



## Durable Medical Equipment (DME) National Competitive Bidding Implementation -- Phase 10C: Exception for Medicare Beneficiaries Previously Enrolled in a Medicare Advantage (MA) Plan – JA6918

**Note:** This Job Aid was revised to reflect the revised Change Request (CR) 6918 issued on June 18, 2010. The change revised a bullet on page 2 in **bold**. Also, the CR release date, transmittal number, and the Web address for accessing CR6918 were revised.

Related CR Release Date: June 18, 2010 **Revised**

Date Job Aid Revised: June 23, 2010

Effective Date: October 1, 2010

Implementation Date: October 4, 2010

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<b>Key Words</b>	MM6918, CR6918, R721OTN, DME, Competitive, Bidding, Advantage
<b>Contractors Affected</b>	DME Medicare Administrative Contractors (DME MACs)
<b>Provider Types Affected</b>	Suppliers billing DME MACs for services provided to Medicare beneficiaries

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CR6918 alerts providers that under certain circumstances DME, Prosthetics, Orthotics, and Supplies (DMEPOS) payment will be allowed for grandfathered items for beneficiaries who received services from a DMEPOS supplier while under a MA plan.

### Payment for Grandfathered DMEPOS Items

- Payment will be allowed for grandfathered items for beneficiaries who received services from a DMEPOS supplier while under a MA plan.

### Provider Needs to Know...

- Those items should be furnished by a non-contract MA supplier under the DMEPOS Competitive Bidding Program for a beneficiary who resides in a competitive bidding area (CBA) and elects to leave their MA plan or loses his/her coverage under this plan.
  - Such beneficiary may continue to receive items requiring frequent and substantial servicing, capped rental, oxygen, and oxygen equipment, or inexpensive or routinely
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purchased rented items from the same DME supplier under the MA plan without going to a contract supplier under the Medicare DMEPOS Competitive Bidding Program.

- However, the supplier from whom the beneficiary previously received the item under the plan must be a Medicare enrolled supplier; meet the Medicare fee for service (FFS) coverage criteria and documentation requirements, and elect to become a grandfathered supplier.

#### Medicare Payment of Claims

- **Medicare will pay oxygen claims that qualify for the MA plan grandfathering exception at the Round One bid amount and will pay capped rental claims that qualify for the MA plan grandfathering at the fee schedule amount during the Round One contract period.**
  - The target implementation date for the Round One Rebid is January 1, 2011, but is subject to change.
  - The beneficiary must have been enrolled in a MA plan on the day prior to the start date for the Round One Rebid to qualify for the MA plan grandfathering exception.
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#### 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 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.
  - Section 1847(a) (4) requires that in the case of covered DME items for which payment is made on a rental basis under Section 1834(a) of the Act, and in the case of oxygen for which payment is made under Section 1834(a)(5) of the Act, the Secretary must establish a "grandfathering" process by which rental agreements for the DME covered items and oxygen are entered into before the start of the competitive bidding program may be continued.
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#### Operational Impact

N/A

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#### Reference Materials

The related MLN Matters® article can be found at <http://www.cms.gov/MLN MattersArticles/downloads/MM6918.pdf> on the CMS website.

The official instruction (CR6918) regarding this change may be viewed at <http://www.cms.gov/Transmittals/downloads/R7210TN.pdf> on the CMS website.

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