Reimbursement Policy for DME KF Modifier

Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In the event of a conflict, federal and state guidelines, as applicable, as well as the member's benefit plan document supersede the information in this policy. Additionally, to the extent there are any conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval.

Policy Overview

Modifier KF serves as a critical identifier for billing requirements associated with Class III medical devices. This policy underscores the necessity of using the KF modifier when submitting claims for Class III medical devices, which are primarily characterized by their role in life-sustaining support, implantation, or substantial risk of illness or injury. Notable examples of Class III devices encompass implantable pacemakers and breast implants. It's crucial to acknowledge that approximately 10% of medical devices fall within this Class III category.

Examples of Impacted codes

HCPCS Code	Description
E0617	EXTERNAL DEFIBRILLATOR WITH INTEGRATED ELECTROCARDIOGRAM ANALYSIS
E0747	OSTEOGENESIS STIMULATOR, ELECTRICAL, NON-INVASIVE, OTHER THAN SPINAL APPLICATION
E0748	OSTEOGENESIS STIMULATOR, ELECTRICAL, NON-INVASIVE, SPINAL APPLICATIONS
E0760	OSTEOGENESIS STIMULATOR, LOW INTENSITY ULTRASOUND, NON-INVASIVE
E0766	ELECTRICAL STIMULATION DEVICE USED FOR CANCER TREATMENT, INCLUDES ALL ACCESSORIES, ANY TYPE
K0553 / A4239	SUPPLY ALLOWANCE FOR THERAPEUTIC CONTINUOUS GLUCOSE MONITOR (CGM), INCLUDES ALL SUPPLIES AND ACCESSORIES, 1 MONTH SUPPLY = 1 UNIT OF SERVICE
K0554 / E2103	RECEIVER (MONITOR), DEDICATED, FOR USE WITH THERAPEUTIC GLUCOSE CONTINUOUS MONITOR SYSTEM
K0606	AUTOMATIC EXTERNAL DEFIBRILLATOR, WITH INTEGRATED ELECTROCARDIOGRAM ANALYSIS, GARMENT TYPE
K0607	REPLACEMENT BATTERY FOR AUTOMATED EXTERNAL DEFIBRILLATOR, GARMENT TYPE ONLY, EACH
K0608	REPLACEMENT GARMENT FOR USE WITH AUTOMATED EXTERNAL DEFIBRILLATOR, EACH

K0609	REPLACEMENT ELECTRODES FOR USE WITH AUTOMATED EXTERNAL DEFIBRILLATOR, GARMENT TYPE ONLY, EACH

Coding Guidelines

The KF modifier remains mandatory for the specified codes.

For claims dated between July 1, 2017, and December 31, 2022, you should bill a non-adjunctive continuous glucose monitoring (CGM) system using code K0554, and the supply allowance should be billed with code K0553.

Starting from January 1, 2023, claims should use code E2103 for a non-adjunctive CGM system, and the supply allowance should be billed with code A4239. Code E2103 or K0554 is utilized to describe a non-adjunctive CGM system meeting the Durable Medical Equipment (DME) benefit requirements.

Reimbursement Guidelines

Molina mandates that providers thoroughly review and accurately bill claims in accordance with the Durable Medical Equipment (DME) requirements for the KF Modifier. Failure to adhere to correct billing procedures may lead to potential delays, denials, or payment recoveries.

Supplemental Information

Definitions

Term	Definition
CMS	Center for Medicare and Medicaid
Modifier KF	The Modifier KF is used in the medical field, and it stands for “Item designated by FDA as Class III Devices”. This modifier is only used if the Federal Drug Administration (FDA) has designated that item as a Class III device.
Class III Medical	Class III medical devices are those that have a high risk to patients or users. These devices help sustain or support life, can be implanted, and/or present potential unreasonable risk of illness or injury. They represent about 10% of medical devices and some examples include defibrillators, pacemakers, breast implants, and implanted prosthetics
non-adjunctive CGM system	A non-adjunctive CGM system is a device used to make treatment decisions without the need for a stand-alone blood glucose monitor (BGM) to confirm testing results. This means that it can be used to make treatment decisions without the need for confirmatory fingerstick
Durable Medical Equipment (DME)	Durable Medical Equipment (DME) is defined as equipment that meets these criteria: durable (can withstand repeated use), used for a medical reason, typically only useful to someone who is sick or injured, used in your home, and expected to last at least 3 years. DME includes medically necessary items for people with medical conditions, disabilities, or injuries. DME includes mobility gear and healthcare devices as well as disposable medical supplies

References

This policy was developed using.

- CMS
- State Medicaid
- State Contracts

State/Agency	Reference
CMS	Automatic External Defibrillators - Policy Article
CMS	Glucose Monitor - Policy Article
CMS	Article - Osteogenesis Stimulators - Policy Article (A52513) (cms.gov)
CMS	Article - Tumor Treatment Field Therapy (TTFT) - Policy Article (A52711) (cms.gov)

State Exceptions

State	Exception
MI	Only applies to Medicare and Marketplace Per MDHHS
AZ	The following codes do not have the KF modifier listed by AHCCCS in their database. E0766 K0553 K0554 (K0553 and K0554 termed as of 1/1/2023)

Documentation History

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Revised Date		