



DMEPOS Fee Schedule: July 2024 Quarterly Update

Related CR Release Date: June 13, 2024

MLN Matters Number: MM13658

Implementation Date: July 1, 2024

Related Change Request (CR) Number: [CR 13658](#)

Effective Date: July 1, 2024 - except for fee schedules for HCPCS codes E2298 and K1007 effective April 1, 2024

Related CR Transmittal Number: R12685CP

Related CR Title: July Quarterly Update for 2024 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

Affected Providers

- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for DMEPOS they provide to Medicare patients

Action Needed

Make sure your billing staff knows about:

- Updates to CY 2024 fee schedule amounts for certain DMEPOS codes
- Changes in payment policy
- New fee schedule information for HCPCS codes K1007 and E2298

Background

CMS updates the DMEPOS fee schedule quarterly to implement fee schedule amounts for new and existing codes, as applicable, and apply changes in payment policies.

Sections 1834(a), (h), and (i) of the [Social Security Act](#) (the Act) require payment for certain DMEPOS on a fee schedule basis. Payment on a fee schedule basis is a regulatory requirement at [42 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 HCPCS codes subject to fee schedule adjustments using information on the payment determined for these items under the DMEPOS Competitive Bidding Program (CBP), as well as codes that aren't subject to the CBP or fee schedule adjustments.

Effective January 1, 2024, the DMEPOS fee schedule file includes national payment amounts for lymphedema compression treatment items established in accordance with Section 1834(z) of the Act and regulations at [42 CFR 414.1650](#).

1. The Consolidated Appropriations Act (CAA), 2023

Section 4139 of the [CAA, 2023](#), required us to base the fee schedule amounts for items and services you provide in non-rural contiguous Non-Competitive Bidding Areas (CBAs) to continue on a blend of 75% of the adjusted fee schedule amounts and 25% of the unadjusted fee schedule amounts for claims with dates of service for the remainder of the Coronavirus Disease (COVID-19) Public Health Emergency (PHE) or December 31, 2023, whichever is later.

The COVID-19 PHE ended on May 11, 2023. Therefore, effective January 1, 2024, we base the fee schedule amounts for these items and services of the fee schedule amounts adjusted per [42 CFR 414.210\(g\)](#). Additional details are available in the [Home Health Prospective Payment System](#) final rule.

Effective January 1, 2024, there's a [gap period](#) in the DMEPOS CBP. All Medicare Round 2021 DMEPOS CBP contracts for off-the-shelf (OTS) back braces and OTS knee braces expired on December 31, 2023.

During the gap period, payment for items and services included in the CBP are equal to 80% of the lesser of the supplier's charge or the fee schedule amount for the item. According to 42 CFR 414.210(g)(10), the fee schedules for items and services provided in former CBAs are based on the Single Payment Amounts (SPAs) in effect in the CBA on the last day before the CBP contract period of performance ended, increased by the projected percentage change in the Consumer Price Index Urban (CPI-U) for the 12-month period on the date after the contract periods ended. We increase the fee schedule amounts once every 12 months on the anniversary date of the first day after the contract period ended with the CPI-U.

For items where we awarded contracts in Round 2021, for CY 2024, the fee schedule amounts for items provided in areas that were CBAs as of December 31, 2023, are adjusted based on the SPAs for each specific CBA, increased by the projected percentage change in the CPI-U of 2.9% for the 12-month period ending January 1, 2024. For items that were included in Round 2021 but where contracts weren't awarded in Round 2021 of the CBP, the 2023 adjusted fee schedule amounts increased by the projected CPI-U of 2.9% for CY 2024.

A former CBA ZIP Code file contains the CBA ZIP Codes used in pricing a claim for an item provided in a CBA, which we update on a quarterly basis as necessary. Effective January 1, 2024, the former CBA ZIP Code file contains the ZIP Codes for the CBAs in Round 2021.

2. DMEPOS Rural 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 fee schedule amounts adjusted per 42 CFR 414.210(g).

The DMEPOS Rural ZIP Code file contains the ZIP Codes designated as rural areas. ZIP

Codes for non-contiguous Metropolitan Statistical Areas (MSAs) aren't included in the DMEPOS Rural ZIP code file. Updates to the DMEPOS Rural ZIP Code file occur on a quarterly basis as necessary. Regulations at [42 CFR 414.202](#) define a rural area to be a geographical area represented by a postal ZIP code where at least 50% of the total geographical area of the ZIP code is estimated to be outside any MSA. A rural area also includes any low population density ZIP Code within an MSA that's excluded from a CBA established for that MSA.

3. Additional Information on the 2024 DMEPOS Fee Schedules is Available the Following MLN Matters Articles:

- [MM13463](#) - January 2024 Update for DMEPOS Fee Schedule
- [MM13574](#) - April 2024 Update for DMEPOS Fee Schedule

CR 13658 provides updates for the following files:

- DMEPOS fee schedule file for July 2024 (Quarter 3)
- DMEPOS Rural ZIP Code file for July 2024 (Quarter 3)

There are no updates to the DMEPOS PEN fee schedule file for 2024 (Quarter 3).

These updates will be available as [Public Use Files \(PUFs\)](#) for State Medicaid Agencies, managed care organizations, and other interested parties.

4. Codes Added and Deleted

We're not adding or deleting any codes from the DMEPOS fee schedule file, effective July 1, 2024.

a. Fee Schedules HCPCS Level II Code K1007

On February 29, 2024, we issued the final determinations for the Second Biannual (B2) 2023 HCPCS Application Cycle. A final payment determination wasn't made then for HCPCS Level II code K1007 (bilateral hip, knee, ankle, foot device, powered, includes pelvic component, single or double upright[s], knee joints any type, with or without ankle joints any type, includes all components and accessories, motors, microprocessors, sensors). We subsequently got data that supported finalizing a payment determination for this code.

On April 11, 2024, we announced fee schedule amounts for HCPCS code K1007, which are effective for claims with dates of service as of April 1, 2024. The fee schedule amounts for the [HCPCS Level II code K1007](#) are in the July 2024 (Quarter 3) DMEPOS fee schedule file.

b. Fee Schedules HCPCS Level II Code E2298

We established payment on a purchase basis for capped rental wheelchair accessory codes provided for use with complex rehabilitative power wheelchairs. These accessories are

considered as part of the complex rehabilitative power wheelchair and associated lump sum purchase option set forth at [42 CFR 414.229\(a\)\(5\)](#). Effective April 1, 2024, HCPCS Level II code E2298 (Complex rehabilitative power wheelchair accessory, power seat elevation system, any type) is eligible for payment on a purchase basis when provided for use with a complex rehabilitative power wheelchair.

We've revised the fee schedule amounts for HCPCS Level II code E2298 (complex rehabilitative power wheelchair accessory, power seat elevation system, any type) to correct the fee schedule calculations. The revised 2024 capped rental price for code E2298 is approximately \$201.40 for months 1-3 and \$151.05 for months 4-13 for a total of \$2,114.70 for 13 months of continuous use. The revised corrected fees are in the July 2024 (Quarter 3) DMEPOS Fee Schedule file.

Your MAC will adjust processed claims for [code E2298](#) with dates of service on or after April 1, 2024, if you bring them to your MAC's attention.

More Information

We issued CR 13658 to your MAC as the official instruction for this change.

For more information, [find your MACs' website](#).

Document History

Date of Change	Description
June 13, 2024	Initial article released.

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