

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 4108</b>	<b>Date: August 10, 2018</b>
	<b>Change Request 10881</b>

**SUBJECT: October Quarterly Update for 2018 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule**

**I. SUMMARY OF CHANGES:** The DMEPOS fee schedule is updated on a quarterly basis, when necessary, to implement fee schedule amounts for new codes and correct any fee schedule amounts for existing codes. The quarterly update process for the DMEPOS fee schedule is located at publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

**EFFECTIVE DATE: October 1, 2018**

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

**IMPLEMENTATION DATE: October 1, 2018**

*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.*

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
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

Pub. 100-04	Transmittal: 4108	Date: August 10, 2018	Change Request: 10881
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**SUBJECT: October Quarterly Update for 2018 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule**

**EFFECTIVE DATE: October 1, 2018**

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**IMPLEMENTATION DATE: October 1, 2018**

## **I. GENERAL INFORMATION**

**A. Background:** The DMEPOS fee schedules are updated 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. The update process for the DMEPOS fee schedule is located in publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

Payment on a fee schedule basis is required for Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics and surgical dressings by §1834(a), (h), and (i) of the Social Security Act. Additionally, 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.

Additionally, section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for certain items furnished on or after January 1, 2016, in areas that are not competitive bid areas, based on information from Competitive Bidding Programs (CBPs) for DME. Section 1842(s)(3)(B) of the Act provides authority for making adjustments to the fee schedule amount for enteral nutrients, equipment and supplies (enteral nutrition) based on information from CBPs.

The methodologies for adjusting DMEPOS fee schedule amounts under this authority 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 the adjustments, as well as codes that are not subject to the fee schedule CBP adjustments. Additional information on adjustments to the fee schedule amounts based on information from CBPs is available in Transmittal 3551, Change Request (CR) 9642, dated June 23, 2016 and Transmittal 3416, CR 9431, dated November 23, 2015.

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 adjusted fee schedule amounts. ZIP codes for non-continental Metropolitan Statistical Areas (MSA) are not included in the DMEPOS Rural ZIP code file. The DMEPOS Rural ZIP code file is updated on a quarterly basis as necessary.

**B. Policy:** This recurring update notification provides instructions for October 2018 DMEPOS Rural ZIP code file containing the Quarter 4 2018 Rural ZIP code changes.

October quarterly updates are only required for the DMEPOS Rural Zip code file containing the Quarter 4 2018 Rural ZIP code changes. An October update to the 2018 DMEPOS and PEN fee schedule files is not

required.

The October 2018 DMEPOS Rural Zip file (PUF) will be available for State Medicaid Agencies, managed care organizations, and other interested parties shortly after the release of the data files on the CMS Website at [www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule.html](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule.html)

## II. 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 S	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
10881.1	The DME Medicare Administrative Contractors (MACs), A/B MACs Part B, A/B MACs Part A, A/B MACs Part Home Health and Hospice (HHH) and/or Virtual Data Centers (VDCs) shall retrieve the calendar year 2018 DMEPOS Rural ZIP code file (filename:MU00.@DMECBIC.RURZIP.C18Q04.V0906) on or after September 6, 2018.	X	X	X	X					VDCs
10881.2	Contractors shall notify CMS of successful receipt via email to <a href="mailto:price_file_receipt@cms.hhs.gov">price_file_receipt@cms.hhs.gov</a> stating the name of the file received (e.g., DMEPOS) and the entity that received the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).	X	X	X	X					VDCs
10881.3	Contractors shall process claims using the Rural ZIP code file specified in the business requirement 1 for dates of service on or after October 1, 2018. There is no change to the DMEPOS and PEN fee schedule files for Quarter 4 update and new DMEPOS and PEN fee schedule files are not furnished as part of this update.	X	X	X	X					

## III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility		
		A/B MAC	D M E	C E D

		A	B	H H H	M A C	I
10881.4	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	X	X	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:

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

**V. CONTACTS**

**Pre-Implementation Contact(s):** Anita Greenberg, Anita.Greenberg@cms.hhs.gov , Karen Jacobs, Karen.Jacobs@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**