

<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 4027</b>	<b>Date: April 27, 2018</b>
	<b>Change Request 10604</b>

**SUBJECT: Inexpensive or Routinely Purchased Durable Medical Equipment (DME) Payment Classification for Speech Generating Devices (SGD) and Accessories**

**I. SUMMARY OF CHANGES:** This change request ensures that the use of SGDs and accessories continue to be classified under the inexpensive or routinely purchased DME payment category.

**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>
R	20/30/30.1/Inexpensive or Other Routinely Purchased DME
R	20/130/130.2/Billing for Inexpensive or Other Routinely Purchased DME

**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:**

**Business Requirements  
Manual Instruction**



Number	Requirement	Responsibility								
		A/B MAC			D M E  M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	E2510 and E2351.									

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility							
		A/B MAC			D M E M A C	C E D I	C E D I	C E D I	C E D I
		A	B	H H H					
10604.3	MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> 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				

### IV. SUPPORTING INFORMATION

#### Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
10604.2	This requirement supersedes BR 9179.4 from Change Request 9179 (Transmittal 1511).

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

### V. CONTACTS

**Pre-Implementation Contact(s):** Bobbett Plummer, 410-786-3321 or [bobbett.plummer@cms.hhs.gov](mailto:bobbett.plummer@cms.hhs.gov) (For Claims Processing Questions) , Karen Jacobs, 410-786-2173 or [karen.jacobs@cms.hhs.gov](mailto:karen.jacobs@cms.hhs.gov) (For Policy Questions)

**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**

# Medicare Claims Processing Manual

## Chapter 20 – Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

### 30.1 - Inexpensive or Other Routinely Purchased DME

*(Rev.4027; Issued: 04-27-18; Effective: 10-01-18; Implementation: 10-01-18)*

For this type of equipment, A/B MACs (A), (B), or (HHH), and DME MACs pay for rentals or lump-sum purchases. However, with the exception of TENS (see §30.1.2), the total payment amount may not exceed the actual charge or the fee schedule amount for purchase.

#### A. Inexpensive DME

This category is defined as equipment whose purchase price does not exceed \$150.

#### B. Other Routinely Purchased DME

This category is defined as equipment that is acquired at least 75 percent of the time by purchase and includes equipment that is an accessory used in conjunction with a nebulizer, aspirator, or ventilators that are either continuous airway pressure devices or intermittent assist devices with continuous airway pressure devices. *Effective October 1, 2015, this category also includes speech generating devices and accessories necessary for the effective use of speech generating devices.*

### 130.2 - Billing for Inexpensive or Other Routinely Purchased DME

*(Rev.4027; Issued: 04-27-18; Effective: 10-01-18; Implementation: 10-01-18)*

This is equipment with a purchase price not exceeding \$150, or equipment that the Secretary determines is acquired by purchase at least 75 percent of the time, or equipment that is an accessory used in conjunction with a nebulizer, aspirator, or ventilators that are either continuous airway pressure devices or intermittent assist devices with continuous airway pressure devices. *Effective October 1, 2015, this category also includes speech generating devices and accessories necessary for the effective use of speech generating devices.* Suppliers and providers other than HHAs bill the DME MAC or, in the case of implanted DME only, the A/B MAC (B). HHAs bill the A/B MAC (HHH) or the DME MAC.

Effective for items and services furnished after January 1, 1991, Medicare DME does not include seat lift chairs. Only the seat lift mechanism is defined under Medicare as DME. Therefore, seat lift coverage is limited to the seat lift mechanism. If a seat lift chair is provided to a beneficiary, A/B MACs (A), and (HHH), and DME MACs pay only for the lift mechanism portion of the chair. Some lift mechanisms are equipped with a seat that is considered an integral part of the lift mechanism. A/B MACs (A) and (HHH), and DME MACs do not pay for chairs (HCPCS code E0620) furnished on or after January 1, 1991. The appropriate HCPCS codes for seat lift mechanisms are E0627, E0628, and E0629.

For TENS, suppliers and providers other than HHAs bill the DME MAC. HHAs bill the A/B MAC (HHH) using revenue code 0291 for the 2-month rental period (see §30.1.2), billing each month as a separate line item and revenue code 0292 for the actual purchase along with the appropriate HCPCS code.