

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1511	Date: June 12, 2015
	Change Request 9179

NOTE: This Transmittal is no longer sensitive and is being re-communicated August 7, 2015. The Transmittal Number, date of Transmittal and all other information remains the same. This instruction may now be posted to the Internet.

SUBJECT: Classification of Speech Generating Devices (SGD) and Accessories under the Payment Category for Inexpensive or Routinely Purchased Durable Medical Equipment

I. SUMMARY OF CHANGES: This Change Request (CR) provides instructions regarding the recent amendment of Section 1834(a)(2)(A) of the Social Security Act (the Act), that changes the payment category for SGDs and accessories essential for the effective use of the SGD furnished between October 1, 2015 and October 1, 2018, from capped rental to inexpensive or routinely purchased.

EFFECTIVE DATE: October 1, 2015

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

IMPLEMENTATION DATE: October 5, 2015

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:

One Time Notification

Attachment - One-Time Notification

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SUBJECT: Classification of Speech Generating Devices (SGD) and Accessories under the Payment Category for Inexpensive or Routinely Purchased Durable Medical Equipment

EFFECTIVE DATE: October 1, 2015

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

IMPLEMENTATION DATE: October 5, 2015

I. GENERAL INFORMATION

A. Background: Speech generating devices (SGDs) are currently paid under the capped rental payment methodology described under Section 1834(a)(7)(A) of the Social Security Act (42 U.S.C. 1395m(a)(7)(A)). This Change Request (CR) provides instructions regarding the recent amendment of Section 1834(a)(2)(A) of the Social Security Act (the Act), that changes the payment category for SGDs and accessories essential for the effective use of the SGD furnished between October 1, 2015, and September 30, 2018, from capped rental to inexpensive or routinely purchased. As a result of the amendment, SGDs (and their accessories) furnished between October 1, 2015, and September 30, 2018, are now classified as inexpensive or routinely purchased items and subject to the payment rules outlined in Section 1834(a)(2) of the Act. Items in this payment category are paid on a purchased new (NU), purchased used (UE) or rental (RR) basis. Total payments for items in this category (sum of allowed charges for all claims for rental or purchase) may not exceed the fee schedule amount for purchase of new equipment (NU).

B. Policy: Effective October 1, 2015, amendments to Section 1834(a)(2)(A) of the Act (42 U.S.C. 1395m(a)(7)(A)) change the DME payment category for SGDs and accessories essential for the effective use of the SGD furnished between October 1, 2015, and September 30, 2018, from capped rental (CR) to inexpensive or routinely purchased (IN). The NU, UE or RR fee schedule amounts for codes E2500 through E2510 and E2351 will be provided on the October 2015, DMEPOS fee schedule update. When a beneficiary has been renting the SGDs and/or accessories and elects to purchase the item(s) on or after October 1, 2015, the allowed amount for purchase may not exceed the fee schedule amount for purchase of new equipment (NU) less the cumulative allowed amount for past claims for the item for the beneficiary.

II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared- System Maintainers				Other	
		A	B	H		F	M	V	C		
				H H H A C	M I S S	C S	M S	V S	C F		
9179.1	Effective for claims with dates of service on or after October 1, 2015 through September 30, 2018, contractors shall change the DME payment category			X	X			X	X		

Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared-System Maintainers				
		A	B	H H H		F I S S	M C S	V M S	C W F	
	for SGDs and accessories essential for the effective use of the SGD from capped rental (CR) to inexpensive or routinely purchased (IN).									
9179.2	Effective for claims with dates of service on or after October 1, 2015, if the beneficiary opts to purchase an SGD or SGD accessory, contractors shall deduct the cumulative allowed amount for any and all previously paid claims for the item from the allowed amount for the purchase of the item so that payment for purchase of the item does not exceed the fee schedule amount for purchase of new equipment (NU).			X	X			X		
9179.3	Effective for dates of service on or after October 1, 2015, the contractor shall change the CWF category for HCPCS codes E2500 thru E2510 and E2351 from CWF category 01 to CWF category 04.							X		
9179.4	Effective for claims with dates of service on or after October 1, 2018, contractors shall change the CWF category for HCPCS codes E2500 thru E2510 and E2351 from CWF category 04 to CWF category 01.							X		

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
9179.5	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/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 sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's 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	

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

V. CONTACTS

Pre-Implementation Contact(s): Diana Motsiopoulos, diana.motsiopoulos@cms.hhs.gov , Karen Jacobs, karen.jacobs@cms.hhs.gov (Policy Contact) , Teira Canty, teira.canty@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