

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



MLN Matters® Number: MM8325 **Revised**

Related Change Request (CR) #: CR 8325

Related CR Release Date: May 17, 2013

Effective Date: January 1, 2013 - for implementation of fee schedule amounts for codes in effect on January 1, 2013; July 1, 2013 for all other changes

Related CR Transmittal #: R2709CP

Implementation Date: July 1, 2013

## July Quarterly Update for 2013 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

**Important Note:** Medicare will only pay claims for DME if the ordering physician and DME supplier are actively enrolled in Medicare on the date of service. Physicians and suppliers have to meet strict standards to enroll and stay enrolled in Medicare. If you are not enrolled on the date the prescription is filled or re-filled, Medicare will not pay the submitted claims. It is also important to tell the Medicare beneficiary if you are not participating in Medicare before you order DME. If you do not have an active record, please see the following fact sheet containing information on how to **enroll, revalidate your enrollment and/or make a change:** [https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/MedEnroll\\_PhysOther\\_FactSheet\\_ICN903768.pdf](https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/MedEnroll_PhysOther_FactSheet_ICN903768.pdf) on the CMS website.

**Note:** This article was revised on December 21, 2015, to add the “Important Note” above. All other information remains the same.

### Provider Types Affected

This MLN Matters® Article is intended for physicians, other providers, and suppliers submitting claims to Medicare contractors (A/B Medicare Administrative Contractors (MACs), carriers, Regional Home Health Intermediaries (RHHIs) and Durable Medical Equipment MACs (DME MACs) for DMEPOS items or services paid under the DMEPOS fee schedule.

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## Provider Action Needed

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This article is based on Change Request (CR) 8325 and alerts providers and suppliers that the Centers for Medicare & Medicaid Services (CMS) issued instructions updating the DMEPOS fee schedule payment amounts. Be sure your billing staffs are aware of these changes.

## Background

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The DMEPOS fee schedules are updated on a quarterly basis, when necessary, in order to implement fee schedule amounts for new and existing codes, as applicable and to apply changes in payment policies. The quarterly update process for the DMEPOS fee schedule is documented in the “Medicare Claims Processing Manual,” Chapter 23, Section 60 at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c23.pdf> on the CMS website.

## Key Points of CR8325

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- CR 8325 updates fees for Healthcare Common Procedure Coding System (HCPCS) codes E2378, L5859, and L7902. These HCPCS codes were added to the HCPCS file effective January 1, 2013. Previously these items were paid on a local fee schedule. If claims for these codes with dates of service on or after January 1, 2013 have already been processed, they will be adjusted to reflect the new fees if you bring the claims to your contractor's attention.
- As part of this update fee schedule amounts are also established for HCPCS code K0009 (Other Manual Wheelchair/Base). Payment on a fee schedule basis is mandated for all DME by section 1834(a) of the Social Security Act (the Act), other than items that meet the definition of customized DME at 42 CFR section 414.224 of the regulations. Effective July 1, 2013, payment for claims for manual wheelchairs, that receive a HCPCS code verification of K0009 by the Pricing Data Analysis and Coding (PDAC) contractor, will be made on a capped rental basis with the fee schedule amounts established in accordance with section 1834 (a)(8) of the Act using data for all manual wheelchair codes effective in 1986.

### Diabetic Testing Supplies

Effective for dates of service on or after July 1, 2013, in accordance with Section 636(a) of the American Taxpayer Relief Act (ATRA), the fee schedule amounts for non-mail order diabetic supplies are adjusted so that they are equal to the single payment amounts for mail order diabetic supplies established in implementing the national mail order competitive bidding program under Section 1847 of the Act. The national competitive bidding program for mail order diabetic supplies takes effect July 1, 2013. This provision of the ATRA achieves competitive non-mail order prices for the same diabetic testing supplies furnished through the national mail order program without requiring local pharmacies to compete and

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be awarded contracts while still providing Medicare beneficiaries a choice in where they obtain supplies.

Diabetic testing supplies are the supplies necessary for the effective use of a blood glucose monitor as described by the HCPCS codes below:

- A4233 Replacement Battery, Alkaline (Other Than J Cell), For Use With Medically Necessary Home Blood Glucose Monitor Owned By Patient, Each.
- A4234 Replacement Battery, Alkaline, J Cell, For Use with Medically Necessary Home Blood Glucose Monitor Owned By Patient, Each.
- A4235 Replacement Battery, Lithium, For Use with Medically Necessary Home Blood Glucose Monitor Owned By Patient, Each.
- A4236 Replacement Battery, Silver Oxide, For Use with Medically Necessary Home Blood Glucose Monitor Owned By Patient, Each.
- A4253 Blood Glucose Test or Reagent Strips for Home Glucose Monitor, Per 50 Strips.
- A4256 Normal, Low and High Calibration Solution / Chips.
- A4258 Spring-powered Device for Lancet, Each.
- A4259 Lancets, Per Box of 100.

Effective for dates of service on or after July 1, 2013, the non-mail order fee schedule amounts for the diabetic testing supplies listed above will be adjusted so that they are equal to the single payment amounts for mail order diabetic supplies established under the national mail order competition for diabetic testing supplies.

The annual covered item update will not be applied to the new national fee schedule amounts for non-mail order diabetic testing supplies. Rather, the non-mail order fee schedule amounts on the fee schedule file will be updated each time the single payment amounts are updated, which can happen no less often than every three years as contracts are recompeted. The rules related to assignment of claims for non-mail order diabetic testing supplies are not affected by this new law. Since claim assignment is not mandatory for diabetic testing supplies furnished on a non-mail order basis, beneficiaries should ask the pharmacy or supplier storefront for the supplier's charge and whether they will accept assignment of the claim before purchase.

The definitions of mail order item and non-mail order item set forth in 42 CFR 414.402 are:

- Mail Order Item (KL HCPCS modifier) — any item shipped or delivered to the beneficiary's home, regardless of the method of delivery; and
- Non-Mail Order Item (KL modifier not applicable) — any item that a beneficiary or caregiver picks up in person at a local pharmacy or supplier storefront.

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Effective July 1, 2013, only national mail order contract suppliers will be paid by Medicare for diabetic testing supplies other than those that a beneficiary or caregiver picks up in person at a local pharmacy or supplier storefront. The single payment amount public use file for the national mail order competitive bidding program is available at <http://www.dmecompetitivebid.com/palmetto/cbicrd2.nsf/DocsCat/Single%20Payment%20Amounts> on the Internet. Although for payment purposes the single payment amounts replace the fee schedule amounts for mail order diabetic testing supplies, the mail order fee schedule amounts (KL modifier) for these codes will remain on the DMEPOS fee schedule file as reference data. The mail order diabetic testing supply fee schedule amounts will be maintained and updated annually by the covered item update for use in establishing bid limits for future competitive bidding competitions.

### Additional Information

The official instruction, CR 8325 issued to Medicare contractor regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2709CP.pdf> on the CMS website.

If you have any questions, please contact your Medicare contractor 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.

### Document History

Date	Description
December 21, 2015	The article was revised on December 21, 2015, to include the "Important Note" near the top of page 1.
August 1, 2013	This article was revised on August 1, 2013, to add additional language to address questions raised about the implementation of the non-mail order fee schedule changes required by the American Taxpayer Relief Act.

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