

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



A new publication titled “Signature Requirements” is now available in downloadable format from the Medicare Learning Network® at http://www.CMS.gov/MLNProducts/downloads/Signature_Requirements_Fact_Sheet_ICN905364.pdf on the CMS website. This fact sheet is designed to provide education on Signature Requirements to healthcare providers, and includes information on the documentation needed to support a claim submitted to Medicare for medical services.

MLN Matters® Number: MM7389

Related Change Request (CR) #: 7389

Related CR Release Date: July 14, 2011

Effective Date: October 1, 2011

Related CR Transmittal #: R912OTN

Implementation Date: October 3, 2011

Note: MM6934 was revised on May 26, 2015, to add a reference to MLN Matters® article [MM9060](#) that advises providers of changes that MACs are being required to make to their systems for the processing of claims for grandfathered items subject to DMEPOS CBP. All other information remains unchanged.

Durable Medical Equipment National Competitive Bidding: Correction to Permit Payment for Certain Grandfathered Accessories and Supplies

Provider Types Affected

This article is for suppliers billing Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for certain grandfathered accessories and supplies furnished to Medicare beneficiaries after the start of a Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP).

Disclaimer

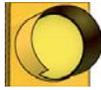
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Provider Action Needed



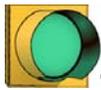
STOP – Impact to You

This article is based on CR7389 which informs Medicare suppliers and DME MACs that Medicare payment is permissible to a non-contract, grandfathered supplier for furnishing certain purchased, covered accessories or supplies furnished for use with capped rental equipment.



CAUTION – What You Need to Know

There are limitations on the duration of this permission as well as constraints on the applicable Healthcare Common Procedure Coding System (HCPCS) codes. The KY modifier should not be annotated on claims for these HCPCS codes after September 30, 2011.



GO – What You Need to Do

See the Background and Key Points Sections of this article for clarification and details regarding these changes.

Background

Under the Medicare DMEPOS CBP a beneficiary who obtains competitive bidding items in a designated Competitive Bidding Area (CBA) must obtain these items from a contract supplier, unless an exception applies such as the ones presented below exist.

Exception 1:

A beneficiary may continue to obtain certain rental items from a non-contract supplier if the beneficiary was receiving such rental items from the non-contract supplier when the CBP took effect in the CBA. Such a non-contract supplier would be considered a “grandfathered supplier” with respect to such rented item and such beneficiary for the remainder of the particular item’s existing rental period.

Exception 2: (related to exception above)

A beneficiary, who continues to obtain a rented, grandfathered competitive bidding item from a non-contract grandfathered supplier, may also obtain certain purchased, covered accessories or supplies furnished for use with such rented “grandfathered” equipment from the same non-contract grandfathered supplier until the equipments’ payment cap is reached. The purchased, covered accessories or supplies used with rented, grandfathered equipment within the same product category that are subject to this exception are identified by applicable HCPCS codes, are as follows:

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- Continuous Positive Airway Pressure (CPAP) Devices, Respiratory Assistive Devices, and Related Supplies and Accessories – A4604, A7030, A7031, A7032, A7033, A7034, A7035, A7036, A7037, A7038, A7039, A7044, A7045, A7046, E0561, and E0562;
- Hospital Beds and Related Accessories – E0271, E0272, E0280, and E0310; and
- Walkers and Related Accessories – E0154, E0156, E0157 and E0158

Previously, non-contract grandfathered suppliers submitting claims for purchased, covered accessories or supplies under this exception were told to use the KY modifier on claims for such items with dates of service on or after January 1, 2011.

Key Points in CR7389

Effective October 1, 2011, the KY modifier is not required on these claims. Any claims submitted after September 30, 2011 with the KY modifier will be denied.

Medicare payment may be made to a non-contract, grandfathered supplier for furnishing certain purchased, covered accessories or supplies furnished for use with rented, grandfathered equipment, provided the non-contract supplier is also furnishing the rented equipment on a grandfathered basis. The purchased, covered accessories or supplies that are subject to this policy, identified by applicable HCPCS codes, are previously listed.

For rented, grandfathered equipment in the capped rental payment class (e.g. CPAP device), **after the rental payment cap for the grandfathered equipment is reached:**

- The beneficiary must obtain covered accessories and supplies (e.g. CPAP masks) only from a contract supplier;
- The supplier of the grandfathered equipment is no longer permitted to furnish the covered accessories and supplies;
- Medicare payment will no longer be made to a non-contract, grandfathered supplier for furnishing such purchased accessories or supplies; and

For rented, grandfathered equipment in the inexpensive or routinely purchased payment class, **after the total payments for the rented, grandfathered equipment (e.g. folding walker) reach the purchase fee schedule amount for the grandfathered equipment:**

- The beneficiary must obtain covered accessories (e.g. seat attachment) and supplies only from a contract supplier; and
- The supplier of the grandfathered equipment is no longer permitted to furnish the covered accessories and supplies once the capped rental payment cap is reached.

These claims will be denied, using the following messages:

- B20 – Procedure /service was partially or fully furnished by another provider;
- N211 – You may not appeal this decision; and

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- M115 – This item is denied when provided to this patient by a non-contract or non-demonstration supplier.

Medicare contractors will also assign group code CO (Contractual Obligation).

Note: In all cases, payment for covered accessories and supplies used in conjunction with a grandfathered item is based on the single payment amount calculated for the item for the CBA in which the beneficiary maintains a permanent residence.

Additional Information

If you have any questions, please contact your 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 associated with this CR7389, issued to your Medicare MAC regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R912OTN.pdf> on the CMS website.

To review a complete listing of links to DME related information you may go to <https://www.cms.gov/center/dme.asp> on the CMS website.

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