



**MLN Connects<sup>®</sup>**

*National Provider Call*

**DMEPOS Adjusted Fee Methodology  
for Non-Bid Areas: Stakeholder Input on  
Section 16008 of the 21<sup>st</sup> Century Cures Act**

Presenter: Joel Kaiser

March 23, 2017



Official Information Health Care  
Professionals Can Trust

# Disclaimer

---

This presentation was current at the time it was published or uploaded onto the web. Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

This presentation was prepared as a service to the public and is not intended to grant rights or impose obligations. This presentation may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations, and other interpretive materials for a full and accurate statement of their contents.

# Stakeholder Input

- This listening session is an opportunity for CMS to receive feedback from stakeholders on statutorily required changes to the Durable Medical Equipment Prosthetics Orthotics Supplies (DMEPOS) Adjusted Fee Methodology for Non-Bid Areas.
- Participants are encouraged to review Section 16008 of the [21<sup>st</sup> Century Cures Act](#) prior to the listening session.
- Comments for this listening session can be submitted no later than April 6, 2017 to [DMEPOS@cms.hhs.gov](mailto:DMEPOS@cms.hhs.gov).

# Agenda

---

- Background: Legislative & Regulatory Framework
- Section 16008 of the 21<sup>st</sup> Century Cures Act
- Stakeholder Input Session

# Background: Legislative Framework

- Section 1847(a) of the Social Security Act (the Act) mandates implementation of competitive bidding programs (CBPs) throughout the United States for contract award purposes for the furnishing of competitively priced durable medical equipment (DME), enteral nutrition, and off-the-shelf orthotics.
- Contracts can be no longer than 3 years and must be recompeted at the end of each contract period.
- Contracts for furnishing DME and enteral nutrition have been awarded in 129 competitive bidding areas (CBAs) in Metropolitan Statistical Areas (MSAs) within the contiguous United States and in Honolulu, Hawaii (total of 130 CBAs in metropolitan areas).

# Background: Regulatory Framework

- FY 2008 DMEPOS Final Rule (CMS-1270-F), CMS established regulatory framework at 42 CFR §414.408.
- Contract suppliers must furnish items and services throughout the entire CBA, must be accredited, and must meet financial standards.
- Non-contract suppliers of rented DME and oxygen can elect to be grandfathered suppliers and furnish items to existing patients they served prior to the start of the contract period.

# DMEPOS Adjusted Fee Methodology for Non-Bid Areas

- Section 1834(a)(1)(F)(ii) of the Act: mandates adjustments to the fee schedule amounts for DME in areas that are not CBAs by no later than January 1, 2016, based on information from the CBPs.
- Current regulations for adjusting fee schedule amounts are located at 42 CFR §414.210(g).

# Section 16008 of the 21<sup>st</sup> Century Cures Act

- [Section 16008 of the 21<sup>st</sup> Century Cures Act](#)
- Requires solicitation of stakeholder input related to adjusting fee schedule amounts for items furnished on or after January 1, 2019.
- Must also take into account the highest amount bid by a winning supplier in a competitive bidding area and a comparison of each of the following with respect to non-competitive bidding areas and competitive bidding areas:
  - Average travel distance and cost associated with furnishing items and services in the area
  - Average volume of items and services furnished by suppliers in the area
  - The number of suppliers in the area

# Stakeholder Input Session

---

# Submit Written Comments

---

- Comments for this listening session can be submitted no later than April 6, 2017 to [DMEPOS@cms.hhs.gov](mailto:DMEPOS@cms.hhs.gov).

# Evaluate Your Experience

---

- Please help us continue to improve the MLN Connects® National Provider Call Program by providing your feedback about today's call.
- To complete the evaluation, visit <http://npc.blhtech.com> and select the title for today's call.

# Thank You

- For more information about the MLN Connects® National Provider Call Program, visit <https://www.cms.gov/Outreach-and-Education/Outreach/NPC/National-Provider-Calls-and-Events.html>
- For more information about the Medicare Learning Network®, visit <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNGenInfo/Index.html>

The Medicare Learning Network® and MLN Connects® are registered trademarks of the U.S. Department of Health and Human Services (HHS).