

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 12835	Date: September 12, 2024
	Change Request 13774

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

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to update the DMEPOS fee schedule 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. This recurring update notification applies to publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

EFFECTIVE DATE: October 1, 2024

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

IMPLEMENTATION DATE: October 7, 2024

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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II. GENERAL INFORMATION

A. Background:

Payment on a fee schedule basis is required for certain Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by Subsection (§)1834(a), (h), and (i) of the Social Security Act (the Act). In addition, 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. Effective January 1, 2024, the DMEPOS fee schedule file will include national payment amounts for lymphedema compression treatment items established in accordance with §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 are not 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 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 methodologies for adjusting DMEPOS fee schedule and national payment amounts are established at 42 CFR §414.210(g). The DMEPOS and PEN fee schedule files contain Healthcare Common Procedure Coding System (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 are not subject to the CBP or fee schedule adjustments.

1. Payment for Items Furnished in Former Competitive Bidding Areas

Effective January 1, 2024, there is 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 that were included in the CBP are equal to 80 percent of the lesser of the supplier's charge or the fee schedule amount for the item. Pursuant to §414.210(g)(10), the fee schedules for items and services furnished 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. The fee schedule amounts are increased 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 Calendar Year (CY) 2024, the fee schedule amounts for items furnished 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 percent for the 12-month period ending January 1, 2024. Similarly, for items that were included in Round 2021 but where contracts were not awarded in Round 2021 of the CBP, the 2023 adjusted fee schedule amounts are increased by the projected CPI-U of 2.9 percent for CY 2024.

Additional information on the gap period is available at <https://www.cms.gov/medicare/payment/fee-schedules/dmepos-competitive-bidding>

A former CBA ZIP code file contains the CBA ZIP codes used in pricing a claim for an item furnished in a CBA and will be updated on a quarterly basis as necessary. 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 in accordance with §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) 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 low population density ZIP Code within an MSA that is excluded from a CBA established for that MSA.

B. Policy:

Updates to the Medicare DMEPOS fee schedule files are available as Public Use Files (PUFs) for State Medicaid Agencies, managed care organizations, and other interested parties on the CMS website at <https://www.cms.gov/medicare/payment/fee-schedules/dmepos/dmepos-fee-schedule>

Codes Added and Deleted

New DMEPOS codes added to the Healthcare Common Procedure Coding System file (HCPCS) file, effective October 1, 2024, are listed in the business requirements below.

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:

A4544

A4545

A7021

E0469

E0683

E0736

E0738

E0739

E0743

E2513

L1006

L1653

L1821

CMS is 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, have been updated so they 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.

Pursuant to regulations for DMEPOS items and services at 42 CFR §414.114 and §414.240, CMS obtained public consultation on national Medicare benefit category determinations and/or payment determinations for these codes during CMS' 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/or payment determinations for these items is available on the CMS website at www.cms.gov/medicare/coding-billing/healthcare-common-procedure-system/current-prior-years-level-ii-coding-decisions.

Fee Schedule HCPCS Level II Code L1006

For HCPCS Level II code L1006, the payment determination included in CMS' First Biannual 2024 Non-Drug and Non-Biological Items and Services HCPCS code application review cycle indicated that the fee schedule amounts would be based on 2023 internet retail prices from September 2023 for items classified in code L1006. The final B1 2024 payment determination indicated that after applying the annual deflation and update factors, the 2024 fee schedule amount for code L1006 would be approximately \$1,368.16. Subsequently, errors were detected in the deflation and update calculations. Applying the 2023 deflation factor to the median 2023 price of \$1,868 and applying the cumulative update factor results in a 2024 fee schedule amount of \$1,253.34 for code L1006. Effective October 1, 2024, code L1006 revised fee schedule amount is added as part of this fee schedule update. More information on the Medicare payment determination for code L1006 is available at www.cms.gov/medicare/coding-billing/healthcare-common-procedure-system/current-prior-years-level-ii-coding-decisions.

III. BUSINESS REQUIREMENTS TABLE

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

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			
13774.1	The DME MACs, A/B MACs Part B and/or DRaaS-CACHE data center shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T240101.V0919). The file is available for download on or after September 19, 2024.		X		X							DRaaS-CACHE Data Center
13774.1.1	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 receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).		X		X							DRaaS-CACHE Data Center
13774.2	The A/B MACs Part A, A/B MACs Part Home Health and Hospice (HHH) and/or DRaaS-CACHE data center shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T240101.V0919.FI). The file is available for download on or after September 19, 2024.	X		X								DRaaS-CACHE Data Center
13774.2.1	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 receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).	X		X								DRaaS-CACHE Data Center
13774.3	The DME MACs, A/B MACs Part B, A/B MACs Part A, A/B MACs Part HHH and/or the DRaaS-CACHE data center shall retrieve the 2024 Rural ZIP code file (filename: MU00.@DMECBIC.RURZIP.C24Q04.V0919) on or after September 19, 2024.	X	X	X	X							DRaaS-CACHE Data Center

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			
13774.3.1	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 receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).	X	X	X	X							
13774.4	Contractors shall use the DMEPOS files in requirements 13774.1, 13774.2, and the Rural Zip code file in requirement 13774.3 to pay claims for items with dates of service beginning October 1, 2024. An October update to the 2024 PEN fee schedule files is not required.	X	X	X	X							
13774.5	Contractors shall be aware the HCPCS codes listed below are being added to the HCPCS effective October 1, 2024, and shall be added to the Common Working File (CWF) categories (category codes in parentheses) and systems where necessary as follows: A4543 (60) A4544 (16, 60) A4545 (16,60) A7021 (04, 60) E0469 (01, 60) E0683 (01, 60) E0715 (60) E0716 (60) E0721 (60) E0736 (01)		X		X					X	CVM	

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	
E0737 (60)										
E0738 (01)										
E0739 (01)										
E0743 (01,60)										
E0767 (60)										
E2513 (04, 60)										
E3200 (60)										
L1006 (03, 60)										
L1653 (03, 60)										
L1821 (03, 60)										
L8720 (60)										
L8721 (60)										

IV. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
13774.6	Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content	X	X	X	X	

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H		
	releases. You may supplement with your local educational content after we release the newsletter.					

V. SUPPORTING INFORMATION

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

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

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

VI. CONTACTS

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

VII. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0