



DMEPOS Fee Schedule: October 2024 Quarterly Update

Related CR Release Date: September 12, 2024	MLN Matters Number: MM13774
Effective Date: October 1, 2024	Related Change Request (CR) Number: CR 13774
Implementation Date: October 7, 2024	Related CR Transmittal Number: R12835CP

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

Affected Providers

- Physicians
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for DMEPOS items and services provided to Medicare patients

Action Needed

Make sure your billing staff knows about:

- New and deleted HCPCS codes
- New fee schedule amounts
- Fee schedule amount revisions for A4271

Background

CR 13774 updates the DMEPOS fee schedule, which is done quarterly as necessary, to implement fee schedule amounts for new and existing codes, as applicable, and apply changes in payment policies. This update relates to Section 60, Medicare Claims Processing Manual (Pub. 100-04), Chapter 23.

Payment on a fee schedule basis is required for certain DMEPOS by Sections 1834(a), (h), and (i) of the [Social Security Act](#) (the Act). In addition, such payment is a regulatory requirement found at [42 CFR 414.102](#) for parenteral and enteral nutrition (PEN), splints, casts, and intraocular lenses (IOLs) inserted in a physician's office. Effective January 1, 2024, the DMEPOS fee schedule file will include national payment amounts for lymphedema compression treatment items established per Section 1834(z) of the Act and regulations at [42 CFR 414.1650](#).

Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for DME items included in the DMEPOS Competitive Bidding Program (CBP) for payment of the items in areas that aren't included in the CBP. Sections 1834(h)(1)(H)(ii), 1842(s)(3)(B), and 1834(z)(3) of the Act provide authority to adjust the fee schedule amounts for off-the-shelf (OTS) orthotics, braces, and enteral nutrients; equipment; and supplies (enteral nutrition), based on information from the DMEPOS CBP and the national payment amounts for lymphedema compression treatment items.

The fee schedule adjustment methodologies and national payment amounts are established at [42 CFR 414.210\(g\)](#). The DMEPOS and PEN fee schedule files contain HCPCS codes that are subject to fee schedule adjustments using information on the payment determined for these items under the CBP, as well as codes that aren't subject to the CBP or fee schedule adjustments.

1. Payment for Items Provided in Former CB Areas

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

During the gap period, payment for items and services that were included in the CBP are equal to 80% of the lesser of the supplier's charge or the fee schedule amount for the item. Per 42 CFR 414.210(g)(10), the fee schedules for items and services provided in former Competitive Bidding Areas (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. The fee schedule amounts increase once every 12 months on the anniversary date of the first day after the contract period ended with the CPI-U.

For items where contracts were awarded 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. Similarly, 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 are increasing by the projected CPI-U of 2.9% for CY 2024.

More information on the [gap period](#) is available.

A former CBA ZIP Code file contains the CBA ZIP Codes used in pricing a claim for an item provided in a CBA and is updated on a quarterly basis as needed. Effective January 1, 2024, the former CBA ZIP Code file will contain the ZIP Codes for the CBAs included 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 ZIP Code file, which is updated on a quarterly basis as needed. Regulations at [42 CFR 414.202](#) define a rural area as a geographical area represented by a 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.

Public Use Files (PUFs)

Updates to the Medicare Program DMEPOS fee schedule files are available as [PUFs](#) for state Medicaid agencies, managed care organizations, and other interested parties.

Codes Added and Deleted

New DMEPOS codes added to the HCPCS file, effective October 1, 2024, are listed in the business requirement [13774.5 of CR 13774](#). No codes are deleted from the DMEPOS fee schedule file, effective October 1, 2024.

New Fee Schedule Amounts

Fee schedule amounts are added to the DMEPOS fee schedule file for new and revised HCPCS codes, including:

- A4544
- A4545
- A7021
- E0469
- E0683
- E0736
- E0738
- E0739
- E0743
- E2513
- L1006
- L1653
- L1821

We're also revising the fee schedule amounts for HCPCS Level II code A4271, effective April 1, 2024, that were based on supplies for 100 tests. The revised A4271 fee schedule amounts, effective October 1, 2024, are based on supplies for 50 tests.

The fee schedule category listed in the DMEPOS file for some of these items may reflect revisions for benefit category determinations made using the procedures at [42 CFR 414.114](#) and [414.240](#).

Per DMEPOS items and services regulations at 42 CFR 414.114 and 414.240, we've obtained public consultation on national Medicare benefit category determinations and payment determinations for these codes during our First Biannual 2024 Non-Drug and Non-Biological Items and Services HCPCS code application review cycle. A narrative [summary](#) for the Medicare benefit category and payment determinations for these items is available.

More Information

We issued CR 13774 to your MAC as the official instruction for this change.

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

Document History

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

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