



Related MLN Matters Article #: MM5868

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Related CR #: 5868

### *Update to the Implementation Date for Home Health Agencies (HHAs) Providing Durable Medical Equipment (DME) in Competitive Bidding Areas*

#### Key Words

MM5868, CR5868, R1431CP, HHA, DME, Competitive, Bidding, CBA

#### Provider Types Affected

All HHAs billing Regional Home Health Intermediaries (RHHIs) for DME provided to Medicare beneficiaries

#### Key Points

- The effective date of the instruction is July 1, 2008.
- The implementation date is July 7, 2008.
- MLN Matters article MM5868 and related Change Request (CR) 5868 provide general guidelines for processing HHA claims.
- Beginning in 2008, a supplier must be awarded a contract by the Centers for Medicare & Medicaid Services (CMS) in order to bill Medicare for competitively bid DME in a competitive bidding area.
- 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 Healthcare Common Procedure Coding System (HCPCS) codes. The competitive bidding areas will be identified based on ZIP codes where beneficiaries receiving these items maintain their permanent residence.
- The DME Medicare Administrative Contractors (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.

- As of July 1, 2008, important points providers should remember are:
  - All suppliers of competitively bid DME **must bill the DME MAC** for these items and will no longer be allowed to bill the RHHs for competitive bid items.
  - Claims submitted to the RHHI for HCPCS codes subject to a competitive bidding program will be returned to the provider to remove the affected DME line items. The providers will be advised to submit those charges to the DME MACs who will have jurisdiction over all claims for competitively bid items.
  - Claims for DME furnished by HHAs that are not subject to competitive bidding would still be submitted to the RHHs.
- The HCPCS codes subject to competitive bidding and a list of ZIP codes and Core Based Statistical Areas applicable to the competitive bidding areas is available at [http://www.dmecompetitivebid.com/cbic/cbic.nsf/\(Pages\)/Competitive+Bid+Areas](http://www.dmecompetitivebid.com/cbic/cbic.nsf/(Pages)/Competitive+Bid+Areas) on the Internet.

### Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5868.pdf> on the CMS website.

The official instruction (CR5868) issued regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R1431CP.pdf> on the CMS website.

If providers have questions, they may contact their RHHI at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.