CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 2467	**Date: May 11, 2012**
	Change Request 7822

SUBJECT: July Quarterly Update for 2012 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, in order to implement fee schedule amounts for new codes and correct any fee schedule amounts for existing codes. The attached Recurring Update Notification applies to Chapter 23, Section 60.

EFFECTIVE DATE: January 1, 2012
IMPLEMENTATION DATE: July 2, 2012

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-

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

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. ATTACHMENT:

Recurring Update Notification

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

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 2467	Date: May 11, 2012	Change Request: 7822

SUBJECT: July Quarterly Update for 2012 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

Effective Date: **January 1, 2012**
Implementation Date: July 2, 2012

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 quarterly update process for the DMEPOS fee schedule is located in the Pub. 100-04 Medicare Claims Processing Manual, Chapter 23, §60.

B. Policy: This recurring update notification provides instructions regarding the July quarterly update for the 2012 fee schedule. Payment on a fee schedule basis is required for durable medical equipment (DME), prosthetic devices, orthotics, prosthetics and surgical dressings by Sections 1834(a), (h), and (i) of the Social Security Act. Payment on a fee schedule basis is required for parenteral and enteral nutrition (PEN) by regulations contained in 42 CFR 414.102.

Healthcare Common Procedure Coding System (HCPCS) codes L6715 and L6880 were added to the HCPCS file effective January 1, 2012. The fee schedule amounts for the aforementioned HCPCS codes are established as part of this update and are effective for claims with dates of service on or after January 1, 2012. These items were paid on a local fee schedule basis prior to implementation of the fee schedule amounts established in accordance with this update. Claims for codes L6715 and L6880 with dates of service on or after January 1, 2012 that have already been processed may be adjusted to reflect the newly established fees if brought to the contractor's attention.

Per Transmittal 2427(Change Request 7679), the claims filling jurisdiction for the following HCPCS codes is changed from DME MAC to joint local carrier and DME MAC jurisdiction, effective January 1, 2012:

L8511 Insert for Indwelling Tracheoesophageal Prosthesis, With or Without Valve, Replacement Only
L8512 Gelatin Capsules or Equivalent, For Use with Tracheoesophageal Voice Prosthesis, Replacement Only, Per 10
L8513 Cleaning Device Used with Tracheoesophageal Voice Prosthesis, Pipet, Brush, Or Equal, Replacement Only, Each
L8514 Tracheoesophageal Puncture Dilator, Replacement Only, Each
L8515 Gelatin Capsule, Application Device for Use with Tracheoesophageal Voice Prosthesis, Each

To reflect this change, the claims jurisdiction for codes L8511 through L8515 will change in the DMEPOS fee schedule file to joint jurisdiction as part of this update.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)

		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7822.1	The DME MACs, A/B MACs and local carriers shall receive the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T120101.V0507) as soon as possible. The file is available for download after May 7, 2012.	X	X		X						EDC
7822.1.1	Notification of successful receipt shall be sent via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which they were received (e.g. DME MAC name and number).	X	X		X						
7822.2	The A/B MACs, FIs and RHHIs shall receive the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T120101.V05014.FI) as soon as possible. The file is available for download after May 14, 2012.	X		X		X					EDC, HH&H MAC (J14)
7822.2.1	Notification of successful receipt shall be sent via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which they were received (e.g. FI name and number).	X		X		X					EDC, HH&H MAC (J14)
7822.3	Claims for codes L6715 and L6880 with dates of service on or after January 1, 2012, that have already been processed shall be adjusted if brought to the contractor's attention.	X	X	X		X					
7822.4	Contractors shall use the 2012 DMEPOS fee schedule amounts from the DMEPOS fee schedule file(s) of business requirements 7822.1 and 7822.2, to pay claims with dates of service on or after January 1, 2012.	X	X	X	X	X					HH&H MAC (J14)
7822.5	The CWF shall add HCPCS codes L8511, L8512, L8513, L8514 and L8515 to CWF category (67), Local Carrier Jurisdiction.									X	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7822.6	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	X	X	X					

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

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

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs),* and/or *Carriers*:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *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.