

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1173	Date: February 1, 2013
	Change Request 8189

SUBJECT: Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Competitive Bidding Program: Correction to the Medicare Summary Notice Message for PEN Items Furnished to Traveling Beneficiaries

I. SUMMARY OF CHANGES: The purpose of this transmittal is to instruct the ViPS Medicare System (VMS) shared system maintainer and DME MACs to make the appropriate changes to allow the correct MSN message to be used for parenteral, enteral, and nutrition (PEN) items furnished to a traveling beneficiary, under the DMEPOS Competitive Bidding Program.

EFFECTIVE DATE: July 1, 2013

IMPLEMENTATION DATE: July 1, 2013

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.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; contractor's activities are to be carried out within their operating budgets.

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 obliged 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:

One Time Notification

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

Attachment - One-Time Notification

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SUBJECT: Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Competitive Bidding Program: Correction to the Medicare Summary Notice Message for PEN Items Furnished to Traveling Beneficiaries

EFFECTIVE DATE: July 1, 2013

IMPLEMENTATION DATE: July 1, 2013

I. GENERAL INFORMATION

A. Background: Section 302 of the Medicare Modernization Act of 2003 (MMA) established requirements for a new competitive bidding program (CBP) for certain DMEPOS items. Under the program, Durable Medical Equipment Prosthetics and Orthotic Supplies (DMEPOS) suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas, and the Centers for Medicare & Medicaid Services (CMS) awards contracts to enough suppliers to meet beneficiary demand for the bid items. The new, lower payment amounts resulting from the competition replace the Medicare DMEPOS fee schedule amounts for the bid items in these areas. All contract suppliers must comply with Medicare enrollment rules, be licensed and accredited, and meet financial standards. The program sets more appropriate payment amounts for DMEPOS items while ensuring continued access to quality items and services, which will result in reduced beneficiary out-of-pocket expenses and savings to taxpayers and the Medicare program.

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) temporarily delayed the program in 2008, terminated the Round One contracts that were in effect, and made other limited changes.

As required by MIPPA, CMS conducted the supplier competition again in 2009, referring to it as the Round One Rebid. The Round One Rebid Competitive Bidding Program was implemented on January 1, 2011, in Competitive Bidding Areas (CBA) defined by ZIP codes within nine of the largest Metropolitan Statistical Areas (MSAs).

The Medicare Improvements for Patients and Providers Act (MIPPA) required the competition for Round Two to occur in 2011 in 70 additional metropolitan statistical areas (MSAs) and authorized competition for national mail order items and services after 2010. Section 6410 of the Affordable Care Act of 2010 (ACA) expands the number of Round Two MSAs from 70 to 91 areas and mandates that all areas of the country are subject either to DMEPOS competitive bidding or payment rate adjustments using competitively bid rates by 2016. Additional information on the DMEPOS Competitive Bidding Program (CBP) can be found on the CMS Web site at <http://www.cms.gov/DMEPOSCompetitiveBid/>.

Since the implementation of the Round One Rebid CBP, it has been brought to CMS' attention that an incorrect CBP message is being sent on the MSN for certain Parenteral, Enteral and Nutrition (PEN) claims when submitted with the KT (traveling beneficiary) modifier and no pricing modifier. This incorrect message appears when the item is acquired from a contract supplier while the beneficiary is traveling to a CBA. (The message states: You live in a Competitive Bidding Area. This is a Competitive Bidding item. The Medicare approved amount is based on the bid price for this item under the DMEPOS competitive bidding program.)

The purpose of this Change Request (CR) is to instruct the ViPS Medicare System (VMS) shared system maintainer and Durable Medical Equipment Medicare Administrative Contractors (DME MAC) to make the appropriate changes to allow the correct the MSN message to be used for these claims, in accordance with existing traveling beneficiary policies.

B. Policy: Beneficiaries with Original Medicare who obtain competitively bid items in CBAs must obtain these items from a contract supplier for Medicare to pay, unless an exception applies. This includes beneficiaries who do not live in a CBA but who obtain competitively bid items while traveling to a CBA.

Contractors must use the following MSN message for PEN items when the item is acquired from a contract supplier while the beneficiary is traveling to a CBA:

MSN 8.63 - This supplier is not located in your competitive bidding area, but is located in a different competitive bidding area. The supplier won a contract under national competitive bidding in their area. They must accept the bid price from your area as payment in full, and may not charge you more than 20% of the bid price for your area, and any unmet deductibles.

(See Pub. 100-04, Chapter 36, section 40.10 of the Internet Only Manual, for additional information on the CBP traveling beneficiary policies.)

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement.

Number	Requirement	Responsibility										
		A/B MAC		D M E	F I	C A R R I E R	R H I	Shared- System Maintainers				Other
		P a r t A	P a r t B					M A C	F I S S	M C S	V M S	
8189.1	<p>Contractors shall use the following MSN message (8.63) for PEN item claims when the item is acquired from a contract supplier while the beneficiary is traveling to a competitive bidding area (CBA):</p> <p>This supplier is not located in your competitive bidding area, but is located in a different competitive bidding area. The supplier won a contract under national competitive bidding in their area. They must accept the bid price from your area as payment in full, and may not charge you more than 20% of the bid price for your area, and any unmet deductibles.</p> <p>Spanish- Este suplidor no se encuentra en su área de oferta competitiva sino que está en un área de oferta competitiva distinta. Este suplidor ganó un contrato en su área bajo la oferta competitiva nacional. El suplidor debe aceptar el precio de la oferta de su área como pago completo y no le puede cobrar más del 20% del precio de oferta para su área, además de los deducibles que deba.</p> <p>Note: These claims are submitted with the "KT" modifier and no pricing modifier.</p>			X						X		

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility						
		A/B MAC	D M E	F I	C A R R I E R	R H H I	Other	
		P a r t A	P a r t B	M A C				
	None							

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A
 Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	None

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

V. CONTACTS

Pre-Implementation Contact(s): Bobbett Plummer, 410-786-3321 or bobbett.plummer@cms.hhs.gov
 (Contact for claims processing questions) , Janae James, 410-786-0801 or janae.james@cms.hhs.gov
 (Contact for policy questions)

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:

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Section B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS do 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.