

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



**News Flash** – The National Government Services, Inc. (NGS) Common Electronic Data Interchange (CEDI) which serves Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) claim submissions to Durable Medical Equipment Medicare Administrative Contractors (DME MACs) is currently migrating Trading Partners (TPs) from dial-up access to Network Service Vendors (NSVs). The NSVs are not affiliated with the Centers for Medicare & Medicaid Services (CMS) or the DME MAC nor is any NSV specifically endorsed by CMS or the DME MAC. CMS continues to find ways to reduce security risks. As CMS progresses toward a more secure CMS network, this approach is one way to ensure your Medicare data is protected. If you submit claims directly to CEDI and have not made the switch to an NSV, now is the time to reach out to a NSV to avoid any disruption in sending your claims. If you send your DME claims through a clearinghouse or third party biller, contact them to make sure they have made or will be making the switch. Please contact the National Government Services CEDI Help Desk at [nqs.cedihelpdesk@wellpoint.com](mailto:nqs.cedihelpdesk@wellpoint.com) or 866-311-9184 if you have any additional questions regarding this initiative. To stay informed of all CEDI updates, visit the CEDI Web site at <http://www.ngscedi.com> and sign up for the CEDI Listserv by selecting the Listserv Registration Link. Select "Join" and follow the prompts to subscribe to the CEDI Listserv.

MLN Matters® Number: MM7425

Related Change Request (CR) #: 7425

Related CR Release Date: May 20, 2011

Effective Date: October 1, 2011

Related CR Transmittal #: R2225CP

Implementation Date: October 3, 2011

## October 2011 Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program

**Note:** This article was updated on August 22, 2012, to reflect current Web addresses. All other content remains the same.

### Provider Types Affected

This article is for providers and suppliers submitting claims to Durable Medical Equipment Medicare Administrative Contractors (DME MACs), or Medicare Regional

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Home Health Intermediaries (RHHIs) for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) provided to Medicare beneficiaries.

## Provider Action Needed

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This article is based on Change Request (CR) 7425 which provides the DMEPOS October 2011 quarterly update. This update implements necessary changes to the Healthcare Common Procedure Coding System (HCPCS), ZIP code, single payment amount and supplier files, effective October 1, 2011. Be sure your billing staffs are aware of these changes.

## Background

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The Round One Rebid Competitive Bidding Program was implemented on January 1, 2011, in Competitive Bidding Areas (CBAs) defined by ZIP codes within nine of the largest Metropolitan Statistical Areas (MSAs). The CBAs in the Round One Rebid include: Charlotte-Gastonia-Concord, NC-SC; Cincinnati-Middletown, OH-KY-IN; Cleveland-Elyria-Mentor, OH; Dallas-Fort Worth-Arlington, TX; Kansas City, MO-KS; Miami-Fort Lauderdale-Pompano Beach, FL; Orlando-Kissimmee, FL; Pittsburgh, PA; and Riverside-San Bernardino-Ontario, CA.

A list of the HCPCS codes that are included in each of the Round One Rebid product categories can be accessed by visiting the Competitive Bidding Implementation Contractor's (CBIC) website at

<http://page2rss.com/page?url=www.dmecompetitivebid.com/palmetto/CBIC.nsf/DocsCat/Home> on the Internet.

## Key Points of CR7425

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### *Competitive Bidding ZIP Codes*

For competitive bidding, ZIP codes designated as mail order only are assigned a separate CBA number from the standard CBA number. The competitive bidding CBA numbers and associated names are as follows:

- 16740 - Charlotte-Gastonia-Concord, NC-SC (non-mail order and mail order);
- 16741 - Charlotte-Gastonia-Concord, NC-SC (mail order only);
- 17140 - Cincinnati-Middletown, OH-KY-IN (non-mail order and mail order);
- 17141 - Cincinnati-Middletown, OH-KY-IN (mail order only);
- 17460 - Cleveland-Elyria-Mentor, OH (non-mail order and mail order);
- 17461 - Cleveland-Elyria-Mentor, OH (mail order only);
- 19100 - Dallas-Fort Worth-Arlington, TX (non-mail order and mail order);
- 19101 - Dallas-Fort Worth-Arlington, TX (mail order only);
- 28140 - Kansas City, MO-KS (non-mail order and mail order);
- 28141 - Kansas City, MO-KS (mail order only);

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- 33100 - Miami-Fort Lauderdale-Pompano Beach, FL (non-mail order and mail order);
- 33101 - Miami-Fort Lauderdale-Pompano Beach, FL (mail order only);
- 36740 - Orlando- Kissimmee, FL (non-mail order and mail order);
- 36741 - Orlando- Kissimmee, FL (mail order only);
- 38300 - Pittsburgh, PA (non-mail order and mail order);
- 38301 - Pittsburgh, PA (mail order only);
- 40140 - Riverside-San Bernardino-Ontario, CA (non-mail order and mail order);  
and
- 40141 - Riverside-San Bernardino-Ontario, CA (mail order only).

### ***Public Use Files***

The competitive bidding zip codes and single payment amounts per product category and CBA are available on the CBIC website for interested parties like DMEPOS suppliers, State Medicaid agencies, and managed care organizations. The CBIC website can be accessed at

<http://dmecompetitivebid.com/palmetto/cbic.nsf/DocsCat/Home> or by visiting <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/index.html> on the Centers for Medicare &

Medicaid Services (CMS) website. These files can be used to identify when a specific item furnished to a beneficiary is subject to the DMEPOS competitive bidding program.

### ***Single Payment Amount***

The single payment amount is the Medicare allowed payment amount, instead of the previous fee schedule amount, for competitive bidding items for beneficiaries who reside in CBAs. Medicare will pay contract suppliers 80 percent of the single payment amount for each competitively bid item. The beneficiaries will be responsible for the remaining 20 percent of the single payment amount. Payment for all claims is on an assignment-related basis. In no case can a beneficiary be charged more than the 20 percent coinsurance payment for medically necessary items.

In the CBA pricing file and the single payment amount public use file, the rental single payment amounts for capped rental DME and rented enteral nutrition equipment are 10 percent of the purchase single payment amount. This payment amount is for rental months one through three. The rental single payment amounts for months 4 through 13 for capped rental DME and for months 4 through 15 for rented enteral nutrition equipment are equal to 75 percent of the single payment amounts paid in the first three rental months.

The changes to the power wheelchair payment rules made by Section 3136 of the Affordable Care Act do not apply to payment made for items furnished pursuant to competitive bidding contracts entered into prior to January 1, 2011, or for power

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wheelchairs in which the first rental month occurred before January 1, 2011. Therefore, under the Round One Rebid Competitive Bidding Program, contract and grandfathered suppliers furnishing rented power wheelchairs will continue to be paid under the capped rental payment methodology using 10 percent of the single payment amount for the first three months and 75 percent of the single payment amounts paid in the first three rental months for months 4 through 13. Similarly, the elimination of the lump sum purchase option for standard power wheelchairs, as required by Section 3136 of the Affordable Care Act, does not apply to standard power wheelchairs furnished by contract suppliers under the Round One Rebid Program. Payment for standard power wheelchairs will continue to be made to Round One Rebid contract suppliers on either a lump sum purchase or rental basis.

For inexpensive and/or routinely purchased DME items, the recorded single payment amount for rental is 10 percent of the purchase single payment amount. For all equipment furnished on a purchase basis, the recorded single payment amount for purchased used equipment is 75 percent of the purchase single payment amount.

Also included in the CBA pricing file and the single payment amount file is the maintenance and servicing single payment amounts for rented enteral nutrition infusion pumps described by HCPCS codes B9000 and B9002, made in accordance with the "Medicare Claims Processing Manual," Section 40.3, Chapter 20, which is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c20.pdf> on the CMS website. The maintenance and servicing single payment amounts are equal to 5 percent of the single payment amount purchase price for the infusion pump.

## Additional Information

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If you have any questions, please contact your Medicare DME MAC or RHHI 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.

The official instruction associated with this CR7425 issued to your Medicare DME MAC or RHHI regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2225CP.pdf> on the CMS website.

For a more expansive coverage of the January 2011 DMEPOS competitive bidding program and HCPCS codes see MLN Matters® article MM7181 at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7181.pdf> on the CMS website.

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