



The Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)
Competitive Bidding Program
Hospitals That Are Not Contract Suppliers Fact Sheet



Under the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program, beneficiaries with Original Medicare who obtain competitive bidding items in designated competitive bidding areas (CBAs) are required to obtain these items from a contract supplier, unless an exception applies. This fact sheet discusses one of these exceptions.

For the first phase of competitive bidding, which is effective **January 1, 2011**, one of these exceptions allows hospitals to furnish competitively bid walkers in a CBA to their own patients, without submitting a bid and being selected as a contract supplier¹.

Who can be considered under this exception?

Hospitals can be considered under this exception. This exception does not apply to hospital-owned DMEPOS suppliers or DMEPOS suppliers that are only affiliated with a hospital.

What requirements must be met to qualify for this exception?

Medicare hospitals have the option to furnish competitively bid walkers **to their own patients** without submitting a bid or being awarded a competitive bid contract if the following requirements are met:

- The walker must be furnished by the hospital **to its own patients during an admission or on the date of discharge**; and
- The walker must be billed to a DME Medicare Administrative Contractor (DME MAC) using the DMEPOS billing number that is assigned to the hospital.

Separate payment is not made for walkers furnished by a hospital for use in the hospital, as payment for these items is included in the Part A payment for inpatient hospital services.

¹ There is a similar exception for physicians and other treating practitioners that is addressed in a separate fact sheet.

What payment rules apply under this exception?

Medicare pays the single payment amount established by the competitive bidding program for walkers furnished under this exception, and the hospital must accept assignment. Single payment amounts can be found at <http://www.dmecompetitivebid.com/SPA> on the Internet.

What are the rules to bill for walkers furnished under this exception?

To be paid for walkers as a non-contract supplier, the hospital should **use the modifier “J4”** in combination with the following **Healthcare Common Procedure Coding System (HCPCS) codes: A4636, A4637, E0130, E0135, E0140, E0141, E0143, E0144, E0147, E0148, E0149, E0154, E0155, E0156, E0157, E0158, and E0159**. Under this exception, hospitals are advised to submit the claim for the hospital stay before or on the same day as they submit the claim for the walker to ensure timely and accurate claims processing.



How does the hospital determine if a Medicare beneficiary permanently resides in a CBA?

This information can be determined by comparing the beneficiary’s ZIP code to the list of ZIP codes for the CBAs, which can be found at <http://www.dmecompetitivebid.com/palmetto/cbic.nsf/DocsCat/Home> on the Internet.

Additional Information



For more information about the DMEPOS Competitive Bidding Program, including a list of the first nine CBAs and items included in the program, visit <http://www.cms.gov/DMEPOSCompetitiveBid> on the Centers for Medicare & Medicaid Services (CMS) dedicated website.

Beneficiary-related information can be found at <http://www.medicare.gov> on the Internet.

This fact sheet was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

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