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Payment for Complex Rehabilitative Power Mobility Device (PMD) Services that Span the Implementation Date of DMEPOS Competitive Bidding Programs in Competitive Bidding Areas

Note: This article is impacted by the Medicare Improvements for Patients and Providers Act of 2008, which was enacted on July 15, 2008. That legislation delays the implementation of the DMEPOS competitive bidding program until 2009 and makes other changes to the program. This article will be further revised and/or replaced as more details of the modified program are available.

Provider Types Affected

Suppliers who bill Durable Medical Equipment Medicare Administrative Contractors (DME MAC) for supplying durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) to Medicare beneficiaries.

What You Need to Know

CR 6112, from which this article is taken, provides instructions for payment of claims for the purchase of Group 3 single or multiple power option power mobility devices and accessories where the face-to-face examination by the treating physician occurred from April 1, 2008 through May 31, 2008 for beneficiaries who maintain their permanent residence in one of the geographic areas covered by Round 1 of the DMEPOS competitive bidding program. See the rest of this article for further details.

Background

The Medicare durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) competitive bidding program, mandated by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("Medicare Modernization Act")

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or "MMA"), changes the way Medicare determines the Part B payment amounts for DMEPOS items and services; by replacing the current DMEPOS fee schedule payment amounts for selected items in certain areas with payment amounts based on bids that DMEPOS suppliers submit.

The program's objectives are: 1) assuring beneficiary access to quality DMEPOS; 2) reducing the amount Medicare pays for DMEPOS items; 3) reducing the financial burden on beneficiaries by reducing the coinsurance they pay for DMEPOS items; and 4) contracting with suppliers who meet quality and financial standards.

The program's first round will start on July 1, 2008 in competitive bidding areas (CBAs) that are defined by zip codes within ten of the largest Metropolitan Statistical Areas (MSAs): Charlotte-Gastonia-Concord, NS-SC; Cincinnati-Middletown, OH-KY-IN; Cleveland-Elyria-Mentor, OH; Dallas-Fort Worth-Arlington, TX; Kansas City, MO-KS; Miami-Fort Lauderdale-Miami Beach, FL; Orlando, FL; Pittsburgh, PA; Riverside-San Bernardino-Ontario, CA; and San Juan-Caguas-Guaynabo, PR. The program will expand to 70 additional MSAs in 2009, and into additional areas after that.

Lists of the Round I DMEPOS Competitive Bidding zip codes are available by state through the use of the "Find a CBA" web feature on the Competitive Bidding Implementation Contractor (CBIC) website at <http://www.dmecompetitivebid.com/palmetto/cbic.nsf/DocsCat/Home> on the Internet.

The Round I competitive bidding product categories are:

- Oxygen Supplies and Equipment;
- Standard Power Wheelchairs, Scooters and Related Accessories;
- Complex Rehabilitative Power Wheelchairs and Related Accessories;
- Mail-Order Diabetic Supplies;
- Enteral Nutrients, Equipment and Supplies;
- Continuous Positive Airway Pressure (CPAP) Devices, Respiratory Assist Devices (RADs), and Related Supplies and Accessories;
- Hospital Beds and Related Accessories;
- Negative Pressure Wound Therapy (NPWT) Pumps and Related Supplies and Accessories;
- Walkers and Related Accessories; and
- Support Surfaces (Group 2 mattresses and overlays).

Note: 1) Support Surfaces (Group 2 mattresses and overlays) are included in only the Miami-Fort Lauderdale-Miami Beach, FL MSA; and 2) Programs for the Oxygen Supplies and Equipment; Rehabilitative Power Wheelchairs

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and Related Accessories; Enteral Nutrients, Equipment and Supplies; and Hospital Beds and Related Accessories product categories will not be implemented in the San Juan-Caguas-Guaynabo, Puerto Rico CBA during Round I.

The program will expand to additional product categories in future Rounds.

CR 6112, from which this article is taken, provides instructions for the payment of claims for the purchase of Group 3 single or multiple power option power mobility devices (identified by HCPCS codes K0856 through K0864) ordered from April 1, 2008 through May 31, 2008.

CMS will provide a one-time transition policy for suppliers who have initiated the process of furnishing such devices to beneficiaries residing in Round I CBAs (other than San Juan-Caguas-Guaynabo, Puerto Rico), as long as they have documentation that meets the transition period requirements. In order to be considered under the transition period:

- **The date of the face-to-face beneficiary examination by the physician must have occurred from April 1, 2008 through May 31, 2008; and**
- **While documentation must be maintained by the supplier, it does not have to be submitted with the claim. (This documentation must be made available to your DME MAC upon their request.)**

For claims for these complex power mobility devices provided to beneficiaries who maintain a permanent residence in one of the Round 1 CBAs, you must use the date of the physician face-to-face examination as the date of service on the claim (other than this exception, you should be aware that the date of service that is recorded on a DMEPOS claim is the date that the item is furnished). The actual date that the device and accessories were provided to the beneficiary should be supplied in the narrative section of the claim.

Under normal circumstances, the date of service on the claim must be the date the PMD device is provided to the beneficiary. In order for all other claims that do not meet the specific criteria in this instruction to be considered for coverage and payment, the date of service must be the date the PMD device is furnished to the beneficiary.

Suppliers should submit the claims for such devices, identified by HCPCS codes K0856 through K0864, along with related accessories on the same claim.

Approved claims for covered items subject to this transition policy will be paid using the applicable 2008 fee schedule amount.

Additional Information

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You can find the official instruction, CR6112, issued to your DME MAC by visiting <http://www.cms.hhs.gov/Transmittals/downloads/R353OTN.pdf> on the CMS website.

Additional MLN Matters articles on the competitive bidding program are available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0805.pdf>, <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0806.pdf>, and <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0807.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.

If you have any questions, please contact your DME MAC at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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