



Related MLN Matters Article #: MM5417

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Fee Schedule Update for 2007 for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

Key Words

MM5417, CR5417, R1125CP, DMEPOS

Provider Types Affected

Physicians, suppliers, and providers who bill Medicare contractors (Part A/B Medicare Administrative Contractors (A/B MACs), durable medical equipment regional carriers (DMERCs), DME Medicare administrative contractors (DME MACs), fiscal intermediaries (FIs), carriers, and/or regional home health intermediaries (RHHIs) for services paid under the DMEPOS Fee Schedule

Key Points

- The effective date of the instruction is January 1, 2007.
- The implementation date is January 2, 2007.
- MLN Matters article MM5417 is based on Change Request (CR) 5417, and it provides specific information regarding the annual update for the 2007 DMEPOS Fee Schedule.
- The DMEPOS fee schedules are updated on a quarterly basis in order to:
 - Implement fee schedule amounts for new codes; and
 - Revise any fee schedule amounts for existing codes that were calculated in error.
- Payment on a fee schedule basis is required for:
 - Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by the Social Security Act (Sections 1834(a), (h), and (i)); and
 - Parenteral and Enteral Nutrition (PEN) by regulations contained in the Code of Federal Regulations (42 CFR 414.102).

Note: DMERCs and DME MACS will use the 2007 PEN fee schedule payment amounts to pay claims for items furnished from January 1, 2007 through December 31, 2007

- The table on page 2 of MLN Matters article MM5417 has a list of codes being **deleted** from the Healthcare Common Procedure Coding System (HCPCS) effective January 1, 2007.
- Therefore, these codes are being removed from the DMEPOS and PEN fee schedule files.
- There is another table on pages 2 and 3 of MM5417 that has the list of codes that are being **added** to the HCPCS on January 1, 2007.

Payment Rates for Oxygen and Oxygen Equipment

- As part of this fee schedule update, the Centers for Medicare & Medicaid Services (CMS) is implementing national monthly payment rates for oxygen and oxygen equipment effective for claims with dates of service on or after January 1, 2007.
- The 2007 national monthly payment rates are listed in the table on page 3 of MM5417.
- As a result of these changes, CMS is revising the fee schedule amounts for codes E1405 and E1406. Since 1989, the fees for E1405 and E1406 have been established based on a combination of the Medicare payment amounts for stationary oxygen equipment and nebulizer codes E0585 and E0570, respectively.
- As part of these changes, suppliers must submit claims with both the code for stationary oxygen contents (E0441 or E0442) and the code for portable oxygen contents (E0443 or E0444) when billing for payment for furnishing both stationary and portable oxygen contents for beneficiary-owned gaseous or liquid stationary and portable oxygen equipment.
- The fee schedules for HCPCS code E0461 (Volume Control Ventilator, Without Pressure Support Mode, May Include Pressure Control Mode, Used with Non-Invasive Interface (E.G. Mask)) are being revised as part of this update to correct calculation errors and are effective for dates of service on or after January 1, 2007.

Gap-Fill Items

- The Medicare DMERCS and DME MACs will gap-fill base fee schedule amounts for each state in their region for the following new and revised HCPCS codes that will be subject to the DMEPOS fee schedules in 2007:
 - Inexpensive or routinely purchased DME for codes A8002, A8003, A8004, E2373, E2374, E2375, E2376, E2377, E2388, E2389, E2390, E2391, E2392, E2393, E2394, E2395;
 - Capped rental DME codes E0639 and E0640;
 - Prosthetics and Orthotics codes L1001, L3806, L3808, L3915, L5993, L5994, L6611, L6624, L6639;
 - Surgical Dressings code A4463; and
 - DME supplies code A4559.

Important Links

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5417.pdf> on the CMS web site.

The official instruction regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1125CP.pdf> on the CMS web site.

If providers have questions, they may contact their Medicare A/B MAC, FI, DMERC, DME/MAC, RHHI or carrier at their toll-free number which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS web site