



Provider Inquiry Assistance

Home Health Agencies (HHAs) Providing Durable Medical Equipment (DME) in Competitive Bidding Areas – JA7014

Related CR Release Date: July, 2010

Date Job Aid Revised: August 4, 2010

Effective Date: January 1, 2011

Implementation Date: January 3, 2011

Key Words MM7014, CR7014, R741OTN, HHA, DME, Competitive, Bidding

Contractors Affected Regional Home Health Intermediaries (RHHIs)

Provider Types Affected HHAs submitting claims to RHHIs for DME provided to Medicare beneficiaries residing in competitive bidding areas



Change Request (CR) 7014 alerts HHAs that edits will be in place, effective for services on or after January 1, 2011, to prevent HHAs from billing competitively bid DME items in competitive bidding areas and consequently preventing the inappropriate payment of competitively bid DME items to HHAs.

- Medicare contractors will return HH claims (types of bill 32x, 33x and 34x) to providers when such claims contain Healthcare Common Procedure Coding System (HCPCS) codes that are identified as being for items or services subject to competitive bidding in a competitive bidding area.
- For the HHA to bill competitively bid items, the HHA must also be a contract supplier under Medicare's DME competitive bidding program.

Note: All suppliers of competitively bid DME must bill the DME Medicare Administrative Contractors (MACs) for these items and will no longer be allowed to bill for competitive bid items to Medicare contractors processing HH claims. HH claims submitted for HCPCS codes subject to a competitive bidding program will be returned to the provider to remove the affected DME line items.

Provider Needs to Know...

HCPCS Codes and ZIP Codes for the Competitive Bidding Areas

- The applicable HCPCS codes and ZIP Codes for the competitive bidding areas can be found on the "Supplier" page of the following Competitive Bid Implementation Contractor website at <http://www.dmecompetitivebid.com/Palmetto/Cbic.nsf/DocsCat/Home> on the Internet.

Claims Not Subject to Competitive Bidding

- Claims for DME furnished by HHAs that are not subject to competitive bidding may still be submitted to the appropriate HH claims processing contractor.

Background

- Beginning January 1, 2011, in a competitive bidding area, a supplier must be awarded a contract by Medicare in order to bill Medicare for competitively bid DME.
- Therefore, HHAs that furnish DME and are located in an area where DME items are subject to a competitive bidding program must either be awarded a contract to furnish the items in this area or use a contract supplier in the community to furnish these items.
- The competitive bidding items will be identified by HCPCS codes and the competitive bidding areas will be identified based on ZIP codes where beneficiaries receiving these items maintain their permanent residence.
- The DME MACs will have edits in place indicating which entities are eligible to bill for competitive bid items and the appropriate competitive bid payment amount.

Operational Impact N/A

**Reference
Materials**

The related MLN Matters® article can be found at
<http://www.cms.gov/MLN MattersArticles/downloads/MM7014.pdf> on the CMS website.

The official instruction (CR7014) regarding this change may be viewed at
<http://www.cms.gov/Transmittals/downloads/R7410TN.pdf> on the CMS website.
