



April 1, 2026

Payment Policy

Medical Supplies, Equipment, and Appliance (MSEA)

Effective Date: May 1, 2026

Aetna Better Health of Kentucky reimbursement policies are intended to provide a general reference for claims filing, coding and documentation guidelines. Coding methodology, regulatory requirements, industry-standard claims logic, benefits design and other factors not listed in this policy statement are considered in the development of reimbursement policies. In addition to this Policy, reimbursement of rendered services are subject to member benefits, eligibility on the date of service, medical necessity, other plan policies and procedures, claim editing logic, provider contracts and all applicable authorization, notification and utilization management guidelines set forth by the Kentucky Department for Medicaid Services and the Centers for Medicare and Medicaid Services (CMS).

This policy does not ensure either an authorization or reimbursement of services or product. Please refer to the plan contract for the service(s) referenced therein. If there is a conflict between either this policy or the plan contract, then the plan contract will be the controlling document used to make an authorization or payment determination.

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A. Policy

Aetna Better Health of Kentucky (ABHKY) implements comprehensive and robust policies to ensure alignment with Kentucky Department for Medicaid Services (DMS) and to warrant that regulatory and contractual standards are met.

In accordance with Kentucky law, ABHKY will reimburse claims for Durable Medical Equipment (DME) products or equipment. To receive reimbursement, professional and facility providers must submit an invoice for any claim related to DME products. The invoice must include an itemized invoice that specifies the purchase price of the product as set forth in this reimbursement policy.

Reimbursement Guidelines for Manually priced items:

- **Items with an MSRP listed on the invoice:**
Reimbursement will be **MSRP minus 18%**.
- **Items with Invoice Price on the invoice:**
Reimbursement will be **invoice price plus 20%**.

These guidelines ensure that providers are fairly compensated for DME products while adhering to established reimbursement policies.

B. Overview

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 state and federal regulation. 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 codes are required to be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our policies apply to both participating and nonparticipating providers and facilities.

This policy outlines the requirements for submitting claims related to Durable Medical Equipment (DME) products to ensure compliance and facilitate timely processing.

Invoice Submission Requirements:

- Claims for DME products must be accompanied by an invoice that includes the appropriate revenue code for each individual charge.
- The invoice must reflect the actual purchase price of the DME product.

Please note, if appropriate coding/billing guidelines or current reimbursement policies are not followed, ABHKY may:

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

C. Definitions

- "Claim Line Indicator" is a marker or reference used on a claim to link each billed item or service to its corresponding documentation—such as an invoice—especially when multiple items are submitted on the same claim

- "Durable medical equipment" or "DME" means medical equipment that:

Withstands repeated use; is primarily and customarily used to serve a medical purpose; is generally not useful to a person in the absence of an illness or injury; and is appropriate for use in the home or community.

- "Medicaid Program MSEA Fee Schedule" means a list, located at <https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx>, that: Contains the current Medicaid maximum allowable amount established by the department for a covered item of MSEA; Is updated at least yearly; and Is consistent with and informed by this administrative regulation and the applicable Centers for Medicare and Medicaid Services published DMEPOS Fee Schedule.

- "Medical supplies, equipment, and appliances" or "MSEA":

- **Means**

- Durable medical equipment;
- DMEPOS;
- Orthotics; and
- A medical supply item;

- **Includes:**

- Prosthetics;
- Orthotics;
- Beds;
- Canes;
- Walkers;
- Wheelchairs;
- Traction equipment;
- Oxygen;
- Oxygen equipment; and
- Routine maintenance of a rental item; and

○ **Does not mean:**

- Items which are covered under other areas and disciplines within KAR Title 907, such as frames, lenses, hearing aids, and pacemakers; or
 - Routine maintenance of a purchased item. Routine maintenance includes testing, cleaning, regulating, and accessing equipment described as the type of servicing an owner may perform in the operator's manual for the item.
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- "Healthcare common procedure coding system" or "HCPCS" means a collection of codes acknowledged by the Centers for Medicare and Medicaid Services (CMS) that represents procedures or items.
 - "Invoice" for the purposes of this policy, means a document that itemizes the medical equipment being billed, including descriptions of products, invoice price, and MSRP, dates of service, quantities, costs, and any applicable fees.
 - "Invoice price" means an itemized account of a manufacturer's actual charges that are billed to a supplier for goods or services provided by the manufacturer or distributor.
 - "Manufacturer's Suggested Retail Price (MSRP)" is the price that a product's manufacturer recommends retailers charge for the item when selling it to consumers.
 - "Supplier" means a Medicare-certified provider of MSEA who is enrolled in the Kentucky Medicaid Program.

D. Reimbursement Guidelines

For claims involving Durable Medical Equipment (DME) products, an invoice must be submitted with the appropriate revenue code for each individual charge at the time the claim is submitted. The invoice documentation must include the actual purchase price of the product (MSRP or invoice price). If the invoice submitted with the claim is missing any of this information or is illegible, ABHKY will deny the claim(s).

At a minimum, the invoice must include the following information:

- Manufacturer's name and address
- Provider's name and address
- Invoice number
- Date of purchase
- Product description and quantity
- Receipt address and shipping date
- Clearly indicate Manufacturer's Suggested Retail Price (MSRP) or Invoice Price, including unit labeling (itemized format)
- Any codes listed on the invoice must match the codes listed on the billed claim.

Acceptable Documentation Example:

Durable Medical Equipment (DME) Invoice

Manufacturer Information

Manufacturer Name: ABC Medical Supplies, Inc.

Address: 123 Healthway Drive, Chicago, IL 60601

Provider Information

Provider Name: XYZE Healthcare Services

Address: 456 Care Lane, Frankfort, KY 40601

Invoice Details

Invoice Number: INV-2025-00123

Date of Purchase: December 1, 2025

Receipt Address: 456 Care Lane, Frankfort, KY 40601

Shipping Date: December 2, 2025

Product Details

Revenue Code	Product Description	Quantity	MSRP (per unit)	Actual Purchase Price
0290	Wheelchair, Standard	2	\$850.00	\$700.00
0290	Oxygen Concentrator	1	\$1,200.00	\$950.00

Total MSRP: \$2,900.00

Total Purchase Price: \$2,350.00

Durable Medical Equipment (DME) Invoice

Manufacturer Information

Manufacturer Name: ABC Medical Supplies, Inc.

Address: 123 Healthway Drive, Chicago, IL 60601

Provider Information

Provider Name: XYZ Healthcare Services

Address: 456 Care Lane, Frankfort, KY 40601

Invoice Details

Invoice Number: INV-2025-00123

Date of Purchase: December 1, 2025

Receipt Address: 456 Care Lane, Frankfort, KY 40601

Shipping Date: December 2, 2025

Product Details



Revenue Code	Product Description	Quantity	Invoice Price (per unit)
0290	Wheelchair, Standard	2	\$700.00
0290	Oxygen Concentrator	1	\$950.00

Total Invoice Price: \$2,350.00



**If products are rentals, please use the "RR" equipment rental modifier on the claim billed.

Unacceptable documentation:

- Catalog Screenshots with invoice typed or written at the top.
- Delivery tickets, packing list.
- Printout of the website product page.
- Invoice without item price indicators (MSRP or Invoice)

Additionally, if any item on the claim does not match the corresponding item(s) on the invoice, ABHKY may deny those claim line(s).

Example: Code(s) billed on multiple lines, but no claim line indicator presents to match with the applicable claim.

No Claim Line Indicator

Qty	Code Billed/Item	HCPCS/Description	Fee/MSRP	Total Billed
5	E13EBSI1745	A4649 Driveline Management Kit	304.89 Each	1,524.45
30	E13FCS300XT	A4649 Foley Anchor w/ PVE Foam	28.81 Each	864.30
5	E13114300A	A4930 ST Nitrile LG Gloves (Pair)	5.70 Pair	28.50
28	E13IMED19X9	A4649 Shower Guard 9x9	14.65 Each	410.20
Total Item Net Value				2,827.45
Total				2,827.45

NOTE: ABHKY may also request additional documentation or inform the provider or facility of any further documentation needed for claims that are subject to contractual obligations.

F. Review/Revision Date		
Action	Date	Comments
Date Issued	4/1/2026	
Effective Date	5/1/2026	

H. Resources

- **ABHKY – KY Provider Manual:**
<https://www.aetnabetterhealth.com/kentucky/providers/index.html>
- **KY MIMMS, Fee Schedules:**
<https://www.chfs.ky.gov/agencies/dms/Pages/feesrates.aspx>

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