

**Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies Competitive
Bidding Program (DMEPOS CBP)
Off-the-Shelf (OTS) Orthotics Exemption Provisions -- Final Rulemaking (1503-FC)**

BACKGROUNDERS

Background:

Section 154(d) of MIPPA amended section 1847(a) of the Act by adding paragraph (7), which expands the exemptions from the DMEPOS CBP for certain OTS orthotics to physicians or other practitioners (as defined by the Secretary) if furnished to their own patients as part of their professional service. Section 1847(a)(7), as added by MIPPA, also expanded the exemption from the program to hospitals for certain OTS orthotics, crutches, canes, walkers, folding manual wheelchairs, blood glucose monitors, and infusion pumps if these items are furnished to the hospital's own patients during an admission or on the date of discharge.

The DMEPOS CBP Round 1 Rebid interim final rule with comment period (IFC) included the expanded exemption for certain DMEPOS items as provided by MIPPA for hospitals.

Revisions to the current rule:

In this final rulemaking, we are revising the current provisions at §414.404(b)(1)(i) to incorporate the provision of section 1847(a)(7)(A)(i) and (ii) of the Act that exempts from the DMEPOS CBP those OTS orthotics furnished by physicians and other practitioners to their own patients as part of their professional service or by hospitals to the hospital's own patients during an admission or on the date of discharge. Payment for items subject to these exemptions would be made on the basis of the single payment amounts determined in accordance with §414.416.