



Reimbursement Policy

Subject: Reimbursement for Items Under Warranty

Effective Date:
07/13/18

Committee Approval Obtained:
09/14/20

Section:
Administration

*****The most current version of the reimbursement policies can be found on our provider website. If you are using a printed version of this policy, please verify the information by going to <https://providers.amerigroup.com>.*****

These policies serve as a guide to assist you in accurate claim submissions and to outline the basis for reimbursement if the service is covered by a member's Amerigroup Medicare Advantage benefit plan. The determination that a service, procedure, item, etc. is covered under a member's benefit plan is not a determination that you will be reimbursed. Services must meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis as well as to the member's state of residence. You must follow proper billing and submission guidelines. You are required to use industry standard, compliant codes on all claim submissions. Services should be billed with CPT® codes, HCPCS codes and/or revenue codes. The codes denote the services and/or procedures performed. The billed code(s) are required to be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our policies apply to participating providers and facilities; a noncontracting provider who accepts Medicare assignment will be reimbursed for services according to the original Medicare reimbursement rates.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, Amerigroup Medicare Advantage may:

- Reject or deny the claim.
- Recover and/or recoup claim payment.

Amerigroup Medicare Advantage reimbursement policies are developed based on nationally accepted industry standards and coding principles. These policies may be superseded by mandates in provider, state, federal or CMS contracts and/or requirements. System logic or setup may prevent the loading of policies into the claims platforms in the same manner as described; however, Amerigroup Medicare Advantage strives to minimize these variations.

Amerigroup Medicare Advantage reserves the right to review and revise our policies periodically when necessary. When there is an update, we will publish the most current policy to this site.

Policy

Amerigroup Medicare Advantage does not allow reimbursement for repair or replacement of rented or purchased items during the warranty period designated by the applicable manufacturer unless

	<p>provider, state, federal or CMS contracts and/or requirements indicate otherwise.</p> <p>Items include:</p> <ul style="list-style-type: none"> • Durable medical equipment. • Supplies. • Prosthetics. • Orthotics. <p>The manufacturer and/or distributor is responsible for:</p> <ul style="list-style-type: none"> • Repairing the item or providing an acceptable replacement item. • All fees associated with shipment of the defective item. • All fees associated with delivery of the repaired item. <p>In circumstances in which Amerigroup Medicare Advantage has reimbursed the provider for repair or replacement of an item during the warranty period, Amerigroup Medicare Advantage is entitled to recoup fees from the manufacturer and/or distributor holding the warranty. Providers are required to supply members with information concerning the manufacturer’s warranty for all items dispensed to members.</p> <ul style="list-style-type: none"> • Amerigroup Medicare Advantage will consider reimbursement for replacement of the item through another manufacturer, after review, only in circumstances in which both the member and member’s provider deem the manufacturer’s replacement of the applicable item unacceptable. The design, materials, measurements, fabrications, testing, fitting and training in the use of another manufacturer’s replacement item are included in the reimbursement of the item and are not separately reimbursable expenses. • If the manufacturer offers an acceptable reduced-price replacement, but either the member prefers another replacement at full price or a provider did not utilize the reduced-price offer, Amerigroup Medicare Advantage allows reimbursement only up to the cost of the reduced-price item under the prudent buyer rule. • If the manufacturer offers an acceptable replacement, but imposes a charge or pro rata payment, Amerigroup Medicare Advantage allows reimbursement for the partial payment imposed by the manufacturer, subject to approval.
<p>History</p>	<ul style="list-style-type: none"> • Biennial review approved 09/14/20 • Biennial review approved and effective 07/13/18: policy template updated • Biennial review approved 09/15/16 • Initial approval and effective 03/14/16

References and Research Materials	<p>This policy has been developed through consideration of the following:</p> <ul style="list-style-type: none"> • CMS • State contracts
Definitions	<ul style="list-style-type: none"> • General Reimbursement Policy Definitions
Related Policies	<ul style="list-style-type: none"> • None
Related Materials	<ul style="list-style-type: none"> • None