DMEPOS COMPETITIVE BIDDING PROGRAM

HOSPITALS THAT ARE NOT CONTRACT SUPPLIERS

Under the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP), beneficiaries with Original Medicare who obtain competitively bid items in competitive bidding areas (CBAs) are required to obtain these items from a competitive bidding contract supplier, unless an exception applies. This fact sheet discusses one of these exceptions, which allows hospitals in CBAs to furnish certain competitively bid items to their own patients without submitting a bid and being selected as a contract supplier.[1]

From January 1, 2021, thru December 31, 2023, the CBP will only be in effect for off-the-shelf (OTS) back and knee braces, so the guidance in this fact sheet only applies to these items during this time.

Who can be considered under this exception?

Only hospitals can be considered under this exception. This exception does not apply to hospital-owned DMEPOS suppliers or DMEPOS suppliers that are affiliated with a hospital.

What requirements must be met to qualify for this exception?

Medicare hospitals have the option to furnish competitively bid OTS back braces and OTS knee braces **to their own patients** without submitting a bid or being awarded a competitive bidding contract if both of the following requirements are met:

- OTS back braces and OTS knee braces must be furnished by the hospital **to its own patients during an admission or on the date of discharge**
- OTS back braces and OTS knee braces must be billed to a Durable Medical Equipment Medicare Administrative Contractor (DME MAC) using the DMEPOS billing number that is assigned to the hospital

> Separate payment is not made for OTS back braces and OTS knee braces furnished by a hospital for use in the hospital, as payment for these items is included in the Part A payment for inpatient hospital services.

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[1] There is a similar exception for physicians and other treating practitioners that is addressed in a separate fact sheet.

What payment rules apply under this exception?

Medicare pays the single payment amount (SPA) established by the CBP for OTS back braces and OTS knee braces furnished under this exception, and the hospital must accept assignment. SPAs can be found on the Competitive Bidding Implementation Contractor website, http://www.dmecompetitivebid.com.

What are the rules to bill for OTS back braces and OTS knee braces furnished under this exception?

To be paid for **OTS back braces** as a non-contract supplier, hospitals should **use the modifier J4** in combination with the following **HCPCS codes: L0450, L0455, L0457, L0467, L0469, L0621, L0623, L0625, L0628, L0641, L0642, L0643, L0648, L0649, L0650 and L0651**.

To be paid for OTS knee braces as a non-contract supplier, hospitals should **use the modifier J4** in combination with the following **HCPCS codes: L1812, L1830, L1833, L1836, L1850, L1851, and L1852**.

Under this exception, hospitals are advised to submit the claim for the hospital stay before or on the same day they submit the claim for the OTS back brace, or OTS knee brace to ensure timely and accurate claims processing.

How does the hospital determine if an area is in a CBA?

CBAs are defined by ZIP Codes. To determine if a ZIP Code is in a CBA, select "Tools" at the top of the page at http://www.dmecompetitivebid.com, then select "Find A CBA" and enter the ZIP Code. The "Find A CBA" tool will also indicate the specific round that applies to a ZIP Code.

Resources

Table 1. DMEPOS CBP Resources

Resource	Website
DMEPOS Competitive Bidding Home	CMS.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid
Beneficiary-Related Information	Medicare.gov
Competitive Bidding Implementation Contractor	DMEcompetitivebid.com/cbic/cbic2021.nsf