



Provider Inquiry Assistance

Calendar Year (CY) 2010 Fee Schedule Update for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) – JA6720

Related CR Release Date: November 13, 2009

Date Job Aid Revised: November 23, 2009

Effective Date: January 1, 2010

Implementation Date: January 4, 2010

Key Words MM6720, CR6720, R1853CP, DMEPOS, Schedule

Contractors Affected

- DME Medicare Administrative Contractors (DME MACs)
- Medicare Carriers
- Part A/B MACs (A/B MACs)
- Fiscal Intermediaries (FIs)
- Regional Home Health Intermediaries (RHHIs)

Provider Types Affected

Providers and suppliers submitting claims to Medicare Carriers, DME MACs, FIs, A/B MACs, and/or RHHIs for items or services paid under the DMEPOS fee schedule



Change Request (CR) 6720 announces the CY 2010 annual update for the Medicare DMEPOS fee schedule and provides information on the data files, update factors, and other information related to the update of the DMEPOS fee schedule.

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- The DMEPOS fee schedule file will be available on or after November 17, 2009, for State Medicaid Agencies, managed care organizations, and other interested parties at <http://www.cms.hhs.gov/DMEPOSFeeSched/> on the CMS website.
 - CY 2010 fees for Healthcare Common Procedure Coding System (HCPCS) labor payment codes K0739, L4205, and L7520 are effective January 1, 2010.
 - The rates are listed in the table on page 2 of MLN Matters® article MM6720.

New HCPCS Codes

- The following new codes are effective as of January 1, 2010:
 - A4264, A4466, L2861, L3891, L8692, K0739, and K0740, all of which have no assigned payment category;
 - A4336, A4360, and A4456, which are in the ostomy, traheostomy, and urological supplies payment category;
 - E0433 in the oxygen and oxygen equipment category;
 - E0136 in the capped rental category; and
 - L5973, L8031, L8032, L8627, L8628, L8629, and Q0506, all of which are in the prosthetics and orthotics category.
- The fee schedule amounts for the above new codes will be established as part of the July 2010 DMEPOS Fee Schedule Update, when applicable.
- The DME MACs will establish local fee schedule amounts to pay claims for the new codes from January 1, 2010, through June 30, 2010.
- **The new codes are not to be used for billing purposes until they are effective on January 1, 2010.**

Provider Needs to Know...

HCPCS Codes Being Deleted

- The codes listed in the table on page 4 of MM6720 are being deleted from the HCPCS effective January 1, 2010.
- Therefore, these codes are being removed from the DMEPOS fee schedule.

2009 Deflation Factors

- The 2009 deflation factors by payment category are listed in the table on page 4 of MM6720.

Revision of Fee Schedule for E2227

- Code E2227 (*Manual Wheelchair Accessory, Gear Reduction Drive Wheel, Each*) was added to the HCPCS effective January 1, 2008.
 - The fee schedule for Code E2227 (*Manual Wheelchair Accessory, Gear Reduction Drive Wheel, Each*) is being revised, effective January 1, 2010, to remove pricing
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information for one product that was used in calculating payment for E2227.

- That product was erroneously classified as a gear reduction drive wheel when the code was established.
- The Medicare contractor will not adjust previously processed claims for the code E2227 with dates of service on or after January 1, 2009, through December 31, 2009, if they are submitted for adjustments.

CY 2010 Fee Schedule Update Factor

- Under the Act, the DMEPOS fee schedule amounts are being updated for 2010 by the percentage increase in the consumer price index for all urban consumers (United States city average) or CPI-U for the 12-month period ending with June of 2009.
- Since the percentage change in the CPI-U for the 12-month period ending with June of 2009 is negative (-1.41 percent), the percentage increase in the CPI-U used to update the DMEPOS fee schedule amounts for 2010 is **0 percent**.

2010 Update to the Labor Payment Rates

- Since the percentage increase in the CPI for the 12-month period ending with June of the previous year is negative for 2010, a 0 percent change is applied to the labor payment amounts for 2010 for codes K0739, L4205, and L7520.

2010 National Monthly Payment Amounts for Stationary Oxygen Equipment

- The Centers for Medicare & Medicaid Services (CMS) will also implement the 2010 national monthly payment rates for stationary oxygen equipment (HCPCS codes E0424, E0439, E1390 and E1391), effective for claims with dates of service on or after January 1, 2010.
- The fee schedule file is being revised to include the new national 2010 monthly payment rate of \$173.17 for stationary oxygen equipment. The payment rates are being adjusted for the new oxygen generating portable equipment class.
- The revised 2010 monthly payment rate of \$173.17 includes the 0 percent update due to the -1.41 percent CPI-U change. The budget neutrality adjustment for 2010 caused the 2010 rate to decrease from \$175.79 to \$173.17.
- When updating the oxygen equipment fees, corresponding updates are made to the fee schedule amounts for HCPCS code E1405 and E1406 for oxygen and water vapor enriching systems.
- Since 1989, the fees for codes 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.

Background

- Payment on a fee schedule basis is required for DME, prosthetic devices, orthotics, prosthetics, and surgical dressings by Sections 1834(a), (h), and (i) of the Social Security Act (the Act).
 - In addition, payment on a fee schedule basis is a regulatory requirement at 42 Code of
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Federal Regulations Section 414.102 for parenteral and enteral nutrition.

Operational Impact	N/A
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Reference Materials	
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The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6720.pdf> on the CMS website.

The official instruction (CR6720) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1853CP.pdf> on the CMS website.
