

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



New product from the Medicare Learning Network® (MLN)

- [“Home Oxygen Therapy”](#) Booklet, (ICN 908804), downloadable

MLN Matters® Number: MM9179

Related Change Request (CR) #: CR 9179

Related CR Release Date: June 12, 2015

Effective Date: October 1, 2015

Related CR Transmittal #: R1511OTN

Implementation Date: October 5, 2015

Classification of Speech Generating Devices (SGD) and Accessories under the Payment Category for Inexpensive or Routinely Purchased Durable Medical Equipment

Provider Types Affected

This MLN Matters® Article is intended for suppliers of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) submitting claims to Medicare Administrative Contractors (MACs) for speech generating devices (SGD) and accessories provided to Medicare beneficiaries.

What You Need to Know

This article is based on Change Request (CR) 9179, which provides instructions to MACs to change the DME payment category for SGDs and accessories essential for the effective use of the SGD from capped rental (CR) to inexpensive or routinely purchased (IN), effective for SGD and their accessories furnished between October 1, 2015, through September 30, 2018.

Effective for claims with dates of service on or after October 1, 2015, if the beneficiary opts to purchase the SGD, MACs will deduct the cumulative allowed amount for any and all previously paid claims for the item from the allowed amount for the purchase of the item so

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that payment for purchase of the item does not exceed the fee schedule amount for purchase of the equipment.

Background

Change Request 9179 provides instructions regarding the recent amendment of [Section 1834\(a\)\(2\)\(A\)](#) of the Act, that changes the payment category for SGDs and accessories essential for the effective use of the SGD furnished between October 1, 2015, and September 30, 2018, from capped rental to inexpensive or routinely purchased.

As a result of the amendment, SGDs (and their accessories) furnished between October 1, 2015, and September 30, 2018, are now classified as inexpensive or routinely purchased items and subject to the payment rules outlined in Section 1834(a)(2) of the Act. Items in this payment category are paid on a purchased new (NU), purchased used (UE) or rental (RR) basis. Total payments for items in this category (sum of allowed charges for all claims for rental or purchase) may not exceed the fee schedule amount for purchase of NU.

Note: The NU, UE or RR fee schedule amounts for the SGD and accessory codes will be provided on the October 2015 DMEPOS fee schedule update.

Additional Information

The official instruction, Change Request 9179, issued to your MAC regarding this change, is available at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R1511OTN.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Net/work-MLN/MLNMattersArticles/index.html> under “How Does It Work” on the CMS website.

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