



**Durable Medical Equipment  
Medicare Administrative Contractor**

March 2010

Durable Medical Equipment - Documentation of Continued Medical Necessity

Dear Physician,

To assure that correct payment is made for items and services that are provided to Medicare beneficiaries, the need for detailed medical documentation is paramount. If your treatment plan includes durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS), Medicare requires that suppliers have access to information from the patient's medical record that addresses the coverage criteria for the items prescribed. Accessibility of pertinent medical record information protects both the patient and the supplier in the event of an audit.

For many items, Medicare coverage requires that continued use must be assessed and documented by the treating physician. Rental items such as oxygen, nebulizers, CPAP, wheelchairs, and hospital beds and recurring supplies such as glucose test strips, urological supplies, and ostomy supplies must be periodically justified in the medical record. Ongoing need for and use of the item must be documented in your patient's record in order for Medicare to continue reimbursement for the equipment or supplies. In these instances, you or your staff should regularly review the use of medical equipment and supplies by your patients. This review should be no different than your review of the continued need for medication or other treatments.

Recent audits conducted by the Comprehensive Error Rate Testing program have shown that patients' medical records frequently lack sufficient information to justify the continued need for the item(s) ordered. This results in claim denials for the DMEPOS supplier and potential financial liability for your patient. When a claim is denied, the DMEPOS supplier may be unable to continue to provide the item(s) ordered. Clearly, this outcome may affect your care plan. As the patient's treating physician, it is important that you understand the applicable Medicare coverage criteria related to the DMEPOS you are prescribing and adequately document the applicable policy criteria for those items on an ongoing basis.

Medicare DMEPOS Local Coverage Determinations (LCDs), which include details on specific coverage criteria, are available in the Medicare Coverage Database or on each DME MAC's Web site.

Sincerely,

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