



Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) - October 2018

MLN Matters Number: MM10802

Related Change Request (CR) Number: 10802

Related CR Release Date: June 8, 2018

Effective Date: October 1, 2018

Related CR Transmittal Number: R4070CP

Implementation Date: October 1, 2018

PROVIDER TYPE AFFECTED

This MLN Matters® Article is intended for providers and suppliers submitting claims to Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) items or services paid under the DMEPOS fee schedule.

WHAT YOU NEED TO KNOW

Change Request (CR) 10802 provides the October 2018 quarterly update for the Medicare DMEPOS fee schedule. The instructions include information, when necessary, to implement fee schedule amounts for new codes and correct any fee schedule amounts for existing codes. The DME CBP files are updated on a quarterly basis in order to implement necessary changes to the Healthcare Common Procedure Coding System (HCPCS) codes, ZIP code, single payment amount, and supplier files. These requirements provide specific instruction for implementing the DMEPOS CBP files.

BACKGROUND

Congress mandated the DMEPOS CBP through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). The statute required that Medicare replace the current fee schedule payment methodology for selected DMEPOS items with a competitive bid process. The intent is to improve the effectiveness of the Medicare methodology for setting DMEPOS payment amounts, which will reduce beneficiary out-of-pocket expenses and save the Medicare program money while ensuring beneficiary access to quality items and services.

Under the program, Medicare conducts a competition among suppliers who operate in a particular Competitive Bidding Area (CBA). Suppliers are required to submit a bid for selected products. Not all products or items are subject to competitive bidding. Bids are submitted

electronically through a web-based application process and required documents are mailed. Bids are evaluated based on the supplier's eligibility, its financial stability and the bid price. Medicare awards contracts to the Medicare suppliers who offer the best price and meet applicable quality and financial standards. Contract suppliers must agree to accept assignment on all claims for bid items and will be paid the bid price amount. The amount is derived from the median of all winning bids for an item.

ADDITIONAL INFORMATION

The official instruction, CR10802, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R4070CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
June 8, 2018	Initial article released.

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