



News Flash – Suppliers submitting a bid for a product category in a competitive bidding area (CBA) must meet all state licensure requirements for DMEPOS and other applicable state licensure requirements, if any, for that product category for every state in that CBA. Prior to submitting a bid for a CBA and product category, the supplier must have a copy of the applicable state licenses on file with the NSC. Suppliers must be accredited for a product category to submit a bid for that product category. Suppliers subject to the surety bond requirement must be bonded in order to bid. For more information on the Medicare DMEPOS Competitive Bidding Program please visit <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/index.html> on the CMS website.

MLN Matters® Number: MM6573 **Revised**

Related Change Request (CR) #: 6573

Related CR Release Date: August 14, 2009

Effective Date: January 1, 2010

Related CR Transmittal #: R5310TN

Implementation Date: January 4, 2010

Additional Instructions on Processing Claims for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Items Submitted Under the Guidelines Established in Change Request (CR) 5917

Note: This article was updated on August 7, 2012, to reflect current Web addresses. All other content remains the same.

Provider Types Affected

Providers and suppliers billing Medicare Carriers and Medicare Administrative Contractors (AV MACs) for certain DME products provided to Medicare beneficiaries.

Provider Action Needed

The Centers for Medicare & Medicaid Services (CMS) issued Change Request (CR) 6573 in order to augment previously issued CR 5917. In CR 5917 CMS instructed Medicare contractors to process and pay claims for replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME when submitted by suppliers that are enrolled with both the National Supplier

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Clearinghouse (NSC) and with their local carrier/MAC. Although CR 5917 reinstated the local carrier/A/B MAC jurisdiction for claims for these items, the **instruction was not clear about the jurisdiction or payment rules to apply when the beneficiary resides outside of the local carrier/A/B Medicare Administrative Contractor's (A/B MAC) jurisdiction.** Be sure billing staff are aware of the changes.

Background

CR 6573 clarifies the claims filing jurisdiction and payment policies for claims submitted under the guidelines established in CR 5917 when the beneficiary is located outside of the local carrier/A/B Mac's jurisdiction. Payment of DMEPOS items is based on the fee schedule amount for the State where the beneficiary maintains their permanent residence.

CR 6573 also makes a correction to CR 5917 to replace the list of codes that may be billed, originally included as Attachment A to CR 5917, with the revised list of HCPCS codes attached to CR6573 and available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R5310TN.pdf> on the CMS website. (In CR 5917 this list included codes for implanted devices, which may not be separately billed to the carrier/MAC by DMEPOS suppliers.)

Key Points of CR 6573

- Suppliers that are enrolled with the NSC as a DMEPOS supplier may enroll with and bill claims to their local carrier/A/B MAC for any of the attached list of DMEPOS items when billed under the guidelines established in CR 5917, including items furnished to beneficiaries who reside in other States.
- Medicare contractors will determine the claims filing jurisdiction for items billed under the guidelines established in CR 5917 based on the location of the supplier, in accordance with Chapter 1, section 10 of the *Medicare Claims Processing Manual* available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c01.pdf> on the CMS website.
- Medicare contractors will pay claims for items submitted under the guidelines established in CR 5917 by applying the appropriate fee schedule amount for the State where the beneficiary maintains his or her permanent residence.
- Under no circumstances may any entity enrolled as a DMEPOS supplier with the NSC, that is not the physician or provider that implants the device, bill the carrier/A/B MAC for an implanted device. However, DMEPOS suppliers may bill for any of the replacement parts, accessories or supplies for prosthetic

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implants and surgically implanted DME included in the attached revised list of HCPCS codes, under the guidelines established in CR 5917.

Additional Information

If you have questions, please contact your Medicare Carrier or A/B MAC at their toll-free number which may be found at: <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

The official instruction (CR 6573) issued to your Medicare Carrier or A/B MAC is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R5310TN.pdf> on the CMS website. CR 6573 contains the *DMEPOS Fee Schedule HCPCS Codes Payable as a Replacement Part, Accessory or Supply for Prosthetic Implants and Surgically Implanted DME (Rev. March 2009)* and that list is an attachment to CR 6573.

To review MM5917, the MLN Matters® article related to CR 5917, go to <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM5917.pdf> on the CMS website.

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