Prior Authorization Process for Certain Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Items
Proposed Rule

Frequently Asked Questions

1. **What does the proposed rule do?**

   The proposed rule would establish a prior authorization process for certain durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) items that are frequently subject to unnecessary utilization. The rule would establish criteria for a Master List of durable medical equipment, prosthetics, orthotics, and supplies items that are frequently subject to unnecessary utilization, and a prior authorization process for items on the Master List. The Master List can be seen at https://www.federalregister.gov.

2. **What is prior authorization?**

   Prior authorization is a process through which a request for provisional affirmation of coverage is submitted for review before a medical item is furnished to a beneficiary and before a claim is submitted for payment. Prior authorization helps ensure that applicable coverage, payment, and coding rules are met before supplies are delivered. Some insurance companies, such as TRICARE, Medicare Advantage, certain Medicaid programs, and the private sector, already use prior authorization to ensure proper payment before the item is furnished.

3. **Does the proposed rule create new documentation requirements?**

   The proposed regulation does not create new documentation requirements. The proposed rule would simply require currently mandated documentation earlier in the claims payment process.

4. **How does a durable medical equipment, prosthetics, orthotics, and supplies item get included on the master list?**

   Any equipment or supply item included on the list was identified as having potentially unnecessary utilization in at least one of the following:
   - Department of Health and Human Services' Office of the Inspector General (OIG) report;
   - Government Accountability Office (GAO) report published since 2007; or
   - Comprehensive Error Rate Testing (CERT) Annual Medicare Fee-for-Service Improper Payment Report, Appendix of Durable Medical Equipment Projected Overpayment Rates in 2011 or later.

   Also, the item must have an average purchase fee of $1,000 or greater, or an average rental fee schedule of $100 or greater.

5. **How many durable medical equipment, prosthetics, orthotics, and supplies items are on the Master List?**

Under the proposed rule, the Master List would contain 134 durable medical equipment, prosthetics, orthotics, and supplies items. The Master List can be seen at https://www.federalregister.gov.

6. **How long do durable medical equipment, prosthetics, orthotics, and supplies items stay on the Master List?**

   Under the proposed rule, items would remain on the Master List for 10 years from the date the item was added. An item would be removed from the list sooner than 10 years if the purchase amount drops below the payment threshold (an average purchase fee of $1,000 or greater, or an average monthly rental fee schedule of $100 or greater). Items aging off the Master List because they have been on the list for 10 years can remain on or be added back to the Master List if a subsequent GAO, OIG, or CERT Appendix report identifies the item to be frequently subject to unnecessary utilization and it remains above the payment threshold.

7. **Will new items be included in the Master List in the future?**

   Yes. Under the proposed rule, the Master List would be updated annually according to specific criteria and notice will be provided in the Federal Register. Any item on the durable medical equipment, prosthetics, orthotics, and supplies fee schedule meeting the inclusion criteria would be added to the Master List annually.

8. **Will prior authorization be required for every item on the Master List?**

   Not at this time. Under the proposed rule, CMS would limit the number of items requiring prior authorization. Thus, presence on the Master List would not automatically require prior authorization of the item.

9. **How will we know which items on the Master List require prior authorization?**

   Under the proposed rule, CMS would publish a notification of the list of items requiring prior authorization in the Federal Register 60 days before implementation. In addition, CMS would conduct education for beneficiaries and industry before implementation. All items on the list of durable medical equipment, prosthetics, orthotics, and supplies items requiring prior authorization would be taken from the Master List.

10. **Does this proposed regulation specify the first item(s) that will require prior authorization?**

    No. Under the proposed rule, notification of the first items requiring prior authorization would appear in the Federal Register after the publication date of the final rule.

11. **How does the proposed rule affect the prior authorization of power mobility device demonstration?**

    The proposed rule does not affect the prior authorization of power mobility device demonstration. Since the Master List under the proposed rule contains durable medical

equipment, prosthetics, orthotics, and supplies items currently included in the prior authorization of power mobility device demonstration, CMS would not require prior authorization for power mobility devices under this proposed rule, at least until the demonstration was complete.

12. What states would this proposed rule impact?

Requirements established under the proposed rule could be implemented locally or nationally. For example, if data shows that a particular durable medical equipment, prosthetics, orthotics, and supplies item is frequently subject to unnecessary utilization in one or several states, but not nationally, then CMS may implement the prior authorization requirement in those states only.

13. Where can I find a list of items on the Master List?

Currently, the Master List can be found in the proposed rule. You can find the proposed rule at: https://www.federalregister.gov.

14. Can I comment on the proposed rule?

Yes, CMS welcomes public comments. Instructions on how to submit your comment can be found at: https://www.federalregister.gov.