



DMEPOS Competitive Bidding Program: Hospitals That Aren't Contract Suppliers

All DMEPOS Competitive Bidding Program (CBP) Round 2021 Contracts for off-the-shelf (OTS) back braces and for OTS knee braces expired on December 31, 2023. As of January 1, 2024, there's a temporary gap period for the DMEPOS CBP. Visit [DMEPOS Competitive Bidding](#) for more information.



Under the Medicare DMEPOS Competitive Bidding Program (CBP), patients with Original Medicare who get competitively bid items in designated competitive bidding areas (CBAs) must get them from a competitive bidding contract supplier, unless an exception applies.

One exception allows hospitals in CBAs to provide certain competitively bid items to their own patients without being a contract supplier.

The CBP was in effect only for off-the-shelf (OTS) back and knee braces from January 1, 2021, through December 31, 2023.

Who can get this exception?

We only consider hospitals for this exception. This exception doesn't apply to hospital-owned DMEPOS suppliers or DMEPOS suppliers affiliated with a hospital.

How can hospitals qualify for this exception?

Medicare hospitals can provide competitively bid OTS back and knee braces **to their own patients** without submitting a bid or having a competitive bidding contract if they meet both of these requirements:

- The hospital provides OTS back and knee braces **to its own patients during admission or on the date of discharge**
- The hospital bills OTS back and knee braces to a DME Medicare Administrative Contractor (DME MAC) using the hospital's assigned DMEPOS billing number



What payment rules apply under this exception?

We pay the single payment amount (SPA) established by the CBP for OTS back and knee braces provided under this exception, and the hospital must accept assignment. Find SPAs at [Competitive Bidding Implementation Contractor](#).

We don't pay separately for OTS back and knee braces provided by a hospital for patient use in the hospital. We include payment for these items in the Part A inpatient hospital services payment.

What billing rules apply under this exception?

To get paid for **OTS back braces** as a non-contract supplier, hospitals should **use modifier J4** with **HCPCS code: L0450, L0455, L0457, L0467, L0469, L0621, L0623, L0625, L0628, L0641, L0642, L0643, L0648, L0649, L0650, or L0651.**

To get paid for **OTS knee braces** as a non-contract supplier, hospitals should **use modifier J4** with **HCPCS code: L1812, L1830, L1833, L1836, L1850, L1851, or L1852.**

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

How do hospitals know if they're in a CBA?

CBAs are defined by ZIP Codes. Find CBA supplier information at [DMEPOS Competitive Bidding Program](#).

Resources

- [Competitive Bidding Implementation Contractor](#)
- [DMEPOS Competitive Bidding Program](#)

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