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Billing for External Infusion Pumps and Drugs When Treatment Was Initiated Somewhere Other Than the Beneficiary's Home

DME MAC Joint Publication

External infusion pumps, related infusion supplies and infusion drugs used in the home setting may be covered under the Medicare Durable Medical Equipment (DME) benefit. However, these durable pumps may be used in other healthcare settings such as a physician's office or hospital outpatient facility. The DME MACs have identified situations where drug infusions initiated in settings other than the beneficiary's home have resulted in infusion pump, related infusion supplies, and/or infused drug being erroneously billed to the DME MACs. As discussed below, the place of service where the infusion therapy is initiated determines the Medicare contractor to which claims are submitted. This article will review correct billing of these items.

Infusions Started in Places of Service Other Than the Beneficiary's Home

For prolonged drug and biological infusions using an external pump, Medicare pays for drugs and biologicals which are not usually self-administered by the patient. These non-self-administered drugs are considered for reimbursement under the "incident to" provisions of the Social Security Act when the services are rendered to patients while in the physician's office or the hospital outpatient department. In some situations, a hospital outpatient department or physician office may:

- Purchase a drug for a medically reasonable and necessary prolonged drug infusion; and,
- Begin the drug infusion in the physician's office or hospital outpatient setting using an external pump; and,
- Send the patient home for a portion of the infusion; and,
- Have the patient return at the end of the infusion period.

In these scenarios, claims must be submitted to the appropriate A/B MAC for the drug or biological, the administration, and the external infusion pump. Additional information is available in [MLN Matters® Special Edition Article 1609](#) .

In these situations, no portion of the drug or biological, infusion pump, related infusion supplies, and/or drug are billable to the DME MAC.

Infusions Started in the Beneficiary's Home

Only when external infusion pumps, drugs and related supplies are initiated and administered in the beneficiary's home may claims be billed to the DME MAC under the Durable Medical Equipment

benefit. Moreover, coverage is available only for drugs specified in the DME MAC External Infusion Pumps Local Coverage Determination (LCD). The infusion pump, related infusion supplies and the infused drug must all be billed to the DME MAC. As noted in the External Infusion Pumps LCD:

Charges for drugs administered by a DME infusion pump may only be billed by the entity that actually dispenses the drug to the Medicare beneficiary and that entity must be permitted under all applicable federal, state, and local laws and regulations to dispense drugs. Only entities licensed in the state where they are physically located may bill for infusion drugs. Drugs and related supplies and equipment billed by a supplier who does not meet these criteria will be denied as not reasonable and necessary.

Home infusions covered under the Home Health or Hospice benefit must be billed to the appropriate Home Health or Hospice contractor, and not to the DME MAC.

Refer to the External Infusion Pumps LCD and related Policy Article for additional information.