# PART C, CHAPTER 5.2.d: DURABLE MEDICAL EQUIPMENT

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| **Policy Number** | **Authority** | **Scope** | **Effective Date** |
| Part C, Chapter 5.2.d | 34 CFR [§361.5(c)(39)](https://www.ecfr.gov/current/title-34/part-361#p-361.5(c)(39)), [§361.48(b)(5)](https://www.ecfr.gov/current/title-34/part-361#p-361.48(b)(5)), and TWC Rule [§856.43](https://texreg.sos.state.tx.us/public/readtac$ext.TacPage?sl=R&app=9&p_dir=&p_rloc=&p_tloc=&p_ploc=&pg=1&p_tac=&ti=40&pt=20&ch=856&rl=43) | All TWC-VR staff | 07/01/2025 |

## PURPOSE

In accordance with the authority (Federal and State) listed above, this policy is issued by the Texas Workforce Commission Vocational Rehabilitation Division (TWC-VR). Adherence to these rules and regulations issued under the Rehabilitation Act of 1973, as amended by Title IV of the Workforce Innovation and Opportunity Act (WIOA), supports Texans with disabilities in gaining, maintaining, and advancing in competitive integrated employment (CIE).

Specifically, the purpose of this policy and these procedures is to ensure adherence to the provision of Durable Medical Equipment.

## DEFINITIONS

Best Value Purchasing: The purchasing of goods and services that meet the customer's vocational needs in the most cost-effective manner. This includes consideration of purchase price, installation costs, life cycle costs, quality and reliability of the goods and services, delivery terms, indicators of probable vendor performance, cost of training associated with the purchase, and other factors relevant to determining the best value in the context of a particular purchase.

Informed Choice: The means by which a customer chooses their rehabilitation path, from options based on their needs and circumstances and the VR program's rules, as it relates to choosing medical equipment and devices and the provider of the equipment and devices.

## POLICY

### General Overview

Durable Medical Equipment (DME) refers to reusable medical devices and supplies prescribed by healthcare providers to aid individuals with medical conditions or disabilities. These items are designed for long-term use and are essential for enhancing quality of life, supporting medical conditions, and ensuring safety.

Examples include the following:

* Mobility aids (wheelchairs, walkers);
* Home medical equipment (hospital beds);
* Respiratory equipment (oxygen concentrators); and
* Monitoring devices (blood glucose monitors).

Many DME items are covered by insurance plans when deemed medically necessary.

Medical assistive devices and supplies fall into three categories, which have policies and procedures that are specific to each:

* Noncontract;
* Contract; and
* Noncontract Items Requiring Special Consideration

### Bids

Bids are required when a single purchase is expected to exceed $10,000, unless the item is under contract or listed in MAPS.

### Standards for Providers (SFP)

The SFP manual focuses on the business practices, processes, and policies that TWC-VR and the contracted provider must follow. This VRSM chapter includes services that are provided by a contractor. For additional information regarding contractor responsibilities, service descriptions and costs, please refer to the SFP Chapter 8: Durable Medical Equipment.

### Additional Policy Considerations

* Comparable Services and Benefits: TWC-VR must not expend funds on DME services unless the VR Counselor and the customer have made maximum efforts to secure comparable services and benefits from other sources to pay for services
* Customer Participation in the Cost of Services: A customer's eligibility for TWC-VR services does not depend on the customer's income or liquid assets; however, if the customer's net income or liquid assets exceed the Basic Living Requirements (BLR), the customer must participate in the cost of services unless an exception is granted.
* Recipients of Social Security Disability Benefits: Recipients of Supplemental Security Income (SSI) or Social Security Disability Insurance (SSDI), due to the customer’s disability, are exempt from the requirement to participate in the cost of TWC-VR services regardless of income.
* Exceptions to Policy: When necessary to meet the VR needs of a customer, TWC-VR staff members may request exceptions to policies and procedures through their chain of management up to the Deputy Division Director of Field Services Delivery, or designee. However, exceptions to policies and procedures based on Federal and State laws, statutes, and rules or regulations are not allowable.

## PROCEDURES

### Ownership of Medical Assistive Devices

Medical assistive devices purchased for a customer by TWC-VR are the property of the State of Texas.

The VR Counselor must utilize the Assistive Technology Specialist (ATS). The ATS must—

* Prepare a consultation packet using the DME coversheet, follow the instructions, and attach all required information;
* Submit the packet to the Program Specialist for Assistive and Rehab Technology (PSART) mailbox: [PSART@twc.texas.gov](mailto:PSART@twc.texas.gov);
* Document in RHW the need for the required review and the submission date of the cover sheet and required information; and
* Review the DME decision entered in a case note in RHW, resolve any issues with the vendor, and inform the VR Counselor when the review is completed.

### Contracted Goods and Services (Excluding Hospitals and Hearing Aids)

Contract administration staff solicit and manage contracts for TWC-VR goods and services. Some goods or services must be purchased under contract. Before purchasing a good or service, the VR Counselor must use RHW to determine whether a contract is required. When the SA is generated, RHW assigns the contract number based on the vendor and the type of purchase.

### Determining the Need for DME

The VR Counselor may authorize the purchase of the following DME only when it is vocationally necessary and is expected to improve the customer's ability to participate in VR services that are required to obtain, maintain, advance in, or regain employment as defined in the customer's individualized plan for employment (IPE):

* Rehabilitation or hospital beds;
* Patient lifts;
* Manual wheelchairs;
* Power wheelchairs;
* Scooters;
* Assistive devices for the bathroom;
* Seating and positioning systems; and
* CPAP or BiPAP.

When an existing wheelchair owned by the customer needs to be repaired, TWC-VR staff must obtain an estimate of the cost for repair to the original chair from the local provider of wheelchair repair services and apply best value principles when considering whether repair or replacement is the more cost-effective course.

When an existing wheelchair owned by the customer needs to be replaced, TWC-VR staff must obtain an estimate of the cost for refurbishing the original chair from the local provider of wheelchair repair services.

### Provision of Contracted Goods

When the VR Counselor and customer agree to the need for DME purchase from a contracted provider, the VR Counselor must—

* Obtain a medical prescription that is less than six months old for the DME, include a copy in the case file, and document the action in a case note; written recommendations are required for the initial purchase of all contracted medical assistive devices and replacement items;
* After an initial prescription is received, obtain specifications (type, size, and special features) by arranging for the customer to be evaluated by—
  + A physiatrist;
  + A pulmonologist;
  + A physical or occupational therapist;
  + A rehabilitation engineer; or
  + An assistive technology professional;
* Apply best value principles in considering whether repair or replacement is the more cost-effective course;
* When purchasing a replacement chair, obtain the customer's current (within six months) prescription and a reevaluation by a physiatrist, a physical therapist, or an occupational therapist; repairs do not have to be purchased from a contract provider;
* Provide approval for the development of specifications for fabricated goods (schematics, drawings, installation, setup and training, written instructions on use and maintenance, and self-repair information, parts, warranty, and post-warranty repair); and
* Send DME recommendation and prescription with SA to the provider.

The contractor must—

* Determine the specific equipment needed based on professional recommendations, the customer's prescription, and information provided by TWC-VR;
* Provide new (unused and not refurbished) DME as specified on a VR SA;
* Deliver the goods to the specified address within 45 days of the SA, on the date and time mutually agreed upon by the VR Counselor, TWC-VR customer, and contractor;
* Deliver the goods in an assembled and fully functional state, including adaptations necessary to meet the individual needs of the TWC-VR customer as detailed on the SA and on the approved specification sheet provided by the contractor;
* Provide the VR Counselor with a cost estimate that includes—
  + MSRP with the established 18% discount;
  + Comparable benefits submission, comparable benefits response, and explanation of benefits (EOB);
  + Item number and description, matched with the appropriate codes from the Healthcare Common Procedure Coding System (HCPCS); and
  + Anticipated delivery date; and
* Must notify the TWC-VR office, in writing, if goods or equipment purchased with TWC-VR funds are subsequently returned to the contractor or exchanged or replaced by the contractor.

### DME Payment

Payment for DME is made to the contractor when the VR Counselor verifies the equipment was delivered and DME contractor has provided—

* The item numbers and descriptions matched with the appropriate HCPCS codes;
* MSRP on the manufacturer's price list or the price shown on the order form;
  + The price being billed must be at least the manufacturer's price with the established 18% discount);
* A copy of the customer's EOB for all primary and secondary payers; and
* An invoice.

### Noncontract: Medical Assistive Devices and Supplies

The following procedures apply to noncontract medical assistive devices and supplies.

The VR Counselor must—

* Determine whether a written recommendation or prescription is required. Written recommendations are required for—
  + The initial purchase of medical assistive devices and supplies; and
  + Replacement items when the medical condition is progressive.
* If required, obtain and include in the case file a written recommendation and/or prescription from—
  + A physician;
  + A physician assistant;
  + An advanced practice nurse;
  + A dentist; or
  + An optometrist;
* When the written recommendation and/or prescription do not describe the item, obtain a letter of specification from an appropriate certified paramedical specialist (i.e., physical or occupational therapist, orthotist, or prosthetist); and
* Follow procedures outlined below in Noncontract Items Requiring Special Consideration, if applicable.

### Purchases from Hospitals

Medical assistive devices and supplies purchased from contracted hospitals must be—

* Listed on the hospital invoice; and
* Paid for under the terms of the hospital contract.

To determine the proper procedure to purchase items not listed here, the VR Counselor must contact the State Office Program Specialist for Physical Restoration.

## APPROVALS & CONSULTATIONS

TWC-VR staff must follow the following approvals and consultations:

* *State Office Program Specialist for Rehabilitation Technology review is required when an SA is over $10,000. This applies to non-contracted, under contract, or listed in MAPS.*
* *Noncontract items requiring special consideration are listed in the following table:*

| Item | Required Consideration |
| --- | --- |
| Dentures or dental appliances | VR Manager's approval is required. |
| Prescription drugs | A prescription from a physician (MD or DO), physician assistant, or advanced practice nurse, or the prescription number from the named pharmacy is required. |
| Repairs | Repairs to prosthetic or orthotic devices do not require a medical professional's recommendation or prescription. Payment for repair labor charges must not exceed $50 per hour. |
| Transcutaneous electrical nerve stimulator | The device must be rented for 7-14 days before the VR Counselor may purchase it.  If the VR Counselor purchases it, the vendor must agree to apply the rental fees to its total cost. |

## REVIEW

The Policy Planning and Statewide Initiatives Team, or designee, is responsible for reviewing this policy and these procedures and will update the Document History log if necessary.

| Date | Type | Change Description |
| --- | --- | --- |
| 09/03/2024 | New | VRSM Policy and Procedure Rewrite |
| 04/01/2025 | Revised | Removed additional invoice requirements to align with required elements of an invoice |
| 07/01/2025 | Revised | Updated definition of Best Value purchasing |