

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9792 **Revised** Related Change Request (CR) #: CR 9792

Related CR Release Date: November 25, 2016 Effective Date: January 1, 2017

Related CR Transmittal #: R3668CP Implementation Date: January 3, 2017

Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program (CBP) - January 2017

Note: This article was revised due to a revised CR9792, issued on November 25, 2016. The CR was revised to provide an explanation regarding a few changes that have occurred in the 2017 HCPCS file. These changes are noted in the paragraph just prior to the Additional Information section of this article. The CR release date, transmittal number, and the Web address of the CR are also revised. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for providers and suppliers submitting claims to Medicare Administrative Contractors (MACs) for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) items or services paid under the DMEPOS fee schedule.

What You Need to Know

Change Request (CR) 9792 provides the January 2017 quarterly update for the Medicare DMEPOS fee schedule. The instructions include information, when necessary, to implement fee schedule amounts for new codes and correct any fee schedule amounts for existing codes. The Centers for Medicare & Medicaid Services (CMS) issued CR9792 to provide the DMEPOS CBP January 2017 quarterly update.

CR9701 provides specific instructions to your Durable Medical Equipment (DME) MAC for implementing updates to the DMEPOS CBP Healthcare Common Procedure Coding System (HCPCS), ZIP code, and Single Payment Amount files. Note that quarterly updates are available on the [DMEPOS Competitive Bidding Program \(CBP\)](#) website.

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Background

The DMEPOS Competitive Bidding Program was mandated by Congress through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). The statute requires that Medicare replace the current fee schedule payment methodology for selected DMEPOS items with a competitive bid process. The intent is to improve the effectiveness of the Medicare methodology for setting DMEPOS payment amounts, which will reduce beneficiary out-of-pocket expenses and save the Medicare program money while ensuring beneficiary access to quality items and services.

Under the program, a competition among suppliers who operate in a particular competitive bidding area is conducted. Suppliers are required to submit a bid for selected products. Not all products or items are subject to competitive bidding. Bids are submitted electronically through a web-based application process and required documents are mailed. Bids are evaluated based on the supplier's eligibility, its financial stability and the bid price. Contracts are awarded to the Medicare suppliers who offer the best price and meet applicable quality and financial standards. Contract suppliers must agree to accept assignment on all claims for bid items and will be paid the bid price amount. The amount is derived from the median of all winning bids for an item.

To reflect changes in the 2017 HCPCS file, the HCPCS codes and single payment amounts for B9000, B9000MS and E0628 will be removed from the competitive bidding files, effective January 1, 2017. HCPCS codes B9000, B9000MS and E0628 crosswalk to HCPCS codes B9002, B9002MS and E0627, respectively.

Additional Information

The official instruction, CR9792, issued to your MAC regarding this change, is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3668CP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

The DMEPOS CBP site

(<http://www.dmecompetitivebid.com/palmetto/cbicrd2recompete.nsf/DocsCat/Home>) includes information on all rounds of the CBP, including product categories, single payment amounts, and the ZIP codes of areas included in the CBP.

Document History

- November 28, 2016 – The article was revised due to a revised CR9792. The CR was revised to provide an explanation regarding a few changes that have occurred in the

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2017 HCPCS file. These changes are noted in the paragraph just prior to the Additional Information section above.

- October 28, 2015 – Initial issuance.

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