



April Quarterly Update for 2019 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

MLN Matters Number: MM11179

Related Change Request (CR) Number: 11179

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Related CR Transmittal Number: R4242CP Implementation Date: April 1, 2019

PROVIDER TYPE AFFECTED

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

PROVIDER ACTION NEEDED

CR11179 informs DME MACs about the changes to the DMEPOS fee schedule which Medicare updates on a quarterly basis, when necessary, to implement fee schedule amounts for new codes and correct any fee schedule amounts for existing codes. Make sure that your billing staffs are aware of these changes.

BACKGROUND

Section 1834(a), (h), and (i) of the Social Security Act (the Act) requires payment on a fee schedule basis for DMEPOS items. Also, payment on a fee schedule basis is a regulatory requirement in 42 Code of Federal Regulations (CFR) Section 414.102 for Parenteral and Enteral Nutrition (PEN), splints, casts and Intraocular Lenses (IOLs) inserted in a physician's office. The DMEPOS and PEN fee schedule files contain HCPCS codes that are subject to the adjusted fee schedule amounts under Section 1834(a)(1)(F) of the Act, as well as codes that are not subject to the fee schedule Competitive Bidding Program (CBP) adjustments.

Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for certain items furnished on or after January 1, 2016, in areas that are not Competitive Bid Areas (CBAs), based on information from CBPs for DME. Section 1842(s)(3)(B) of the Act provides authority for adjusting the fee schedule amount for enteral nutrients, equipment and supplies (enteral nutrition) based on information from CBPs.

42 CFR Section 414.210(g) establishes the methods for adjusting DMEPOS fee schedule

amounts. Additional information on adjustments to the fee schedule amounts based on information from CBPs is available in:

- Transmittal 3551, CR9642, dated June 23, 2016 (See the related article at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM9642.pdf>)
- Transmittal 3416, CR9431, dated November 23, 2015 (See the related article at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM9431.pdf>);
- Transmittal 4181, CR11064, dated December 14, 2018 (See the related article at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM11064.pdf>).

Due to a delay in announcement of the next round of the CBP, contracts will not be in effect in Round 1, Round 2, or the National Mail Order CBAs beginning January 1, 2019, resulting in a temporary gap period in the CBP. Beginning January 1, 2019, CMS bases the fee schedule amounts for items furnished in former CBAs on the lower of the supplier's charge for the item or fee schedule amounts adjusted in accordance with Sections 1834(a)(1)(F) and 1842(s)(3)(B) of the Act.

Pursuant to 42 CFR Section 414.210(g), Medicare bases the fee schedules for items and services furnished in former CBAs on the Single-Payment Amounts (SPAs), in effect in the CBA on the last day before the CBP contract periods of performance ended, increased by the projected percentage change in the Consumer Price Index for all Urban Consumers (CPI-U) for the 12-month period on the date after the contract periods ended. If the gap in the CBP lasts more than 12 months, Medicare increases fee schedule amounts once every 12 months on the anniversary date of the first day after the contract period ended with the CPI-U.

The ZIP code associated with the address used for pricing a DMEPOS claim determines the rural fee schedule payment applicability for codes with rural and non-rural adjusted fee schedule amounts. The DMEPOS Rural ZIP code file contains the ZIP codes designated as rural areas. ZIP codes for non-continental Metropolitan Statistical Areas (MSAs) are not included in the DMEPOS Rural ZIP code file. CMS updates the DMEPOS Rural ZIP code file on a quarterly basis as necessary. Regulations at 42 CFR Section 414.202 define a rural area to be a geographical area represented by a postal ZIP code where at least 50 percent of the total geographical area of the ZIP code is estimated to be outside any MSA. A rural area also includes any ZIP Code within an MSA that is excluded from a competitive bidding area established for that MSA.

The ZIP code associated with the permanent address of the beneficiary determines applicability of the adjusted fee schedule amounts in former CBAs. During a gap in the CBP, a former CBA ZIP code file will contain the ZIP codes for Round 1 2017 and Round 2 Recompete CBAs and CMS will update the files on a quarterly basis as necessary.

CR11179 adds fee schedule amounts for the following HCPCS codes to the DMEPOS fee

schedule file effective April 1, 2019:

HCPCS Code	Descriptor
L0623	Sacroiliac orthosis, provides pelvic-sacral support, with rigid or semi-rigid panels over the sacrum and abdomen, reduces motion about the sacroiliac joint, includes straps, closures, may include pendulous abdomen design, prefabricated, off-the-shelf
E2216	Manual wheelchair accessory, foam filled propulsion tire, any size, each
E2217	Manual wheelchair accessory, foam filled caster tire, any size, each
E2218	Manual wheelchair accessory, foam propulsion tire, any size, each

Also, CR11179 provides instructions for the April 2019 DMEPOS Rural ZIP code file containing the Quarter 1 2019 Rural ZIP code changes.

The following DMEPOS fee schedule and ZIP code Public Use Files (PUFs) will be available for State Medicaid Agencies, managed care organizations, and other interested parties shortly after the release of the data files at www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule.html:

1. DMEPOS Fee schedule file PUF
2. DME PEN Fee schedule PUF
3. DME Rural ZIP code PUF
4. Former CBA Fee Schedule PUF
5. Former CBA National Mail Order Diabetic Testing Supply fee schedule PUF
6. Former CBA ZIP code PUF

Additional program instructions for payment of items furnished in former CBAs are available in CR11097. See related article at <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM11097.pdf>.

ADDITIONAL INFORMATION

The official instruction, CR11179, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4242CP.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
February 19, 2019	Initial article released.

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