

Homecare Respiratory Therapy / Durable Medical Equipment Basics

Homecare is a broad term that describes a wide variety of health and health-related services provided in the home or community. Homecare is available to people of all ages with either acute or chronic conditions, as well as the disabled and terminally ill. The goal of the homecare staff is to work with the patient, their families, or **caregiver** to teach them about the individual patient's condition as well as how to care for themselves or the patient, so that the individual can be as independent as possible. The two types of homecare services discussed in this module are **Respiratory Therapy (RT)** and **Durable Medical Equipment (DME)**.

Respiratory Therapy (RT) is a service involved in the assessment and treatment of breathing disorders including chronic lung problems, such as asthma, bronchitis, emphysema, and chronic obstructive pulmonary disease (COPD), and the respiratory components of acute multi-systemic conditions such as heart attacks and stroke. Respiratory Therapists, also known as RT, are specialists in airway management, mechanical ventilation, and acid-base balance.

Types of Respiratory Therapy Equipment:

- **C-PAP** – Continuous airway pressure device.
- **Bi-PAP** – Bi-level respiratory assisted device.
- **Ventilator** – A device that circulates fresh air and expels stale or noxious air.
- **Nebulizer** – A device used to administer medication to people in the form of a mist inhaled into the lungs.

Durable Medical Equipment (DME) services are comprised of medical equipment that is durable or long lasting, such as an electric bed, a wheelchair, or a pair of crutches. DME is also used in the industry to mean any piece of equipment or supply that is not a drug. Supplies are typically not durable or long lasting, and are in reality usually disposable, that is, they are discarded after use. However, even though they are not durable or permanent in nature, some supplies such as equipment filters or tubing can last for up to two months.

Types of Durable Medical Equipment:

- **Oxygen System** – A device that delivers oxygen through the upper airways to the lungs at concentrations above that of ambient air.
- **Wheelchair** – A movable chair mounted on large wheels; for invalids or those who cannot walk.
- **Walker** – A light framework with rubber castors or wheels and handles; helps invalids, a handicapped individual, or the aged to walk.
- **Hospital Bed** – A single bed with a frame in three sections so the head or middle or foot can be raised as required.
- **Cane/Crutch** – A medical device used when a patient is injured usually anywhere below the waist.

Physicians prescribe home RT/DME services for those patients who have respiratory disease conditions or other conditions that require medical equipment to function, move about, and to sustain life. Home ventilator patients who cannot breathe normally on their own will typically depend on a ventilator for the rest of their life. Ventilator therapy, like other RT therapies, will usually require teaching and

monitoring by a respiratory therapist. Homecare not only encompasses the billing and collecting for equipment and supplies, but also for professional services such as visits by a respiratory therapist (RT visits) to the patient's home. In the home setting, the patient is taught how to operate and maintain RT equipment or DME (also referred to as RT/DME equipment). In other cases, where the patient is not able to operate and maintain the equipment, the patient's caregiver is taught how to perform these tasks. In the case of a patient who is in a vegetative state, having at least one caregiver is essential. In most instances of RT/DME services, however, the patient is his or her own caregiver.

Further on in this module, all of the tasks that take place in a typical homecare company will be taught. This will give a behind-the-scenes look at what goes on starting from the time the patient is discharged from the hospital with home RT/DME services.

BEHIND THE SCENES IN A HOMECARE COMPANY

In order to fully understand homecare, it is important to first understand how a homecare company operates. The processes, which occur prior to the point of billing in a homecare company, must be understood in order to be successful in billing and collections. If any of the critical components of the admission process are missed or done incorrectly, difficulties may be encountered in attempting to collect after the fact. The basics of homecare will be covered in this lesson.

It is also important to understand how the homecare industry is structured. Homecare companies provide health care products and services to patients in their homes. Not all homecare companies provide a wide scope of services. Typically, homecare is divided into areas of specialization. Many of the larger homecare companies provide all types of services, while others are focused in specialty areas.

Homecare companies are divided into the following divisions:

- Infusion Therapy (IV)
- Respiratory & Durable Medical Equipment (DME & RT)
- Home Health

As identified above, it is imperative in all divisions to complete the front-end or admissions process. A referral form is completed, including all patient and physician demographics. Insurance verification and eligibility of benefits must be completed prior to the acceptance of the patient. Regardless of what type of service is ordered, the homecare company must have **physician's orders** to provide the treatment.

Despite the fact that homecare companies vary in size and the scope of services, there are some common denominators which prevail in the industry. In the **homecare branch, these different departments would typically be found:**

- Admissions (Intake) – Receives information on referral, verifies insurance benefits, obtains any necessary authorizations or required documentations prior to care. Intake may also negotiate

reimbursement rates and relay benefits or financial responsibilities to patient's and or insurance issues and coordinates care with other departments or referral sources.

- Pharmacy – Mixes/Compounds drugs based upon physician's orders.
- Clinical (Nursing) – Provides patient assessment and care.
- Warehouse – Delivers equipment and supplies, collects patient's financial responsibilities, and obtains patient's signatures for required documentation.
- Reimbursement – Process of all billing and collection functions resulting in reconciliation of accounts receivable for products and services billed.

The Admissions department is where it all begins. A patient, prior to being accepted onto service, is defined as a referral. A referral is called into the RT/DME Company by a variety of sources, called referral sources in the industry.

The following are some examples of **referral sources**:

- Physician's Office
- Insurance company case manager or utilization coordinator
- In-Patient Facility or Discharge Planner
- Patient, Patient's Spouse or Caregiver
- Patient
- Other Homecare Agency

The majority of referrals come directly from a physician's office through his nurse or from a discharge planner at an in-patient facility such as a hospital. Hospitals, Nursing Homes, ALF's (Assisted Living Facilities), and Rehabilitation Centers are examples of in-patient facilities, where the patient is residing for treatment, other than their home residence. Referrals can also come from another homecare agency or company that may be providing other services.

Regardless of where the referral comes from, there are certain guidelines that must be followed before the referral is accepted. Once the referral is accepted, the patient is considered to be on service. Once a patient is accepted on service for a particular therapy, the duration of the therapy will be completed unless there are unforeseen circumstances that would necessitate discontinuation. Examples might be compliance issues, loss of insurance coverage or change of treatment regime. It is not considered ethical to immediately discharge a patient for non-payment or loss of coverage. If this occurs it may be considered abandonment. Proper notification must be made if services are to be discontinued.

In cases where it is later learned that the patient has no insurance, there is some recourse to attempt to obtain reimbursement for the cost of the therapy. A reputable homecare company will make every attempt to help the patient, sometimes by offering to extend payments over a long period of time, based upon the patient's financial position. Patients may be advised on potential eligibility for benefits through Medicare, Medicaid or possibly a spouse's policy. In these latter examples, there may be a waiting period, whereby the therapy will not be covered. In this situation, the homecare company will

write off the cost of the therapy as they would for any indigent patient, (a patient who has no means of paying for the healthcare services provided and who does not have any health insurance or government benefits such as Medicare and Medicaid).

In addition to verifying insurance benefits, the Admissions department gathers all intake or referral information. The **intake or referral information obtained is listed in three different categories:**

1. **Demographic information** would include the patient's name, address, phone number, social security number, date of birth, height and weight, who to contact in case of emergency, caregiver, marital status, language, place of employment, and any history of infectious diseases, allergies or prior drug reactions. Additional demographics are: ambulatory status, whether the patient is a diabetic, smoker, and physical disabilities, etc. Finally, Admissions would gather all pertinent demographic information regarding the patient's physician, including physician's address, phone number, medical license, DEA and UPIN number. This information will be needed later to file a claim or bill on behalf of the patient.
2. **Financial information** is also gathered. This is the payer (name of the insurance company), payer address and phone number, policy and group numbers and the subscriber of the policy. **Subscriber** is another name for the insured. In the case of a child receiving services, the policy subscriber would typically be one or both of the parents. In some adult cases, the policy subscriber would be the spouse. It is important to note here that even though the Admissions department gathers this information, the department must still verify the insurance benefits by calling the insurance company. It is important to obtain the correct address of the claims process facility. Many times this is different from the initial provider information.
3. **Clinical information** must be gathered for all of the requested products and services that are being requested. In fact, proper insurance verification cannot be done until all clinical information has been gathered. Admissions must gather information pertinent to any equipment or service that may be needed by the individual patient.

Besides the Admissions Department, there are two other departments that are very busy with RT/DME related tasks. Respiratory and Warehouse departments share in the responsibility of teaching or training the patient. For RT therapies, the respiratory therapist will teach or train the patient or caregiver, and will continue to monitor those patients that require clinical follow-up care. The RT will maintain the patient's chart or medical test throughout the duration of service.

For most DME therapies, the delivery driver will teach the patient and/or caregiver about the use, care, and maintenance of the equipment. DME therapies such as walkers, wheelchairs, beds, etc. do not require instruction by a clinician. Warehouse personnel in a homecare company, such as delivery drivers, are trained in the correct use and operation of each type of equipment. The homecare company likely has additional warehouse personnel who have been trained and are certified by the equipment manufacturer in the cleaning, maintenance, and repair of equipment. Additionally, warehouse personnel must monitor and maintain the charts or files for most of the equipment.

Classifications for RT/DME equipment:

- Rental items

- Capped Rentals
- Sale items

RT/DME equipment is usually rented on a monthly basis. Some types of equipment will continue to rent for the duration of the therapy, and will never be sold. Other kinds of equipment will rent until they meet the purchase price at which time they are considered to be sold to the patient. When a piece of equipment meets the purchase price, we say that it has capped. This type of equipment is called a capped rental. There are a few kinds of RT/DME equipment that are typically sold outright, and are never rented. The payer, (Medicare or private insurance company), determines whether certain types of equipment are rentals, capped rentals, or sale items, as well as the dollar value when each piece of equipment meets this criteria.

Homecare companies usually have strict policies when it comes to the disposition of their equipment. After all, RT/DME equipment is considered an asset of the company because it generates revenue, and therefore, the homecare company must protect its assets. The policies surrounding RT/DME equipment are primarily concerned with the preventative maintenance and repair of equipment. Equipment must be periodically checked or serviced to ensure that it is operating or functioning within the guidelines of the manufacturer. For life-sustaining equipment such as oxygen or ventilators, this is critical to the safety and well being of the patient. In these cases, patients will be issued back-up equipment that can be utilized if the primary equipment fails. Sometimes the homecare company can bill and collect for back-up equipment, but usually it is delivered at no charge, as a courtesy to the patient, for patient confidence and safety. Note, if the patient resides in a rural area, this is of particular importance.

Homecare company policies will also encompass equipment tracking. It is critical and essential to know the condition and location of the equipment. For instance, an apnea monitor may be in the warehouse, but it may still need to be cleaned and/or serviced before it is safe to send out on another patient. It is also critical to know which piece of equipment is in which patient's home. For this reason, equipment is tracked by the *manufacturer's serial number* and the *company's asset number*. The company's asset number is a pre-printed sticker or label that identifies the piece of equipment as belonging to the homecare company. If the ventilator asset #12345 is out to patient Jane Doe, then the company knows where the piece of equipment is when #12345 comes due for preventative maintenance service. Later on, equipment tracking's necessity to ensure proper billing will be discussed.

This lesson should have provided a broad understanding of the Homecare Industry and its components in addition to the departments of a homecare branch and what they do. It also should have provided a solid foundation to begin developing a clinical knowledge of Respiratory Therapies and Durable Medical Equipment.

REVIEW OF CONCEPTS

- **Caregiver** – Individual designated by the patient, physician and/or guardian who is responsible for the oversight and administration of the patient's care.
- **Respiratory Therapy (RT)** – A service involved in the assessment and treatment of breathing disorders.
- **Durable Medical Equipment (DME)** – Any medical equipment used in the home to aid in a better quality of living.
- **Types of Respiratory Therapy Equipment:**
 - **C-PAP** – Continuous airway pressure device.
 - **Bi-PAP** – Bi-level respiratory assisted device.
 - **Ventilator** – A device that circulates fresh air and expels stale or noxious air.
 - **Nebulizer** – A device used to administer medication to people in the form of a mist inhaled into the lungs.
- **Types of Durable Medical Equipment:**
 - **Oxygen System** – A device that delivers oxygen through the upper airways to the lungs at concentrations above that of ambient air.
 - **Wheelchair** – A movable chair mounted on large wheels; for invalids or those who cannot walk.
 - **Walker** – A light framework with rubber castors or wheels and handles; helps invalids, a handicapped individual, or the aged to walk.
 - **Hospital Bed** – A single bed with a frame in three sections so the head or middle or foot can be raised as required.
 - **Cane/Crutch** – A medical device used when a patient is injured usually anywhere below the waist.
- **3 Divisions of Homecare Companies**
 - Infusion Therapy (IV)
 - Respiratory & Durable Medical Equipment (RT & DME)
 - Home Health
- **Physician's Orders** – Sometimes interchanged with prescription. The detailed description of the products or service lines that are being ordered or prescribed by the patient's physician for treatment of their illness or condition.
- **Departments within the Homecare Branch:**
 - Admissions (Intake)
 - Pharmacy
 - Clinical (Nursing)
 - Warehouse
 - Reimbursement
- **Referral Sources:**
 - Physician's Office
 - Insurance Company Case Manager or Utilization Coordinator
 - In-Patient Facility or Discharge Planner
 - Patient's Spouse or Caregiver
 - Patient

- Other Homecare Agency
- **3 Categories of Intake or Referral Information Obtained by the Admissions Department:**
 - **Demographic Information** – The information gathered to identify a patient, address, telephone, physician, insurance carrier(s), etc.
 - **Financial Information** – The information gathered regarding a patient’s means to pay for the services that will be provided.
 - **Clinical Information** – The information gathered for all of the requested products and services, this includes drug names, dosage, frequency, method of administration, start and stop dates, etc.
- **Subscriber** – Another name for insured, it is the individual who is the primary member on an insurance plan (i.e. working spouse, parent, etc.).
- **Clinical Information** – The information gathered for all of the requested products and services, this includes drug names, dosage, frequency, method of administration, start and stop dates, etc.
- **Classification for RT/DME Equipment:**
 - Rental Items
 - Capped Rentals
 - Sale Items

QUESTIONS

1. The abbreviation RT stands for which of the following terms?
 - I. Respiratory Therapy
 - II. Respiratory Trainer
 - III. Respiratory Teacher
 - IV. Respiratory Therapist
 - a. I & II
 - b. I & III
 - c. I & IV**
 - d. II & III
2. What is the term describing Durable Medical Equipment companies?
 - a. HME
 - b. RT/HME
 - c. DME**
 - d. MEC
3. Which of the following individuals can be described as a caregiver?
 - a. Patient
 - b. Nurse
 - c. Family Member, Relatives
 - d. All of the Above**
4. What term describes all of the processes occurring in a Durable Medical Equipment company prior to the printing of a claim?
 - a. Front-End Process**
 - b. Claims Reconciliation Process
 - c. Back-End Process
 - d. Medical Review Process
5. What term describes the billing and collection activities that occur after the products and services have been provided to the patient?
 - a. Front-End Process
 - b. Back-End Process**
 - c. Medical Review Process
 - d. Claims Reconciliation Process
6. Which of the following departments in a Homecare branch receives referrals?
 - a. Billing
 - b. Collections
 - c. Intake**
 - d. Warehouse
7. Which of the following locations are considered "in-patient" facilities?
 - a. Hospitals
 - b. Nursing Homes
 - c. Rehabilitation Centers

- d. All of the Above**
8. What term is used to describe any patient that does not have healthcare insurance entitlement to government healthcare benefits or a means of paying for healthcare services provided?
- a. Poor
 - b. Destitute
 - c. Indigent**
 - d. Bankrupt
9. Which of the following is NOT considered one of the three main categories of RT/DME equipment?
- a. Refurbished Sale Items**
 - b. Rentals
 - c. Sale Items
 - d. Capped Rentals