



Provider Inquiry Assistance

Delay of the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program – JA6203

Note: MLN Matters® article MM6203 was revised to alert providers and suppliers that a new article that discusses the “Program Instructions Designating the Competitive Bidding Areas and Product Categories included in the DMEPOS Competitive Bidding Program Round One Rebid in CY 2009” is available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6571.pdf> on the Centers for Medicare & Medicaid Services website.

Related CR Release Date: September 5, 2008 **Revised**

Date Job Aid Revised: August 11, 2009

Effective Date: July 1, 2008

Implementation Date: September 12, 2008

Key Words MM6203, CR6203, R375OTN, DMEPOS, Competitive, Bidding, DME

Contractors Affected

- Durable Medical Equipment Medicare Administrative Contractors (DME MACs)
- Regional Home Health Intermediaries (RHHIs)

Provider Types Affected Providers and suppliers submitting claims to DME MACs and/or RHHIs for DMEPOS provided to Medicare beneficiaries residing in the 10 areas previously designated as competitive bidding areas



Change Request (CR) 6203 implements instructions related to delaying the DMEPOS Competitive Bidding Program, reprocessing DMEPOS Competitive Bidding claims under regular fee-for-service (FFS) rules, and educating suppliers about the delay.

- Effective immediately, CMS has instructed the DME MACs and RHHs to **cease all implementation activities related to the DMEPOS Competitive Bidding Program.**
- Medicare contractors will process all DMEPOS claims under standard FFS rules.

Summary of CR6023

- Medicare contractors have begun to process all new incoming DMEPOS claims under standard FFS rules.
- Medicare contractors will process all previously held DMEPOS Competitive Bidding Program claims under standard FFS rules, and they should have completed such processing as soon as possible.
- Medicare contractors will automatically reprocess claims that were denied based solely on DMEPOS Competitive Bidding Program rules under standard FFS rules and complete such reprocessing by September 30, 2008.

Provider Needs to Know...

- Medicare contractors should identify and automatically reprocess under standard FFS rules any claim adjudicated under DMEPOS Competitive Bidding Program rules, pay any difference that may be owed on such claims to affected suppliers, and complete these activities by September 30, 2008.
 - Medicare contractors should adjust any claims they are unable to automatically reprocess if such claims are brought to their attention.
 - Home health agencies (HHAs) should be aware that any claims returned to the provider as subject to DMEPOS Competitive Bidding may be resubmitted.
 - Medicare contractors will not initiate any redeterminations on claims where the application of one or more DMEPOS Competitive Bidding rule(s) is/are the only issue(s) in controversy. Rather than issuing redeterminations, contractors will reprocess such claims and issue substitute initial determinations with full appeal rights.
 - Providers should ignore the instructions contained in Chapter 36 of the *Medicare Claims Processing Manual*, as communicated via CR5978, CR6007, and CR6119, until further notice from CMS.
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Background

- Section 154 of the Medicare Improvements for Patients and Providers Act of 2008 delays the DMEPOS Competitive Bidding Program and terminates all Round I Competitive Bid contracts.
 - Therefore, in the 10 areas where competitive bidding was initiated, **Medicare has resumed paying for DMEPOS items using the standard DMEPOS fee schedule amounts that were in place as of June 30, 2008.**
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**Operational
Impact**

Contractors will disable but not delete DMEPOS Competitive Bidding Program related functionality to permit the resumption of the DMEPOS Competitive Bidding Program with a minimum of additional re-programming, upon notification.

**Reference
Materials**

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6203.pdf> on the CMS website.

The official instruction (CR6203) regarding this change may be viewed at <http://www.cms.hhs.gov/transmittals/downloads/R375OTN.pdf> on the CMS website.
