



Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program (CBP) - January 2018

MLN Matters Number: MM10233

Related Change Request (CR) Number: 10233

Related CR Release Date: November 8, 2017

Effective Date: January 1, 2018

Related CR Transmittal Number: R3909CP

Implementation Date: January 2, 2018

Note: This article was revised on November 9, 2017, to reflect a revised CR10233 issued on November 8. In the article, a paragraph was added to the Background section regarding changes to HCPCS codes A4595 and A4557. Also, the CR release date, transmittal number and the Web address for CR10233 are revised. All other information remains the same.

PROVIDER TYPE AFFECTED

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

PROVIDER ACTION NEEDED

Change Request (CR) 10233 provides the January 2018 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 CR 10233 to provide the DMEPOS Competitive Bidding Program (CBP) January 2018 quarterly update. CR 10233 provides specific instructions to your 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 CBP at <https://www.dmecompetitivebid.com/palmetto/cbicrd2recompete.nsf/DocsCat/Quarterly%20Updates>.

BACKGROUND

The DMEPOS CBP 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, Medicare conducts a competition among suppliers who operate in a particular Competitive Bidding Area. Suppliers must submit a bid for selected products. Note that 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 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.

The November 8, 2017 revision to CR10233 informs that effective January 1, 2018, the Round 2 Recompete and Round 2017 Single Payment Amount file has been updated to replace HCPCS codes A4595 and A4557 with HCPCS codes A4595KG and A4557KG. This change allows Medicare to accurately process and pay HCPCS code A4595 (Electrical stimulator supplies, 2 lead, per month) and A4557 (Lead wires, (e.g., apnea monitor)) according to competitive bidding payment rules when used in conjunction with a competitive bidding base unit, such as a Transcutaneous Electrical Nerve Stimulation (TENS). When furnishing items described by these codes to a beneficiary residing in a competitive bid area, suppliers should bill without the KG modifier when A4595 and A4557 are used with a NeuroMuscular Electrical Stimulation (NMES) device and with the KG modifier when used with a TENS device.

ADDITIONAL INFORMATION

The official instruction, CR10233, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R3909CP.pdf>.

The DMEPOS CBP site at <https://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.

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/>.

DOCUMENT HISTORY

Date of Change	Description
November 9, 2017	This article was revised to reflect a revised CR10233 issued on November 8. In the article, a paragraph was added to the Background section regarding changes to HCPCS codes A4595 and A4557. Also, the CR release date, transmittal number, and the Web address for CR10233 are revised. All other information remains the same.
September 15, 2017	Initial article released.

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