

# Provider Bulletin



## News and Information

Jan. 29, 2025

### **Durable Medical Equipment (DME) unlisted or enhanced items and supplies reimbursement to change**

Effective April 1, 2025, providers who bill for unlisted or enhanced DME equipment and supply HCPCS codes submitted with a U3 modifier for UCare Minnesota Health Care Program (MHCP) members will receive new reimbursement rates. Items will be reimbursed for:

- 80% of the Manufacturers Suggested Retail Price (MSRP) or
- Invoice cost plus 20% for items without an MSRP

Failure to include the MSRP or an invoice, as well as a narrative description of the supply or item dispensed, will result in claim denial.

Enhanced items and supplies not submitted with the U3 modifier will be reimbursed using fee schedule pricing.

#### **DME billing reminders**

- Providers billing for DME or supplies for UCare MHCP enrollees should use the most specific HCPCS code available to describe the item being dispensed.
  - Please refer to the Medicare Pricing, Data Analysis and Coding (PDAC) Palmetto GBA [Durable Medical Equipment Coding System](#) to determine the applicable HCPCS code to use for a supply or item.
  - If an appropriate code does not exist and an unlisted or miscellaneous code is used (e.g., E1399), providers must include a narrative describing the supply or item along with the MSRP in the NTE segment of the electronic claim (for 837P: Loop 2400, Segment NTE; for 837I: Loop 2300, Segment NTE). When the MSRP is not available, providers must include an invoice with their electronic claim submission. Please refer to the "Billing miscellaneous and manually priced HCPCS codes" section of the Equipment and Supplies chapter of the [MHCP Provider Manual](#). Please note that UCare does differ from MHCP by requiring providers to apply the U3 modifier for these manually priced items.
- Enhanced items and supplies for UCare MHCP claims require the submission of a U3 modifier.