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April Quarterly Update for 2022 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

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Implementation Date: April 4, 2022

Provider Types Affected

This MLN Matters Article is for suppliers and other providers billing Medicare Administrative Contractors (MACs) for services they provide to Medicare patients.

Provider Action Needed

Make sure your billing staff knows about these changes:

- The April 2022 quarterly update for the DMEPOS fee schedule
- Fee schedule amounts for new and existing codes

Background

CMS updates the DMEPOS fee schedules quarterly, as necessary:

- To show fee schedule amounts for new and existing codes
- To apply changes in payment policies

We pay for certain DMEPOS products and surgical dressings on a fee schedule basis based on Sections 1834 (a), (h), and (i) of the Social Security Act (the Act) and 42 CFR Section 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 we decide 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.

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The Coronavirus (COVID-19) Aid, Relief, and Economic Security (CARES) Act, 2020

The fees in the April 2022 fee schedule update continue to show the requirements of the CARES Act Sections 3712 (a) and (b), which are:

- We continue to base the fee schedule amounts on a blend of 50% of the adjusted fee schedule amount and 50% of the unadjusted fee schedule amounts through December 31, 2020, or the duration of the COVID-19 Public Health Emergency (PHE), whichever is later for items and services subject to the fee schedule adjustments provided in rural or noncontiguous areas.
- We base the fee schedule amounts 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 beginning March 6, 2020, and continuing until the end of the COVID-19 PHE for items and services subject to the fee schedule adjustments provided in non-rural contiguous, non-Competitive Bid Areas (non-CBAs).

The ZIP code of the address used for pricing a DMEPOS claim determines the rural fee schedule payment for codes with rural and non-rural adjusted fee schedule amounts. The DMEPOS Rural ZIP code file contains the ZIP codes designated as rural areas. We don't include ZIP codes for non-continental Metropolitan Statistical Areas (MSA) in the DMEPOS Rural ZIP code file.

The DMEPOS Rural ZIP code file is updated on a quarterly basis as necessary. Regulations at Section 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 ZIP Code within an MSA that's excluded from a CBA established for that MSA. A former CBA ZIP code file contains the CBA ZIP codes used in pricing a claim for an item provided in a CBA and will be updated on a quarterly basis as necessary.

Additional information on the 2022 DMEPOS fee schedules is available in the January 2022 Update for DMEPOS Fee Schedule, Transmittal 11137.

The DMEPOS fee schedule file contains fee schedule amounts for non-rural and rural areas. Also, the PEN fee schedule file includes state fee schedule amounts for enteral nutrition items and national fee schedule amounts for parenteral nutrition items.

We've updated the DMEPOS Rural ZIP code file for Quarter 2, 2022. There aren't any updates to the DMEPOS fee schedule or the PEN fee schedule for Quarter 2, 2022.

These updates will also be available as Public Use Files (PUFs) for State Medicaid Agencies, managed care organizations, and other interested parties at Medicare/Medicare FFS DMEPOS Schedule.

Specific Coding and Pricing Issues

New Codes Added

We added these new DMEPOS codes (with the MAC types using these codes) to the HCPCS file, effective April 1, 2022:

- A4238 - DME MACs
- E2102 - DME MACs
- K1028 - DME MACs, A/B MACs
- K1029 - DME MACs, A/B MACs
- K1030 - DME MACs, A/B MACs
- K1031 - DME MACs, A/B MACs
- K1032 - DME MACs, A/B MACs
- K1033 - DME MACs, A/B MACs
- V2525 - DME MACs, A/B MACs

As part of this update, we've added no fee schedules to the DMEPOS fee schedule file for new and revised HCPCS codes effective April 1, 2022, which include A4238, E2102, K1028-K1033, and V2525.

Until we get public consultation on national Medicare benefit category determinations and payment determinations for these codes, the Medicare benefit category and coverage/payment determinations for these items is at MAC discretion for these items.

We've classified new code E2102 for adjunctive continuous glucose monitors as DME and new code A4238 as supplies and accessories necessary for the effective use of DME described by code E2102. We'll get public consultation on the national payment determinations for these 2 new codes using the process set by regulations 42 CFR 414.240.

The DME MACs and A/B MACs Part B will establish local fee schedule amounts to pay claims for all of the new codes listed above, when applicable. The MAC will make payment using payment rules associated with each local payment determination (for example, an item determined to be an expensive item of DME that is reasonable and necessary and not otherwise excluded from coverage by statute, regulations, a National Coverage Determination (NCD) or program instructions) on a capped rental basis in accordance with regulations at 42 CFR 414.229).

Program instructions on DMEPOS gap-fill pricing are available in Chapter 23, Section 60.3 of the Medicare Claims Processing Manual.

Codes Deleted

No codes are deleted from the DMEPOS fee schedule file effective April 1, 2022.

Continuous Glucose Monitors (CGMs)

On December 28, 2021, we published the Medicare DMEPOS final rule in the Federal Register CMS-1738-F/CMS1687-F/CMS-5531-F. This addressed the classification and payment of adjunctive CGMs under the Medicare Part B benefit for DME.

This rule expanded the classification of DME to a larger group of non-implantable CGMs, regardless of whether the CGMs are non-adjunctive (can alert patients when glucose levels are approaching dangerous levels, including while they sleep and also replace blood glucose monitors) or adjunctive (can alert patients when glucose levels may be approaching dangerous levels, including while they sleep but don't replace blood glucose monitors), as long as the CGMs otherwise satisfy the regulatory definition of DME (durable equipment used in the home).

We aren't aware at this time of an adjunctive CGM stand-alone receiver, transmitter, and sensor system that meets the DME definition. However, adjunctive CGM supplies and accessories used in conjunction with an insulin pump that also does the functions of an adjunctive CGM could be classified and covered under the DME benefit in cases where the patient meets the Medicare coverage and medical necessity requirements for both an insulin pump and an adjunctive CGM.

Although the final rule classifies adjunctive CGMs as DME items, Section 1862(a)(1)(A) of the Act still prohibits Medicare payment for these items if they aren't determined reasonable and necessary for the treatment of the diabetes illness. Until a local or national coverage determination is established for these items, MACs will make coverage decisions regarding these items on a claim-by-claim basis.

Adjunctive CGM Supplies and Accessories for Each Month of Use

For dates of service February 28, 2022 - March 31, 2022, suppliers billing for adjunctive CGM supplies and accessories used in conjunction with an insulin pump that also do the functions of an adjunctive CGM should use:

- HCPCS code A9999 (Miscellaneous DME Supply or Accessory, Not Otherwise Specified) to bill for adjunctive CGM supplies and accessories provided for each month of use

Effective April 1, 2022, HCPCS codes A9276 and A9277 are invalid for Medicare use for billing individual CGM supplies and accessories and not reflective of a monthly allowance.

Effective April 1, 2022, we added HCPCS code A4238 (Supply allowance for adjunctive continuous glucose monitor (CGM), includes all supplies and accessories, 1 month supply = 1 unit of service) to the HCPCS file to describe a month's supply of adjunctive CGM supplies and accessories.

Adjunctive CGM or Receiver for Each Month of Use

For dates of service February 28, 2022 - March 31, 2022, suppliers should use HCPCS code E1399 (Durable medical equipment, miscellaneous) to describe a CGM for this purpose until code E2102 is effective.

Effective April 1, 2022, HCPCS code A9278 is invalid for Medicare use for billing adjunctive CGM receivers.

Effective April 1, 2022, we added HCPCS code E2102 (Adjunctive Continuous Glucose Monitor or Receiver) to the HCPCS file to describe the use of an insulin pump with an integrated adjunctive CGM receiver function.

For dates of service on or after April 1, 2022, suppliers should bill using HCPCS modifier for a rental (RR) both codes E0784 (External Ambulatory Infusion Pump, Insulin) and E2102 to describe the rental of an insulin pump with integrated adjunctive CGM receiver functionality.

Pricing for Continuous Glucose Monitors (CGMs)

Pricing for 1 month of adjunctive CGM supplies and accessories submitted under the HCPCS codes below, with payment based on local fee schedule amounts established by DME MACs.

- A9999, effective for dates of service February 28, 2022 - March 31, 2022, or
- A4238, effective for dates of service beginning April 1, 2022

Pricing for an adjunctive CGM monitor is based on local fee schedule amounts set by DME MACs as follows:

- Submitted under HCPCS code E2102, effective for dates of service beginning April 1, 2022, or
- Submitted under HCPCS code E1399 (dates of service February 28 - March 31, 2022)

In accordance with the final rule provisions of the December 28, 2021, fee schedule amounts for the adjunctive CGM monitor or receiver, as well as the monthly supplies and accessories for an adjunctive CGM monitor or receiver, are set using existing fee schedule amounts for comparable items in accordance with regulations for gap-filling under 42 CFR 414.238(b).

Payment for E2102 (or E1399 for dates of service between February 28, 2022 - March 31, 2022), is only available for the CGM receiver function of a rented insulin infusion pump if the patient doesn't already own a CGM receiver of any kind (either adjunctive or non-adjunctive) that is less than 5 years old, and the patient doesn't already own an insulin pump of any kind that is less than 5 years old.

In addition, switching from an insulin pump without the CGM receiver feature to an insulin pump with the CGM receiver feature doesn't result in either an interruption in the period of continuous use for the insulin pump or the start of a new 13-month rental cap period for the insulin pump for

the patient. The supplier will transfer title of the equipment to the patient on the first day following the end of the 13th month of use by the patient. Regulation 42 CFR 414.229(g) requires that the supplier of the insulin pump in the first month must continue to provide the pump for the remainder of the 13-month capped rental period or until medical necessity for the pump ends, whichever is earlier.

Note: We'll include the subject of HCPCS coding and payment for adjunctive CGMs in a future HCPCS public meeting. Announcements of HCPCS public meetings are at HCPCS Public Meetings.

More Information

We issued CR 12654 to your MAC as the official instruction for this change.

For more information, find your MAC's website.

Document History

Date of Change	Description
May 11, 2022	Initial article released.