

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 4397	Date: September 20, 2019
	Change Request 11462

SUBJECT: Quarterly Update for the Temporary Gap Period of the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) - January 2020

I. SUMMARY OF CHANGES: The DME CBP files are updated on a quarterly basis in order to implement necessary changes to the healthcare common procedure coding system, zip code, single payment amount, and supplier files. These requirements provide specific instruction for implementing the DMEPOS CBP files. This recurring update notification applies to chapter 23, section 100.

EFFECTIVE DATE: January 1, 2020

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

IMPLEMENTATION DATE: January 6, 2020

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

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I. GENERAL INFORMATION

A. Background: The Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) was mandated by Congress through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The statute requires that Medicare replace the current fee schedule payment methodology for selected DMEPOS items with a competitive bidding process. The intent is to improve the effectiveness of the Medicare methodology for setting DMEPOS payment amounts, which will reduce beneficiary out-of-pocket expenses and save the Medicare program money while ensuring beneficiary access to quality items and services.

The Round 1 2017, Round 2 Recompete, and National Mail Order (NMO) Recompete CBP contracts expired on December 31, 2018. Due to a delay in the announcement of the next round of the CBP, contracts are not in effect in Round 1, Round 2, or the NMO Competitive Bidding Areas (CBAs) beginning January 1, 2019, resulting in a temporary gap period in the CBP.

B. Policy: During the temporary gap period in the DMEPOS CBP, any Medicare enrolled DMEPOS supplier may furnish any DMEPOS item, including items that were formerly included in the CBP. In addition, payment for all items and services that were included in the CBP are based on the lower of the supplier's charge for the item or fee schedule amounts adjusted in accordance with sections 1834(a)(1)(F) and 1842(s)(3)(B) of the Social Security Act. For CY 2019, the fee schedule amounts for items furnished in areas that were CBAs as of December 31, 2018, were adjusted based on the Single Payment Amounts (SPAs) for each specific CBA, increased by the projected percentage change in the Consumer Price Index for all Urban Consumers (CPI-U) for the 12-month period ending January 1, 2019. For CY 2020, the adjusted fee schedule amounts are increased by the projected percentage change in the CPI-U for the 12-month period ending January 1, 2020. These fee schedule amounts are different than the fee schedule amounts for items furnished in all other non-bid areas, or areas that are not CBAs as of December 31, 2018.

Different fee schedule files are being used to reflect these changes. The normal DMEPOS fee schedule file is used for all non-bid areas that were not CBAs as of December 31, 2018. A second fee schedule file is used to pay claims for items and services that were included in the CBP and are furnished in areas that are CBAs as of December 31, 2018.

The adjusted fee schedule for former CBAs and the former CBA ZIP codes Public Use Files (PUFs) are available for interested parties on the CMS website <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule.html>

The following three competitive bidding files are transmitted by the Competitive Bidding Implementation Contractor (CBIC) on a quarterly basis for use in processing CBP claims: the CBA ZIP code file, the Healthcare Common Procedure Coding System (HCPCS) file, and the CBA pricing file. These files will continue to be transmitted to the contractors for use in paying claims based on the fee schedules for items and services that were included in the CBP and furnished on or after January 1, 2019, in a previous CBA. Because the fee schedule amounts are different, the following message will be used to alert suppliers about

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	P#EFT.ON.HCATGQ.C20Q01									
11462.5	The VDC shall automate the retrieval process for refreshing these files quarterly.								VDC	
11462.6	The Durable Medicare Equipment (DME) Medicare Administrative Contractors (MACs), Pricing, Data Analysis and Coding (PDAC) and VDC shall load these quarterly files.				X				PDAC, VDC	
11462.7	The VDC shall receive notice via technical direction in the event the dataset names listed in business requirements 11462.3 and 11462.4 are changed for any reason.								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		
11462.8	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	

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

V. CONTACTS

Pre-Implementation Contact(s): Jessica Slater, 410-786-1891 or jessica.slater@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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ATTACHMENTS: 0