

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 4181</b>	<b>Date: December 14, 2018</b>
	<b>Change Request 11064</b>

**SUBJECT: Calendar Year (CY) 2019 Update for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule**

**I. SUMMARY OF CHANGES:** This recurring update notification provides instructions regarding the 2019 annual update for the DMEPOS fee schedule. The DMEPOS fee schedule is updated on an annual basis in accordance with the statute and regulations. The update process for the DMEPOS fee schedule is located in publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

**EFFECTIVE DATE: January 1, 2019**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: January 7, 2019**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**Recurring Update Notification**

# Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 4181	Date: December 14, 2018	Change Request: 11064
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**SUBJECT: Calendar Year (CY) 2019 Update for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule**

**EFFECTIVE DATE: January 1, 2019**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: January 7, 2019**

## **I. GENERAL INFORMATION**

**A. Background:** This recurring update notification provides instructions regarding the 2019 annual update for the DMEPOS fee schedule. The DMEPOS fee schedules are updated on an annual basis in accordance with the statute and regulations. The update process for the DMEPOS fee schedule is located in publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

Payment on a fee schedule basis is required for certain Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by §1834(a), (h), and (i) of the Social Security Act. Additionally, payment on a fee schedule basis is a regulatory requirement at 42 Code of Federal Regulation (CFR) §414.102 for Parenteral and Enteral Nutrition (PEN), splints, casts and Intraocular Lenses (IOLs) inserted in a physician's office. The DMEPOS and PEN fee schedule files contain Healthcare Common Procedure Coding System (HCPCS) codes that are subject to the adjusted fee schedule amounts under 1834(a)(1)(F) as well as codes that are not subject to the fee schedule Competitive Bidding Program (CBP) adjustments.

### **Fee Schedule Adjustment Methodologies**

Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for certain items furnished on or after January 1, 2016, in areas that are not competitive bid areas, based on information from CBPs for DME. Section 1842(s)(3)(B) of the Act provides authority for making adjustments to the fee schedule amounts for enteral nutrients, equipment, and supplies (enteral nutrition) based on information from CBPs.

The methodologies for adjusting DMEPOS fee schedule amounts using information from CBPs are established in regulations at 42 CFR §414.210(g). The DMEPOS and PEN fee schedule files contain HCPCS codes that are subject to the adjusted fee schedule amounts as well as codes that are not subject to the fee schedule CBP adjustments. Initial program instructions on these fee schedule adjustments are available in Transmittal 3551, Change Request (CR) 9642, dated June 23, 2016 and Transmittal 3416, CR 9431, dated November 23, 2015.

For CY 2019, the following Fee Schedule Adjustment Methodologies apply and fee schedule amounts are based on the area in which the items and services are furnished. Additional discussion of these methodologies can be found in the CY 2019 End-Stage Renal Disease (ESRD)/ DMEPOS final rule, CMS-1691-F, which is available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/End-Stage-Renal-Disease-ESRD-Payment-Regulations-and-Notices.html>

#### **1. Fee Schedule Amounts for Areas within the Contiguous United States**

Beginning January 1, 2019 through December 31, 2020, the adjusted fee schedule amounts for items furnished in non-competitively bid rural areas are based on a blend of 50 percent of the adjusted fee schedule amount and 50 percent of the unadjusted fee schedule amounts updated by the covered item updates specified in sections 1834(a)(14) and 1842(s)(B) of the Act. For non-competitively bid areas other

than rural or non-contiguous areas, the fee schedules for DME and PEN codes with adjusted fee schedule amounts will continue to be based on 100 percent of the adjusted fee schedule amounts from January 1, 2019 through December 31, 2020.

To determine the adjusted fee schedule amounts, the average of Single Payment Amounts (SPAs) from CBPs located in eight different regions of the contiguous United States are used to adjust the fee schedule amounts for the states located in each of the eight regions. These Regional SPAs or RSPAs are also subject to a national ceiling (110% of the average of the RSPAs for all contiguous states plus the District of Columbia) and a national floor (90% of the average of the RSPAs for all contiguous states plus the District of Columbia). This methodology applies to enteral nutrition and most competitively bid DME items furnished in the contiguous United States, i.e., those included in more than 10 Competitive Bidding Areas (CBAs). Fees schedule amounts for competitively bid DME items included in 10 or fewer CBAs receive adjusted fee schedule amounts so that they are equal to 110 percent of the average of the SPAs for the 10 or fewer CBAs.

Additionally, in determining the adjusted fees, the fee schedule amounts for areas within the contiguous United States that are designated as rural areas are adjusted to equal the national ceiling amounts described above. Regulations at §414.202 define a rural areas to be a geographical area represented by a postal ZIP code where at least 50 percent of the total geographical area of the ZIP code is estimated to be outside any Metropolitan Statistical Area (MSA). A rural area also includes any ZIP Code within an MSA that is excluded from a competitive bidding area established for that MSA.

For the January 1, 2020 fee schedule update, the adjusted fee schedule amounts in non-bid areas will receive a Consumer Price Index for all Urban Consumers (CPI-U) update per §414.210(g) due to the adjustments being based on SPAs from competitive bidding programs that are no longer in effect.

## 2. Fee Schedule Amounts for Areas outside the Contiguous United States

Fee schedule amounts for items furnished in areas outside the contiguous United States (i.e., noncontiguous areas such as Alaska, Guam, Hawaii) are based on a blend of 50 percent of the adjusted fee schedule amount and 50 percent of the unadjusted fee schedule amounts updated by the covered item updates specified in sections 1834(a)(14) and 1842(s)(B) of the Act. Areas outside the contiguous United States receive adjusted fee schedule amounts so that they are equal to the higher of the average of SPAs for CBAs in areas outside the contiguous United States (currently only applicable to Honolulu, Hawaii) or the national ceiling amounts described above and calculated based on SPAs for areas within the contiguous United States.

For the January 1, 2020 fee schedule update, the adjusted fee schedule amounts in non-bid areas will receive a CPI-U update per §414.210(g) due to the adjustments being based on SPAs from competitive bidding programs that are no longer in effect.

### *KE Modifier*

Additionally, because the rural and non-contiguous fee schedule amounts are based in part on unadjusted fee schedule amounts, the fees for certain items included in the 2008 Original Round One CBP, denoted with the KE modifier, appear on the fee schedule file only for items furnished in rural and non-contiguous areas. Instructions and a list of the applicable KE HCPCS codes are available in Transmittal 1630, CR 6270, dated November 7, 2008. From June 1, 2018 through December 31, 2020, the rural and non-contiguous KE fee schedule amounts will be based on a blend of 50 percent of the adjusted fee schedule amount and 50 percent of the unadjusted KE fee schedule amount updated by the covered item updates specified in sections 1834(a)(14) and 1842(s)(B) of the Act. The non-rural fees for these KE codes will be populated with zeros on the fee schedule file since KE is not a valid option for areas without blended fees.

For certain accessories used with base equipment included in the CBP in 2008 (e.g. power wheelchairs, walkers, and negative pressure wound therapy pumps), the unadjusted fee schedule amounts include a 9.5 percent reduction in accordance with Federal law if these accessories were also included in the 2008 CBP.

The 9.5 percent fee reduction only applies to these accessories when they are furnished for use with the base equipment included in the 2008 CBP. Beginning June 1, 2018, in cases where accessories included in the 2008 CBP are furnished for use with base equipment that was not included in the 2008 CBP (e.g., manual wheelchairs, canes and aspirators), for beneficiaries residing in rural or non-contiguous, non-competitive bid areas, suppliers should append the KE modifier to the HCPCS code for the accessory. Suppliers should not use the KE modifier with accessories that were included in the 2008 CBP and furnished for use with base equipment that was not included in the 2008 CBP when these accessories are furnished to beneficiaries residing in non-rural, non-competitive bid areas. The KE modifier is not billable for items furnished in former competitive bid areas effective January 1, 2019 (see payment methodology below).

### 3. Fee Schedule Amounts for former Competitive Bidding Areas (CBAs)

The Round 2 Recompete, National Mail-Order Recompete, and Round 1 2017 contract periods of performance will expire on December 31, 2018. Due to a delay, contracts will not be in effect beginning January 1, 2019 resulting in a gap in the CBP. Beginning January 1, 2019, fee schedule amounts for items furnished in former CBAs are based on the lower of the supplier's charge for the item or fee schedule amounts adjusted in accordance with sections 1834(a)(1)(F) and 1842(s)(3)(B) of the Act. A new fee schedule methodology will apply to items and services furnished within former CBAs in accordance with sections 1834(a)(1)(F) and 1834(a)(1)(G) of the Act. Pursuant to 42 CFR §414.210(g), the fee schedules for items and services furnished in former CBAs are based on the SPAs, in effect in the CBA on the last day before the CBP contract periods of performance ended, increased by the projected percentage change in the CPI-U for the 12-month period on the date after the contract periods ended. If the gap in the CBP lasts for more than 12 months, the fee schedule amounts are increased once every 12 months on the anniversary date of the first day after the contract period ended with the CPI-U. Thus, for dates of service from January 1, 2019 through December 31, 2019, the adjusted fee schedule amounts for former CBAs will be derived based on the SPAs in effect in the CBA as of December 31, 2018 increased by the projected CPI-U change of 2.5%.

The ZIP code associated with the address used for pricing a DMEPOS claim determines the rural fee schedule payment applicability for codes with rural and non-rural adjusted fee schedule amounts. The DMEPOS Rural ZIP code file contains the ZIP codes designated as rural areas. ZIP codes for non-continental MSA are not included in the DMEPOS Rural ZIP code file. The DMEPOS Rural ZIP code file is updated on a quarterly basis as necessary. Regulations at §414.202 define a rural area to be a geographical area represented by a postal ZIP code where at least 50 percent of the total geographical area of the ZIP code is estimated to be outside any MSA. A rural area also includes any ZIP Code within an MSA that is excluded from a competitive bidding area established for that MSA.

The ZIP code associated with the permanent address of the beneficiary determines applicability of the adjusted fee schedule amounts in former CBAs. During a gap in the CBP, a former CBA ZIP code file will contain the ZIP codes and will be updated on a quarterly basis as necessary.

**B. Policy:** The DMEPOS fee schedule file contains fee schedule amounts for non-rural and rural areas. Additionally, the PEN fee schedule file includes state fee schedule amounts for enteral nutrition items and national fee schedule amounts for parenteral nutrition items.

The CMS is scheduled to release the following files on or after November 30, 2018:

1. CY 2019 DMEPOS Fee Schedule file (filename:MU00.@BF12393.DMEPOS.T190101.V1130) for the Pricing, Data Analysis and Coding (PDAC) Contractor, DME MACs and A/B MACs Part B
2. CY 2019 DMEPOS Fee Schedule file (filename:MU00.@BF12393.DMEPOS.T190101.V1130.FI) for the A/B Medicare Administrative Contractors (MACs) Part A, A/B MACs Part Home Health and Hospice (HHH), Railroad Retirement Board (RRB), Indian Health Service, and United Mine Workers
3. CY 2019 Fee schedule for PEN for the PDAC and DME MACs (filename: MU00.@BF12393.PEN.CY19.V1130)

4. CY 2019 DMEPOS Rural ZIP code file containing Quarter 1, 2019 rural ZIP Codes is scheduled to be released for the contractors (filename:MU00.@DMECBIC.RURZIP.C19Q01.V1130)

The CMS will also release the following files to pay claims for items and services in former CBAs. Additional program instructions for these files are available in CR 10838:

1. CY 2019 Former CBA Fee schedule file
2. CY 2019 CBA ZIP code file

The following CY 2019 DMEPOS fee schedule and ZIP code Public Use Files (PUFs) will be available for State Medicaid Agencies, managed care organizations, and other interested parties shortly after the release of the above files on the CMS website <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule.html>:

1. DMEPOS Fee schedule PUF
2. PEN Fee schedule PUF
3. Rural DMEPOS ZIP code PUF
4. Former CBA Fee schedule PUF
5. Former CBA National mail order diabetic testing supply fee schedule PUF
6. Former CBA ZIP code file PUF

### **New Codes Added**

New DMEPOS codes added to the HCPCS file, effective January 1, 2019, where applicable, are listed in Business Requirement (BR) 11064.7 of this instruction. The new codes are not to be used for billing purposes until they are effective on January 1, 2019. As part of this update, fee schedules for the following new codes will be added to the DMEPOS fee schedule file effective January 1, 2019: A4563, A5514, E0447 and E0467. Beginning January 1, 2019, the DMEPOS fee schedule file also includes fees for the following three home infusion G-codes: G0068, G0069, and G0070.

For other new CY 2019 codes, fee schedule amounts will be established as part of the July 2019 DMEPOS fee schedule update when applicable. The DME MAC shall establish local fee schedule amounts to pay claims for the new codes listed in BR 11064.10 from January 1, 2019 through June 30, 2019.

For gap-filling pricing purposes, deflation factors are applied before updating to the current year. The deflation factors for 2018 by payment category are: 0.435 for Oxygen, 0.437 for Capped Rental, 0.439 for Prosthetics and Orthotics, 0.556 for Surgical Dressings, 0.605 for Parental and Enteral Nutrition, 0.927 for Splints and Casts and 0.911 for Intraocular Lenses.

### **Codes Deleted**

One HCPCS code will be deleted from the DMEPOS fee schedule files effective January 1, 2019: K0903

### **Multi-Function Ventilators**

Effective January 1, 2019, fees are added for new HCPCS code E0467 Home ventilator, multi-function respiratory device, also performs any or all of the additional functions of oxygen concentration, drug nebulization, aspiration, and cough stimulation, includes all accessories, components and supplies for all functions.

Pursuant to 42 CFR §414.222(f), the fee schedule amounts for code E0467 are established using the Medicare fee schedule amounts for ventilators and the average cost of the additional functions performed by

multi-function ventilators. The multi-function ventilator is classified under the frequent and substantial servicing payment category at section 1834(a)(3) of the Act and payment will be made on a continuous monthly rental basis for beneficiaries who meet the Medicare medical necessity coverage criteria for a ventilator and at least one of the four additional functions of the device. Additional information on this change can be found in the CY 2019 End-Stage Renal Disease (ESRD)/ DMEPOS final rule, CMS-1691-F which is available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/End-Stage-Renal-Disease-ESRD-Payment-Regulations-and-Notices.html>

### **Therapeutic Shoe Modification Codes**

CMS is also adjusting the fee schedule amounts for shoe modification codes A5503 through A5507 as part of this update in order to reflect more current allowed service data. Section 1833(o)(2)(C) of the Act required that the payment amounts for shoe modification codes A5503 through A5507 be established in a manner that prevented a net increase in expenditures when substituting these items for therapeutic shoe insert codes (A5512 or A5513). To establish the fee schedule amounts for the shoe modification codes, the base fees for codes A5512 and A5513 were weighted based on the approximated total allowed services for each code for items furnished during the second quarter of calendar year 2004. For 2019, CMS is updating the weighted average insert fees used to establish the fee schedule amounts for the shoe modification codes with more current allowed service data for each insert code. The base fees for A5512 and A5513 will be weighted based on the approximated total allowed services for each code for items furnished during the calendar year 2017. The fee schedule amounts for shoe modification codes A5503 through A5507 are being revised to reflect this change, effective January 1, 2019.

### **Diabetic Testing Supplies**

The fee schedule amounts for non-mail order Diabetic Testing Supplies (DTS) (without KL modifier) for codes A4233, A4234, A4235, A4236, A4253, A4256, A4258, A4259 are not updated by the annual covered item update. In accordance with section 1834(a)(1)(H) of the Act, the fee schedule amounts for these codes were adjusted in CY 2013 so that they are equal to the SPAs for mail order DTS established in implementing the national mail order CBP under section 1847 of the Act. Initial program instructions on these fees are available in Transmittal 2709, CR 8325, dated May 17, 2013 and Transmittal 2661, CR 8204, dated February 22, 2013. The National Mail-Order Recompete DTS SPAs are available at the following website: <https://www.dmecompetitivebid.com/palmetto/cbic.nsf/DocsCat/Home>

The non-mail order DTS amounts on the fee schedule will be updated each time the single payment amounts are updated. This can happen no less often than every time the mail order CBP contracts are recompeted. The CBP for mail order diabetic supplies is effective July 1, 2016 to December 31, 2018. As of January 1, 2019, payment for non-mail order diabetic supplies at the National Mail Order Recompete SPAs will continue in accordance with section 1834(a)(1)(H) of the Act and these rates will remain in effect until new SPA rates are established under the national mail order program.

Effective January 1, 2019, the fee schedule amounts for mail order DTS (with KL modifier) are adjusted using the methodology for areas that were formerly CBAs during periods when there is a temporary lapse in the CBP. The National Mail-Order Recompete DTS SPAs of December 31, 2018 are increased by the projected percentage change in the CPI-U for the 12-month period on the date after the contract periods ended. For dates of service between January 1, 2019 and December 31, 2019, the National Mail-Order Recompete SPAs are updated by the projected change of 2.5%. The national mail order adjusted fee schedule amounts will be used in paying mail order diabetic testing supply claims in all parts of the United States, including the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam and the American Samoa.

### **2019 Fee Schedule Update Factor of 2.3 Percent**

For CY 2019, an update factor of 2.3 percent is applied to certain DMEPOS fee schedule amounts. Fee schedule amounts that are adjusted using information from CBPs are not be subject to the annual DMEPOS

covered item update, but will be updated pursuant to the applicable adjustment methodologies outlined in 42 CFR §414.210(g).

In accordance with the statutory sections 1834(a)(14) of the Act, certain DMEPOS fee schedule amounts are updated for 2019 by the percentage increase in the consumer price index for all urban consumers (United States city average) CPI-U for the 12-month period ending June 30, 2018, adjusted by the change in the economy-wide productivity equal to the 10-year moving average of changes in annual economy-wide private non-farm business multi-factor productivity (MFP). The MFP adjustment is 0.6 percent and the CPI-U percentage increase is 2.9 percent. Thus, the 2.9 percentage increase in the CPI-U is reduced by the 0.6 percentage increase in the MFP resulting in a net increase of 2.3 percent for the update factor.

### **2019 Monthly Fee Schedule Amounts for Oxygen and Oxygen Equipment**

As part of this update, we are implementing the 2019 monthly fee schedule payment amounts for stationary oxygen equipment (HCPCS codes E0424, E0439, E1390 and E1391), effective for claims with dates of service from January 1, 2019 through December 31, 2019. As required by statute, the CY 2006 addition of the separate payment classes for Oxygen Generating Portable Equipment (OGPE) and stationary and portable oxygen contents must be annually budget neutral.

For CY 2019, separate payment classes for portable gaseous oxygen equipment only, portable liquid oxygen equipment only, and high flow portable liquid oxygen contents only are established. Higher payments for the two new liquid oxygen classes are established. To implement this change, fees are added for new code E0447 Portable oxygen contents, liquid, 1 month's supply = 1 unit, prescribed amount at rest or nighttime exceeds 4 Liters Per Minute (LPM). The initial fee for E0447 is set at 150 percent of the fee for portable oxygen contents. This new high flow oxygen content class allows for the continuation of high flow oxygen volume adjustment payments beyond the initial 36 months of continuous use. In addition, the payment for portable liquid oxygen (code E0434) is set to be equivalent to the rental payment amount for portable concentrators and transfilling equipment (HCPCS codes E1392, K0738 or E0433).

Consistent with the requirements set forth in section 1834(a)(9)(D)(ii) of the Act, a budget neutrality offset is required, for the OGPE payment class and the two new oxygen payment classes for liquid oxygen, and applies to all oxygen classes beginning January 1, 2019. This can redistribute stationary oxygen payment to the fees for added separate oxygen classes via section 1834(a)(9)(D) of the Act. The offset percentage varies by geographic area and ranges from 6 to 9 percent.

Additional discussion of the addition of the new oxygen payment classes and the application of the annual budget neutrality across all classes of oxygen and oxygen equipment can be found in the CY 2019 End-Stage Renal Disease (ESRD)/ DMEPOS final rule, CMS-1691-F, which is available at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ESRDpayment/End-Stage-Renal-Disease-ESRD-Payment-Regulations-and-Notices.html>

### **2019 Maintenance and Servicing Payment Amount for Certain Oxygen Equipment**

Also updated for 2019 is the payment amount for maintenance and servicing for certain oxygen equipment. Payment for claims for maintenance and servicing of oxygen equipment was instructed in Transmittal 635, CR 6792, dated February 5, 2010 and Transmittal 717, CR 6990, dated June 8, 2010. To summarize, payment for maintenance and servicing of certain oxygen equipment can occur every 6 months beginning 6 months after the end of the 36th month of continuous use or end of the supplier's or manufacturer's warranty, whichever is later for either HCPCS code E1390, E1391, E0433 or K0738, billed with the "MS" modifier. Payment cannot occur more than once per beneficiary, regardless of the combination of oxygen concentrator equipment and/or transfilling equipment used by the beneficiary, for any 6-month period.

Per 42 CFR §414.210(e)(5)(iii), the 2010 maintenance and servicing fee for certain oxygen equipment was based on 10 percent of the average price of an oxygen concentrator. For CY 2011 and subsequent years, the maintenance and servicing fee is adjusted by the covered item update for DME as set forth in §1834(a)(14)

of the Act. Thus, the 2018 maintenance and servicing fee is adjusted by the 2.3 percent MFP-adjusted covered item update factor to yield a CY 2019 maintenance and servicing fee of \$72.37 for oxygen concentrators and transfilling equipment.

## 2019 Update to the Labor Payment Rates

Included in Attachment A are the CY 2019 allowed payment amounts for HCPCS labor payment codes K0739, L4205 and L7520. Since the percentage increase in the Consumer Price Index for all urban consumers (CPI- U) for the twelve-month period ending with June 30, 2018 is 2.9 percent, this change is applied to the 2019 labor payment amounts to update the rates for CY 2019. The 2019 labor payment amounts in Attachment A are effective for claims submitted using HCPCS codes K0739, L4205 and L7520 with dates of service from January 1, 2019 through December 31, 2019.

## II. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

Number	Requirement	Responsibility										
		A/B MAC			D M E M A C	Shared-System Maintainers				Other		
		A	B	H H H		F I S S	M C S	V M S	C W F			
11064.1	The DME MACs, A/B MACs Part B and/or Virtual Data Centers (VDCs) shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T190101.V1130). The file is available for download on or after November 30, 2018.		X		X						VDC	
11064.1.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).		X		X						VDC	
11064.2	The A/B MACs Part A, A/B MACs Part HHH and/or VDCs shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T190101.V1130.FI). The file is available for download on or after November 30, 2018.	X		X							VDC	
11064.2.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).	X		X							VDC	
11064.3	The DME MACs and/or VDCs shall retrieve the PEN fee schedule file (filename:				X						VDC	







Number	Requirement	Responsibility								
		A/B MAC			D M E	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	

**III. PROVIDER EDUCATION TABLE**

Number	Requirement	Responsibility				
		A/B MAC			D M E	C I
		A	B	H H H		
11064.13	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the “MLN Matters” listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.	X	X	X	X	

**IV. SUPPORTING INFORMATION**

**Section A: Recommendations and supporting information associated with listed requirements:**

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
5	Additional claims systems instructions are found in Change Request 9239 Implementation of Adjusted DMEPOS Fee Schedule Amounts Using Information from the National Competitive Bidding Program (CBP).
9	Instructions on payment for maintenance and servicing of certain oxygen equipment are located in CRs 6792 and 6990.

**Section B: All other recommendations and supporting information: N/A**

**V. CONTACTS**

**Pre-Implementation Contact(s):** Anita Greenberg, Anita.Greenberg@cms.hhs.gov , Karen Jacobs, Karen.Jacobs@cms.hhs.gov

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

## **VI. FUNDING**

### **Section A: For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**ATTACHMENTS: 1**

## Attachment A

2019 Fees for Codes K0739, L4205, L7520

STATE	K0739	L4205	L7520
AK	\$29.57	\$33.70	\$39.65
AL	\$15.70	\$23.40	\$31.77
AR	\$15.70	\$23.40	\$31.77
AZ	\$19.42	\$23.37	\$39.08
CA	\$24.09	\$38.41	\$44.75
CO	\$15.70	\$23.40	\$31.77
CT	\$26.22	\$23.92	\$31.77
DC	\$15.70	\$23.37	\$31.77
DE	\$28.90	\$23.37	\$31.77
FL	\$15.70	\$23.40	\$31.77
GA	\$15.70	\$23.40	\$31.77
HI	\$19.42	\$33.70	\$39.65
IA	\$15.70	\$23.37	\$38.02
ID	\$15.70	\$23.37	\$31.77
IL	\$15.70	\$23.37	\$31.77
IN	\$15.70	\$23.37	\$31.77
KS	\$15.70	\$23.37	\$39.65
KY	\$15.70	\$29.95	\$40.61
LA	\$15.70	\$23.40	\$31.77
MA	\$26.22	\$23.37	\$31.77
MD	\$15.70	\$23.37	\$31.77
ME	\$26.22	\$23.37	\$31.77
MI	\$15.70	\$23.37	\$31.77
MN	\$15.70	\$23.37	\$31.77
MO	\$15.70	\$23.37	\$31.77
MS	\$15.70	\$23.40	\$31.77
MT	\$15.70	\$23.37	\$39.65
NC	\$15.70	\$23.40	\$31.77
ND	\$19.57	\$33.62	\$39.65
NE	\$15.70	\$23.37	\$44.29
NH	\$16.87	\$23.37	\$31.77
NJ	\$21.18	\$23.37	\$31.77
NM	\$15.70	\$23.40	\$31.77
NV	\$25.01	\$23.37	\$43.29
NY	\$28.90	\$23.40	\$31.77
OH	\$15.70	\$23.37	\$31.77
OK	\$15.70	\$23.40	\$31.77
OR	\$15.70	\$23.37	\$45.67
PA	\$16.87	\$24.07	\$31.77
PR	\$15.70	\$23.40	\$31.77
RI	\$18.72	\$24.09	\$31.77

STATE	K0739	L4205	L7520
SC	\$15.70	\$23.40	\$31.77
SD	\$17.55	\$23.37	\$42.47
TN	\$15.70	\$23.40	\$31.77
TX	\$15.70	\$23.40	\$31.77
UT	\$15.74	\$23.37	\$49.46
VA	\$15.70	\$23.37	\$31.77
VI	\$15.70	\$23.40	\$31.77
VT	\$16.87	\$23.37	\$31.77
WA	\$25.01	\$34.28	\$40.73
WI	\$15.70	\$23.37	\$31.77
WV	\$15.70	\$23.37	\$31.77
WY	\$21.90	\$31.19	\$44.29