

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 4386	Date: August 30, 2019
	Change Request 11433

SUBJECT: October Quarterly Update for 2019 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

I. SUMMARY OF CHANGES: The DMEPOS fee schedule is updated on a quarterly basis, when necessary, to implement fee schedule amounts for new codes, correct any fee schedule amounts for existing codes, and update the DMEPOS Rural ZIP code file. The quarterly update process for the DMEPOS fee schedule is located at publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

EFFECTIVE DATE: September 1, 2019 for implementation of fees for code E0766; October 1, 2019 for all other changes

**Unless otherwise specified, the effective date is the date of service.*

IMPLEMENTATION DATE: October 7, 2019

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 4386	Date: August 30, 2019	Change Request: 11433
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EFFECTIVE DATE: September 1, 2019 for implementation of fees for code E0766; October 1, 2019 for all other changes

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IMPLEMENTATION DATE: October 7, 2019

I. GENERAL INFORMATION

A. Background: The DMEPOS fee schedules are updated on a quarterly basis, when necessary, in order to implement fee schedule amounts for new and existing codes, as applicable, and apply changes in payment policies. The update process for the DMEPOS fee schedule is located in publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

Payment on a fee schedule basis is required for Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics and surgical dressings by section 1834(a), (h), and (i) of the Social Security Act (the Act). Additionally, payment on a fee schedule basis is a regulatory requirement at 42 Code of Federal Regulations (CFR) §414.102 for Parenteral and Enteral Nutrition (PEN), splints, casts and Intraocular Lenses (IOLs) inserted in a physician's office. The DMEPOS and PEN fee schedule files contain Healthcare Common Procedure Coding System (HCPCS) codes that are subject to the adjusted fee schedule amounts under 1834(a)(1)(F) of the Act, as well as codes that are not subject to the fee schedule Competitive Bidding Program (CBP) adjustments.

Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for certain items furnished on or after January 1, 2016, in areas that are not competitive bid areas, based on information from Competitive Bidding Programs (CBPs) for DME. Section 1842(s)(3)(B) of the Act provides authority for making adjustments to the fee schedule amount for enteral nutrients, equipment and supplies (enteral nutrition) based on information from CBPs.

The methodologies for adjusting DMEPOS fee schedule amounts under this authority are established at 42 CFR §414.210(g). Additional information on adjustments to the fee schedule amounts based on information from CBPs is available in Transmittal 3551, Change Request (CR) 9642, dated June 23, 2016, Transmittal 3416, CR 9431, dated November 23, 2015, and Transmittal 4209, CR 11064, dated January 18, 2019. Also, CR 11064 provides information on the adjusted fee payment basis for items and services furnished from January 1, 2019 through December 31, 2020 in the following three areas: rural and noncontiguous non-CBAs, non-rural and contiguous non-CBAs and in former CBAs during a temporary gap in the DMEPOS CBP.

Due to a delay in announcement of the next round of the CBP, contracts will not be in effect in Round 1, Round 2, or the National Mail Order Competitive Bidding Areas (CBAs) beginning January 1, 2019, resulting in a temporary gap period in the CBP. Additional program instructions for payment of items furnished in former CBAs is available in Transmittal 4275, CR 11233, dated April 5, 2019.

B. Policy: This recurring update notification provides instructions for the October 2019 DMEPOS Rural ZIP code file containing the Quarter 4 2019 Rural ZIP code changes. Also included in the update is the Former CBA ZIP code file containing the Quarter 4, 2019 Round 1 2017 and Round 2 Recomplete CBA ZIP codes.

The ZIP code associated with the address used for pricing a DMEPOS claim determines the rural fee schedule payment applicability for codes with rural and non-rural adjusted fee schedule amounts. The DMEPOS Rural ZIP code file contains the ZIP codes designated as rural areas. ZIP codes for non-continental MSA are not included in the DMEPOS Rural ZIP code file. The DMEPOS Rural ZIP code file is updated on a quarterly basis as necessary. Regulations at §414.202 define a rural area to be a geographical area represented by a postal ZIP code where at least 50 percent of the total geographical area of the ZIP code is estimated to be outside any MSA. A rural area also includes any ZIP Code within an MSA that is excluded from a competitive bidding area established for that MSA.

The ZIP code associated with the permanent address of the beneficiary determines applicability of the adjusted fee schedule amounts in former CBAs. During a gap in the CBP, a former CBA ZIP code file will contain the ZIP codes for Round 1 2017 and Round 2 Recompete CBAs and will be updated on a quarterly basis as necessary.

The following DMEPOS fee schedule and ZIP code public use files (PUFs) will be available for State Medicaid Agencies, managed care organizations, and other interested parties shortly after the release of the data files on the CMS Website at www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule.html

1. DMEPOS FeeschedulePUF
2. DME PEN FeeschedulePUF
3. DME RuralcodePUF
4. Former CBA FeeschedulePUF
5. Former CBA National Mail Order Diabetic Testing Supply (DTS) FeeschedulePUF
6. Former CBA ZIPcodePUF

Specific Coding and Pricing Issues

As part of this update, fee schedule amounts for the following HCPCS code will be added to the DMEPOS fee schedule file effective September 1, 2019:

E0766 Electrical stimulation device used for cancer treatment, includes all accessories, any type

Suppliers should append the Class III ‘KF’ modifier when billing HCPCS code E0766.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC		D M E	Shared- System Maintainers				Other	
		A	B		H H H	M A C	F I S S	M C S		V M S
11433.1	The DME MACs, A/B MACs Part B and/or Virtual Data Centers (VDCs) shall obtain the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T190101.V0905). The file is available for download on or after September 5, 2019.		X		X					VDC

Number	Requirement	Responsibility									
		A/B MAC			DMEPOS	Shared-System Maintainers				Other	
		A	B	HHH		FIS	MCS	VMS	CWF		
11433.1.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity that received the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).		X		X						VDC
11433.2	The A/B MACs Part A, A/B MACs Part HHH and/or VDCs shall obtain the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T190101.V0905.FI). The file is available for download on or after September 05, 2019.	X		X							VDC
11433.2.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity that received the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).	X		X							VDC
11433.3	The DME Medicare Administrative Contractors (MACs), A/B MACs Part B, A/B MACs Part A, A/B MACs Part Home Health and Hospice (HHH) and/or Virtual Data Centers (VDCs) shall obtain the calendar year 2019 DMEPOS Rural ZIP code file (filename:MU00.@DMECBIC.RURZIP.C19Q04.V0905) on or after September 05, 2019. There is no change to the DMEPOS Rural Zip code file for Quarter 4.	X	X	X	X						VDC
11433.3.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g. DMEPOS) and the entity that received the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).	X	X	X	X						VDC
11433.4	Contractors shall use the DMEPOS files specified in business requirements 1 - 2 and the Rural Zip code file in business requirement 3 to pay claims for dates of service on or after September 1, 2019 for HCPCS code E0766 and October 1, 2019 for all other codes. There is no change to the PEN fee schedule file for Quarter 4 and a new PEN fee schedule file is not released as part of this update.	X	X	X	X						VDC

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
11433.5	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the "MLN Matters" listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.	X	X	X	X	

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Anita Greenberg, Anita.Greenberg@cms.hhs.gov , Karen Jacobs, Karen.Jacobs@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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