



Round One Rebid of the Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program—Phase 8C of Implementation: Repairs and Replacements – JA6678

Related CR Release Date: November 6, 2009

Date Job Aid Revised: November 18, 2009

Effective Date: April 1, 2010

Implementation Date: April 5, 2010

Key Words MM6678, CR6678, R592OTN, DMEPOS, Repairs, Replacements

Contractors Affected DME Medicare Administrative Contractors (DME MACs)

Provider Types Affected Medicare DMEPOS suppliers who submit claims for Medicare payment to DME MACs



Change Request (CR) 6678 provides instructions to the DME MACs for processing claims submitted with the new repair and replacement modifiers under the DMEPOS Competitive Bidding Program Round One Rebid and requires a supplier that replaces an entire item, submitted with the "RA" modifier that is subject to the DMEPOS Competitive Bidding Program, to be a contract supplier.

Provider Needs to Know...

- The new "RA" modifier will be used in the DMEPOS Competitive Bidding Program to identify claims for the replacement of an entire competitive bid item.
- The "RB" modifier will be used to denote the replacement of a part for repair purposes.
- Any supplier with a valid Medicare billing number may furnish and bill for services (labor and parts) associated with the repair of DME or enteral nutrition equipment owned by beneficiaries in a competitive bidding area (CBA).

- In these situations, Medicare payment for labor will be made based on the standard payment rules.
- Medicare payment for replacement parts associated with repairing competitively bid DME or enteral nutrition equipment that are submitted with the "RB" modifier, will be based on the single payment amount for the part if the part and equipment being repaired are included in the same competitive bidding product category in the CBA.
- Otherwise, Medicare payment for replacement parts associated with repairing equipment owned by the beneficiary will be made based on the standard payment rules.
- A supplier that replaces an entire item, submitted with the "RA" modifier that is subject to the DMEPOS Competitive Bidding Program, is required to be a contract supplier.
- For these items, Medicare payment will be based on the single payment amount for the item in the beneficiary's CBA.

Background

- The Medicare DMEPOS Competitive Bidding Program was established by Section 302(b)(1) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Pub. L. 108-173), which amended Section 1847 of the Social Security Act (the Act), to require the Secretary of the Department of Health and Human Services to establish and implement programs under which CBAs are established throughout the United States for contract award purposes for the furnishing of certain competitively priced items and services for which payment is made under Medicare Part B.
- The existing modifier for repairs and replacement of DME items ("RP") was deleted from the Health Care Common Procedure Code Set (HCPCS), effective December 31, 2008.
- To distinguish between the repair and the replacement of an item, the following two modifiers were added to the HCPCS on January 1, 2009:
 - RA – Replacement of a DME item; and
 - RB – Replacement of a part of DME furnished as part of a repair.

Operational Impact

N/A

Reference Materials

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6678.pdf> on the CMS website.

The official instruction (CR6678) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R592OTN.pdf> on the CMS website.