

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1207</b>	<b>Date: April 12, 2013</b>
	<b>Change Request 8262</b>

**SUBJECT: Direct Mailing to Referral Agents about the DMEPOS Competitive Bidding Program Round 2 and National Mail-Order for Diabetic Testing Supplies**

**I. SUMMARY OF CHANGES:** On January 1, 2011, the Centers for Medicare & Medicaid Services (CMS) began phasing in a new program for determining the Part B payment amount for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) furnished to Medicare beneficiaries. The DMEPOS Competitive Bidding Program replaces DMEPOS fee schedule amounts with competitive bidding single payment amounts for certain items in certain areas. The first phase of the DMEPOS Competitive Bidding Program, the Round 1 Rebid, was implemented in nine geographic areas, also called competitive bidding areas (CBAs.) Round 2 of the program is scheduled to go into effect in 91 metropolitan statistical areas (MSAs) on July 1, 2013. (The Medicare Improvements for Patients and Providers Act of 2008 allows for the subdivision of MSAs with populations over 8 million into multiple CBAs. Most Round 2 MSAs have only one CBA. However, the three largest MSAs (Chicago, Los Angeles, and New York) are subdivided into multiple CBAs, so there are a total of 100 Round 2 CBAs.) The national mail-order competition will be implemented at the same time and will include all parts of the United States, including the 50 States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. As was done in the Round 1 Rebid, the CMS has decided to conduct program education through a Medicare Fee-for-Service (FFS) contractor direct mailing for those providers in a position of ordering or referring DMEPOS products for affected beneficiaries. This change request (CR) directs A/B Medicare Administrative Contractors, Regional Home Health Intermediaries, Carriers, and Fiscal Intermediaries to identify referral agents and send them a direct mail package containing information explaining the DMEPOS Competitive Bidding Program.

**EFFECTIVE DATE: May 13, 2013**

**IMPLEMENTATION DATE: May 13, 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/revise 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	

### **III. FUNDING:**

#### **For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs):**

No additional funding will be provided by CMS; Contractors activities are to be carried out with 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.*



Number	Requirement	Responsibility										
		A/B MAC		D M E M A C	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					F I S S	M C S	V M S	C W F	
8262.1	Contractors shall note the definition of "referral agent" located in the Policy section of this CR.	X	X		X	X	X					
8262.2	Using the zip code files located at <a href="http://www.dmecompetitivebid.com/palmetto/cbicrd2.nsf/DocsCat/Competitive%20Bidding%20Areas">http://www.dmecompetitivebid.com/palmetto/cbicrd2.nsf/DocsCat/Competitive%20Bidding%20Areas</a> , contractors shall identify referral agents (all providers except hospice providers, clinical laboratories, ambulance providers and diagnostic testing facilities) with practice locations in the Round 2 competitive bidding area (CBA) zip codes within their jurisdiction and determine the best mailing address on file.	X	X		X	X	X					
8262.3	Contractors shall send a direct mail package to referral agents using the best mailing address on file, taking the following actions:  a. Include in the direct mail package: (1) letter from CMS to be sent at a later date via the Provider Customer Service Program Contractor User Group (PCUG) electronic mailing list and (2) Medicare Learning Network (MLN) DMEPOS Competitive Bidding Program Fact Sheet for Referral Agents located at <a href="http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/Educational_Resources.html">http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/Educational_Resources.html</a> .  b. Duplicate all required content in hard copy using black ink, making no alterations to any documents.  c. Use envelopes typically used to mail information to providers.  d. Complete the direct mailing no later than 10 business days after receipt of the letter via the PCUG electronic mailing list.  e. Send a single package to groups with practice locations in a Round 2 CBA.	X	X		X	X	X					
8262.4	Contractors shall report the following information about this direct mailing into the Special Initiatives/DME Competitive Bidding portion of the Provider Customer Service Program Information	X	X		X	X	X					

Number	Requirement	Responsibility										
		A/B MAC		D M E  M A C	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					F I S S	M C S	V M S	C W F	
	<p>Database (PCID), located at www.p-cid.com, by the 10th of the month following the month of the actual completion date:</p> <p>a. Date completed</p> <p>b. Number of packages sent</p> <p>c. Number of providers covered by packages sent</p> <p>d. Number of packages returned</p> <p>e. Cost</p>											

### III. PROVIDER EDUCATION TABLE

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

### IV. SUPPORTING INFORMATION

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

X-Ref Requirement Number	Recommendations or other supporting information:
	This work is to be performed in accordance with the A/B MAC Statement of Work section C.5.7.1 and IOM Publication 100-9, Chapter 6, Section 20.4.2.

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

## **V. CONTACTS**

**Pre-Implementation Contact(s):** Adrienne Stokes Orange, 410-786-7054 or [adrienne.stokesorange@cms.hhs.gov](mailto:adrienne.stokesorange@cms.hhs.gov)

**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):**

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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.