
Program Memorandum Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal B-03-043

Date: MAY 23, 2003

CHANGE REQUEST 2157

SUBJECT: Diabetes Outpatient Self-Management Training (DSMT) and the “Incident to” Provision

This Program Memorandum (PM) informs carriers that “incident to” requirements of §1861(s)(2)(A) of the Social Security Act (the Act) do not apply to DSMT services. Section 1861 (s)(2)(S) of the Act authorizes DSMT in a stand alone provision that is not subject to section §1861(s)(2)(A) requirements.

The CMS has published regulations implementing this provision at 42 CFR 410.140-146. A previous PM has gone out under Part B 01-40, dated June 15, 2001. This PM may be found at www.cms.hhs.gov/manuals/. Questions have been raised by Medicare contractors and providers of DSMT services as to whether supervision and other “incident to” requirements at §1861(s)(2)(A) must be met when billing for DSMT services. The “incident to” supervision rules and other “incident to” requirements do not apply to DSMT services.

Brief Overview of the Diabetes Outpatient Self-Management Training Services

- DSMT services are covered only if the physician or qualified non-physician practitioner who is managing the beneficiary’s diabetic condition certifies that such services are needed and refers the patient to the DSMT program. The referral must be done under a comprehensive plan of care related to the beneficiary’s diabetic condition.
- Who May Furnish DSMT Services: Training may be furnished by a physician, individual or entity that meets the following conditions:
 - Furnishes other services for which direct Medicare payment may be made;
 - May properly receive Medicare payment under 42 CFR 424.73 or 424.80 which set forth prohibitions on assignment and reassignment of claims;
 - Submits necessary documentation to, and is accredited by, an accreditation organization approved by CMS under 42 CFR 410.142 to meet one of the sets of quality standards described at 42 CFR 410.144; and.
 - Provides documentation to CMS, as requested, including diabetes outcome measurements set forth at 42 CFR 410.146.
- Who May Bill For This Service: Any certified providers or suppliers that provide other individual items or services under Medicare that meet CMS’ quality standards and meet the conditions for CMS approval pursuant to 42 CFR 410.145, may receive reimbursement for diabetes training. Entities are more likely than individuals to bill for DSMT services. These certified providers must be currently receiving payment for other Medicare services.

Provider Education

Carriers must notify providers of this information on their Web site within two weeks of receiving this instruction and in their next regularly published bulletins. In addition, if you have a listserv that targets the affected provider communities, you must use it to notify subscribers that information about “Diabetes Outpatient Self-Management Training” is available on your Web site.

The effective date for this PM is January 1, 2003.

The implementation date for this PM is June 6, 2003.

These instructions should be implemented within your current operating budget.

This PM may be discarded after January 31, 2004.

Make adjustments to claims if brought to your attention.