



News Flash - Your Medicare Payments Could Be Reduced If The Internal Revenue Service (IRS) Needs To Collect Overdue Taxes That You Owe - The Taxpayer Relief Act of 1997, Section 1024, authorizes the IRS to reduce certain federal payments, including Medicare payments, to allow collection of overdue taxes. Should you owe such taxes and your payments are reduced, your remittance advice will reflect a provider level adjustment code (PLB) of "WU" in the PLB03-1 data field. For more information, please see MLN Matters Article #MM6125 available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6125.pdf> on the CMS website.

MLN Matters® Number: MM6203 **Revised**

Related Change Request (CR) #: 6203

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Implementation Date: September 12, 2008

Delay of the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program

Note: This article was revised on August 4, 2009, to alert providers and suppliers that a new article that discusses the "Program Instructions Designating the Competitive Bidding Areas and Product Categories included in the DMEPOS Competitive Bidding Program Round One Rebid in CY 2009" is available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6571.pdf> on the Centers for Medicare & Medicaid Services website.

Provider Types Affected

Providers and suppliers submitting claims to Medicare Durable Medical Equipment Medicare Administrative Contractors (DME MACs) and/or Regional Home Health Intermediaries (RHHIs) for DMEPOS provided to Medicare beneficiaries residing in the 10 areas previously designated as competitive bidding areas.

Provider Action Needed

This article is based on Change Request (CR) 6203, which implements instructions related to **delaying the DMEPOS Competitive Bidding Program**,

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reprocessing DMEPOS Competitive Bidding claims under regular fee-for-service (FFS) rules, and educating suppliers about the delay. Make certain your billing staffs are aware of these changes.

Background

Section 154 of the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) delays the DMEPOS Competitive Bidding Program and terminates all Round I Competitive Bid contracts. Therefore, in the 10 areas where competitive bidding was initiated, Medicare has resumed paying for DMEPOS items using the standard DMEPOS fee schedule amounts that were in place as of June 30, 2008.

Key Points

Effective immediately, the Centers for Medicare & Medicaid Services (CMS) has instructed the DME MACs and RHHIs to **cease all implementation activities related to the DMEPOS Competitive Bidding Program**. Your Medicare Contractors will process all DMEPOS claims under standard FFS rules. Note the following requirements issued by CMS and make certain your billing staffs are aware of the changes.

- Your Medicare Contractors have begun to process all new incoming DMEPOS claims under standard FFS rules.
- Your Medicare Contractors will process all previously-held DMEPOS Competitive Bidding Program claims under standard FFS rules and they should have completed such processing as soon as possible.
- Your Medicare Contractors will automatically reprocess claims that were denied based solely on DMEPOS Competitive Bidding Program rules under standard FFS rules and complete such reprocessing by September 30, 2008.
- Your Medicare Contractors should identify and automatically reprocess under standard FFS rules any claim adjudicated under DMEPOS Competitive Bidding Program rules and pay any difference that may be owed on such claims to affected suppliers and complete these activities by September 30, 2008.
- Your Medicare Contractors should adjust any claims they are unable to automatically reprocess if you bring such claims to their attention.
- Home health agencies (HHA) should be aware that any claims returned to the provider as subject to DMEPOS Competitive Bidding may be resubmitted.
- Your Medicare Contractors will not initiate any redeterminations on claims where the application of one or more DMEPOS Competitive Bidding rule is the

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only issue in controversy. Rather than issuing redeterminations your contractors will reprocess such claims and issue substitute initial determinations with full appeal rights.

- Providers should ignore the instructions contained in Chapter 36 of the Medicare Claims Processing Manual, as communicated via CRs 5978, 6007 and 6119, until further notice from CMS.

Additional Information

If you have questions, please contact your Medicare DME MAC or RHHI at their toll-free number which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

The official instruction (CR6203) issued to your Medicare DME MAC or RHHI may be viewed by going to <http://www.cms.hhs.gov/Transmittals/downloads/R375OTN.pdf> on the CMS website.

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