then VR will issue a replacement service authorization for the new item or equipment.

When a refund is due, the contractor must by the 15th of each month send a check for the total credit accumulated during the previous calendar month. The payment must be accompanied by supporting documentation and/or credit invoices for each transaction or item for which the credit reimbursement is issued. The supporting documentation and/or credit invoices must include the service authorization number and the customer's case ID number.

## 8.6 DME Methodology for Payment

Contractors agree to provide the contracted DME listed in 8.3 Description of DME at the established 18 percent discount from the manufacturer's suggested retail price (MSRP) for the entire functional unit.

TWC-VR is the payer of last resort. After the customer's primary and/or secondary benefit coverage has been applied, VR pays the contractor an amount equal to the copayment, coinsurance, or deductible due. VR does not pay more than the amount allowed by the customer's insurance or more than the rate specified in the VR contract, whichever is less.

Contracted DME that is vocationally necessary, but that is declined coverage by the customer's primary and/or secondary benefit coverage, is paid at the rate specified in the VR contract only when a service authorization has been issued by VR prior to the purchase.

## 8.7 DME Process and Procedure

VR staff provides the contractor with a copy of the recommendations for the prescriptions and equipment to be purchased.

The contractor determines the specific equipment needed based on professional recommendations, the customer's prescription, and additional information from the VR counselor.

The contractor provides the VR counselor with a cost estimate that includes the:

* manufacturer's suggested retail price (MSRP) minus the established 18 percent discount;
* comparable benefits submission, comparable benefits response, and explanation of benefits (EOB);
* item number and description, matched with the appropriate codes from the Healthcare Common Procedure Coding System (HCPCS); and
* anticipated delivery date.

VR staff issues a service authorization, with the approved estimated cost, to confirm the purchase is approved. Purchase is not authorized until the contractor receives a service authorization from VR.

## 8.8 DME Outcomes Required for Payment

For the contractor to receive payment, the contractor:

* provides new (unused and not refurbished) DME as specified on a VR service authorization at the rate established in 8.6 DME Methodology for Payment;
* delivers the goods to the specified address within 45 days of the service authorization, on the date and time mutually agreed upon by the counselor, customer, and contractor; and
* delivers the goods in an assembled and fully functional state, including adaptations necessary to meet the individual needs of the VR customer as detailed on the service authorization and on the approved specification sheet provided by the contractor.

The contracted DME provider must provide the following:

* The item numbers and descriptions matched with the appropriate Healthcare Common Procedure Coding System (HCPCS) codes;
* MSRP on the manufacturer's price list or the price shown on the order form (the price being billed must be at least the manufacturer's price minus the established 18 percent)
* A copy of the customer's explanation of benefits (EOB) for all primary and secondary payers
* An invoice with the service authorization number, customer's name, customer's case identification (ID) number, VR counselor's name, and date the service was provided

VR staff is authorized to pay the provider for the entire functional unit upon verification the equipment was delivered and all the documentation listed above was received.