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| <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 3350</b>                      | <b>Date: September 11, 2015</b>                           |
|  | <b>Change Request 9239</b>                                |

**NOTE: This Transmittal is no longer sensitive and is being re-communicated on November 25, 2015. The Transmittal Number, Date of Transmittal and all other information remain the same. This instruction may now be posted on the Internet.**

**SUBJECT: Implementation of Adjusted Durable Medical Equipment Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule Amounts Using Information from the National Competitive Bidding Program (CBP)**

**I. SUMMARY OF CHANGES:** Section 1834(a)(1)(F) of the Act mandates adjustments to the fee schedule amounts for DME furnished on or after January 1, 2016, based on information from the CBP. 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 the CBP. The purpose of this Change Request (CR) is to implement the adjusted DMEPOS fees schedule from the CBP.

**EFFECTIVE DATE: January 1, 2016**

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

**IMPLEMENTATION DATE: January 4, 2016**

*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>   |
|--------------|---|
| R            | 23/50.2/Institutional Claim Record Layout for the Durable Medical Equipment, Prosthetic, Orthotic and Supply Fee Schedule |
| R            | 23/60.1/Record Layout for DMEPOS Fee Schedule   |
| N            | 23/60.5/Rural ZIP Code Claim Record Layout for Medicare Contractors Processing Rural DMEPOS Fee Schedule Claims           |
| R            | 23/70.1/Record Layout for PEN Fee Schedule  |

**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:**

**Business Requirements  
Manual Instruction**

## **Attachment - Business Requirements**

|                    |                          |                           |                             |
|--------------------|--------------------------|---------------------------|-----------------------------|
| <b>Pub. 100-04</b> | <b>Transmittal: 3350</b> | <b>September 11, 2015</b> | <b>Change Request: 9239</b> |
|--------------------|--------------------------|---------------------------|-----------------------------|

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**EFFECTIVE DATE: January 1, 2016**

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

**IMPLEMENTATION DATE: January 4, 2016**

## **I. GENERAL INFORMATION**

**A. Background:** Currently, Medicare payment for most DMEPOS is based on either fee schedules or single payment amounts (SPAs) established under the CBP in certain specified geographic areas, as mandated by §1847(a) and (b) of the Social Security Act (the Act).

Competitive bidding was phased in with the Round 1 Rebid contracts beginning January 1, 2011, in 9 competitive bid areas (CBAs). Contracts for the Round 1 Rebid expired on December 31, 2013. The Centers for Medicare & Medicaid Services (CMS) is required by law to re-compete contracts for the DMEPOS CBP at least once every 3 years. The same 9 CBAs were rebid under the Round 1 Re-compete with the contracts and process claims with date of service beginning January 1, 2014. Competitive bidding was phased in with the Round 2 contracts beginning July 1, 2013, in 100 additional CBAs. Beginning with the Round 2 Re-compete scheduled to take effect on July 1, 2016, CBAs covering more than one state will be subdivided into CBAs that do not cross state lines, resulting in an increase in the total number of CBAs.

The product categories and HCPCS codes included in each Round of the CBP are available on the Competitive Bidding Implementation Contractor (CBIC) website:  
<http://www.dmecompetitivebid.com/palmetto/cbic.nsf/DocsCat/Home>.

Section 1834(a)(1)(F) of the Act mandates adjustments to the fee schedule amounts for DME furnished on or after January 1, 2016, based on information from the CBP. 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 the CBP. The methodologies for using information from the CBP to adjust the fee schedule amounts for DME and enteral nutrition are set forth in regulations at 42 CFR 414.210(g). There are 3 general methodologies:

- Adjustment of fee schedule amounts for areas within the contiguous United States, with a special rule for rural areas,
- Adjustment of fee schedule amounts for areas outside the contiguous United States, and
- Adjustment of fee schedule amounts for certain items for all areas in cases where the items have been included in competitive bidding programs in 10 or fewer CBAs.

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

This methodology for adjusting the fee schedule amounts uses the average of SPAs from CBPs located in 8 different regions of the contiguous United States to adjust the fee schedule amounts for the states located in each of the 8 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 DME items furnished in the contiguous United States (i.e., those included in more than 10 CBAs).

There is also a special rule for areas within the contiguous United States that are designated as rural areas. The fee schedule amounts for these areas will be adjusted to equal the national ceiling amounts described above. 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 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.

As a result of these adjustments, the national fee schedule amounts for enteral nutrition will transition to statewide fee schedule amounts.

## **Fee Schedule Amounts for Areas outside the Contiguous United States**

Areas outside the contiguous United States (i.e., noncontiguous areas such as Alaska, Guam, Hawaii) are subject to a different methodology that adjusts the 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.

## **Fee Schedule Amounts for Items Included in 10 or Fewer CBAs**

DME items included in 10 or fewer CBAs are subject to a different methodology that adjusts the fee schedule amounts so that they are equal to 110 percent of the average of the SPAs for the 10 or fewer CBAs. This methodology applied to all areas (non-contiguous and contiguous).

## **Phasing In and Updating Fee Schedule Amounts**

The adjustments to the fee schedule amounts will be phased in for claims with dates of service January 1, 2016 through June 30, 2016, so that the fee schedule amount is based on a blend of 50 percent of the current fee schedule amounts (i.e., the fee schedule amounts that would have gone into effect on January 1, 2016, if they had not been adjusted based on information from the CBP) and 50 percent of the adjusted fee schedule amount.

For claims with dates of service on or after July 1, 2016, the fee schedule is based on 100 percent of the adjusted fee schedule amount.

In most cases, the adjusted fee schedule amounts will not be subject to the annual DMEPOS covered item update and will only be updated when SPAs from the CBP are updated. Updates to the SPAs may occur at the end of a contract period, as additional items are phased into the CBP, or as new CBPs in new areas are phased in. In cases where SPAs from CBPs no longer in effect are used to adjust fee schedule amounts, the SPAs will be increased by an inflation adjustment factor that corresponds to the year in which the adjustment is made (e.g., 2016) and for each subsequent year (e.g., 2017, 2018, etc.).

**B. Policy:** The adjusted fee schedule amounts for the applicable HCPCS codes will be used to pay claims with dates of service on or after January 1, 2016, and will be included in the DMEPOS fee schedule files beginning January 1, 2016.

The DME MAC and Part B MAC DMEPOS fee schedule file shall be adjusted to include the rural fee and rural fee indicator and these changes will be reflected in the file format and data requirements specified in Chapter 23, Section 60.1 of the Claims Processing Manual (100-04). Similarly, the FI DMEPOS fee schedule file format, outlined in Chapter 23, Section 50.2 of the Claims Processing Manual (100-04), will be updated to include the rural fee and rural fee indicator. Beginning January 1, 2016, the DMEPOS fee schedule file will contain HCPCS codes that are subject to the adjusted payment amount methodology as well as codes that are not subject to the adjustments. The DMEPOS fee schedule file will continue to be updated and available for download on a quarterly basis as necessary.

The parenteral and enteral nutrition (PEN) fee schedule file will accommodate adjusted fees for the enteral HCPCS codes that are state specific. The PEN file layout is outlined in Chapter 23, Section 70.1 of the 100-04 manual.

To enable contractors to identify when the special payment rule for rural areas applies, CMS shall provide on or before October 1, 2015 test versions of the DMEPOS Fee Schedule file, the DMEPOS FI Fee Schedule file, and the PEN fee schedule which contain the new file layouts for testing. The file will contain rural area ZIP Codes within the contiguous United States that will be updated as needed on a quarterly basis. The ZIP Code associated with the address used for pricing shall determine whether or not the beneficiary

falls within a rural area.

## II. BUSINESS REQUIREMENTS TABLE

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

| Number   | Requirement   | Responsibility |   |             |                            |                                  |             |             |   |       |
|----------|---|----------------|---|-------------|----------------------------|----------------------------------|-------------|-------------|---|-------|
|          |   | A/B<br>MAC     |   |             | D<br>M<br>E<br>M<br>A<br>C | Shared-<br>System<br>Maintainers |             |             |   | Other |
|          |   | A              | B | H<br>H<br>H |                            | F<br>I<br>S<br>S                 | M<br>C<br>S | V<br>M<br>S | C<br>W<br>F                                   |       |
| 9239.1   | The contractor shall create and update a ZIP Code file containing ZIP Codes for areas meeting the definition of rural area on a quarterly basis.  |                |   |             |                            |                                  |             |             | Competitive Bidding Implementation Contractor |       |
| 9239.1.1 | The contractor shall ensure the new ZIP Code file includes effective and end dates for rural area ZIP Codes.<br><br>Note: If the ZIP code redesignation is not contiguous a record for each effective date/end date period will need to be included in the file. For example, if a ZIP code is designated as rural in 2016 but loses that designation in 2017 and then is later re-designated as rural in 2018, the file would need to carry those periods. |                |   |             |                            |                                  |             |             | Competitive Bidding Implementation Contractor |       |
| 9239.2   | The contractors shall end date the discontinued rural ZIP codes as of the beginning of the next quarterly rural zip code file update.   |                |   |             |                            |                                  |             |             | Competitive Bidding Implementation Contractor |       |
| 9239.3   | The contractor shall upload the rural ZIP code testing file to the CMS mainframe on or before August 18, 2015, and subsequent production loads.   |                |   |             |                            |                                  |             |             | Competitive Bidding Implementation Contractor |       |
| 9239.3.1 | CMS shall notify the contractors that the rural zip code file is available for download via email to the Functional Work Group (FWG).   | X              | X | X           | X                          |                                  |             |             | CMS, VDCs                                     |       |
| 9239.3.2 | The contractors shall retrieve the rural ZIP code file provided on the CMS mainframe which is listed in the policy section above and verify that the file is usable upon receipt:<br><br>MU00.DMECBIC.RURZIP.C16Q01.V100115   | X              | X | X           | X                          |                                  |             |             | STC, VDCs                                     |       |
| 9239.4   | CMS shall notify the Contractors that the production version of the rural zip code file is available for download via email to the Functional Work Group (FWG).   | X              | X | X           | X                          |                                  |             |             | CMS   |       |
| 9239.5   | The Contractors shall retrieve the rural ZIP code, the  | X              | X | X           | X                          |                                  |             |             | VDCs  |       |



|           |   |  |  |  |  |   |   |   |  |  |      |
|-----------|---|--|--|--|--|---|---|---|--|--|------|
|           | maintenance and services (M&S) pricing on the quarterly PEN fee schedule file and no longer calculate the prices for these services.                                |  |  |  |  |   |   |   |  |  |      |
| 9239.10.3 | Shared System Maintainers shall accept the rural price in the ORIG BASE field and a new rural indicator on the quarterly DMEPOS fee schedule file(s).               |  |  |  |  |   | X | X |  |  |      |
| 9239.10.4 | Shared System Maintainer shall accept the rural price in the RURAL FEE field and a new rural indicator on the quarterly DMEPOS FI fee schedule file.                |  |  |  |  | X |   |   |  |  |      |
| 9239.11   | The Shared System Maintainer shall automate for the MACs the load of the quarterly rural ZIP code file updates.   |  |  |  |  | X | X | X |  |  |      |
| 9239.12   | Shared System Maintainers shall update the Fee Schedule screens to provide maintenance functionality for the rural price and rural indicator.                       |  |  |  |  | X | X | X |  |  |      |
| 9239.13   | Shared System Maintainer shall update the AP0104 DME/PEN Fee Schedule Summary Report to include Rural pricing.  |  |  |  |  |   |   | X |  |  |      |
| 9239.14   | Shared System Maintainer shall modify the existing fee schedule pricing logic to incorporate rural zip code and rural pricing.                                      |  |  |  |  | X | X | X |  |  |      |
| 9239.15   | Shared System Maintainer shall price mail order and non-mail order diabetic supplies for the Northern Mariana Islands using the non-mail order fee schedule amount. |  |  |  |  |   |   | X |  |  |      |
| 9239.16   | The contractor shall update the DMECS application upload process and the display on DMECS web site for the addition of the rural and non-rural fees.                |  |  |  |  |   |   |   |  |  | PDAC |

### III. PROVIDER EDUCATION TABLE

| Number | Requirement | Responsibility |   |             |                  |  |
|--------|-------------|----------------|---|-------------|------------------|--|
|        |             | A/B<br>MAC     |   | D<br>M<br>E | C<br>E<br>D<br>I |  |
|        |             | A              | B | H<br>H<br>H | M<br>A<br>C      |  |
|        |             |                |   |             |                  |  |

|         |   |   |   |   |   |
|---------|---|---|---|---|---|
| 9239.17 | MLN Article: A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly. | X | X | X | X |
|---------|---|---|---|---|---|

**IV. SUPPORTING INFORMATION**

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

*"Should" denotes a recommendation.*

| <b>X-Ref Requirement Number</b> | <b>Recommendations or other supporting information:</b> |
|---------------------------------|---|
|                                 |   |

**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](mailto:bobbett.plummer@cms.hhs.gov) (For claims processing questions) , Karen Jacobs, 410-786-2173 or [karen.jacobs@cms.hhs.gov](mailto:karen.jacobs@cms.hhs.gov) (For policy questions) , Diana Motsiopoulos, 410-786-3379 or [diana.motsiopoulos@cms.hhs.gov](mailto:diana.motsiopoulos@cms.hhs.gov) (For claims processing questions)

**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: 0**

# **Medicare Claims Processing Manual**

## **Chapter 23 - Fee Schedule Administration and Coding Requirements**

**Table of Contents**  
*(Rev. 3350, Issued: 09-11-15)*

### **[Transmittals for Chapter 23](#)**

*60.5 – Rural ZIP Code Claim Record Layout for Medicare Contractors Processing Rural DMEPOS Fee Schedule Claims*

**0.2 - Institutional Claim Record Layout for the Durable Medical Equipment, Prosthetic, Orthotic and Supply Fee Schedule**

*(Rev.3350, Issued: 09-11-15, Effective: 01-01-16, Implementation: 01-04-16)*

This file contains services subject to national Floors and Ceilings under the DMEPOS Fee Schedules including Surgical Dressings. The CMS will provide the specific file names when the prices are released. The file name will contain the label DMEPOS.

Record Length - 60  
 Record Format - FB  
 Block Size - 6000  
 Character Code - EBCDIC  
 Sort Sequence - Label, HCPCS Code, MOD, State

| Data Element Name                   | Picture         | Location       | Comment  |
|-------------------------------------|-----------------|----------------|--|
| 1-HCPCS                             | X(05)           | 1 - 5          |  |
| 2-MOD                               | X(02)           | 6 - 7          |  |
| 3-MOD 2                             | X(02)           | 8 - 9          |  |
| 4-Fee Schedule Amt                  | 9(05)V99        | 10 - 16        |  |
| <i>5-Filler</i>                     | <i>X(01)</i>    | <i>17</i>      |  |
| <i>6-Rural Fee Amt</i>              | <i>9(05)v99</i> | <i>18 - 24</i> |  |
| <i>7-Filler</i>                     | <i>X(01)</i>    | <i>25</i>      |  |
| <i>8-Rural Fee indicator</i>        | <i>X(01)</i>    | <i>26-</i>     | <i>R = Rural Fee is present</i>  |
| <i>9-Filler</i>                     | X(04)           | 27-30          |  |
| <i>10-State</i>                     | X(02)           | 31 - 32        |  |
| <i>11-Filler</i>                    | X(05)           | 33 - 37        |  |
| <i>12-*Label*</i>                   | X(3)            | 38 - 40        | DME = Durable Medical Equipment<br>(other than oxygen)<br>OXY = Oxygen<br>P/O = Prosthetic/Orthotic<br>S/D = Surgical Dressings  |
| <i>13-Filler</i>                    | X(4)            | 41 - 44        |  |
| <i>14-*Pricing Change Indicator</i> | X(1)            | 45 - 45        | 0 = No change to Update Fee Schedule Amount since previous release<br>1 = A change has occurred to the Update Fee Schedule Amount since the previous release.<br>NOTE: In the initial release of the annual update, this field is initialized to >0' |
| <i>15-Filler</i>                    | X(02)           | 46 - 47        |  |
| <i>16-Effective Date</i>            | X(08)           | 48 - 55        | Update effective date (YYYYMMDD)   |
| <i>17-Filler</i>                    | X(05)           | 56 - 60        |  |

## 60.1 - Record Layout for DMEPOS Fee Schedule

*(Rev.3350, Issued: 09-11-15, Effective: 01-01-16, Implementation: 01-04-16)*

Sort Sequence: Category, HCPCS, 1st Modifier, 2nd Modifier State

| Field Name        | Pic     | Position | Comment   |
|-------------------|---------|----------|---|
| Year              | X(4)    | 1 - 4    | Applicable Update Year  |
| HCPCS Code        | X(5)    | 5 - 9    | All current year active and deleted codes subject to DMEPOS floors and ceilings   |
| 1st Modifier      | X(2)    | 10 - 11  |   |
| 2nd Modifier      | X(2)    | 12 - 13  |   |
| Jurisdiction      | X       | 14       | D = DME MAC Jurisdiction<br>L = Local Part B Carrier jurisdiction<br>J = Joint DME MAC/Local Carrier jurisdiction   |
| Category          | X(2)    | 15 - 16  | IN = Inexpensive/Routinely Purchased<br>FS = Frequently Serviced<br>CR = Capped Rental<br>OX = Oxygen & Oxygen Equipment<br>OS = Ostomy, Tracheostomy & Urologicals<br>SD = Surgical Dressings<br>PO = Prosthetics & Orthotics<br>SU = Supplies<br>TE = TENS<br>TS = Therapeutic Shoes<br>SC = Splints and Casts<br>IL = Intraocular Lenses   |
| HCPCS Action      | X       | 17       | Indicates active/delete status in HCPCS file<br>A = Active Code<br>D = Deleted Code, price provided for grace period processing only  |
| Region            | X(2)    | 18 - 19  | This amount is not used for pricing claims. It is on file for informational purposes.<br>00 = For all non Prosthetic and Orthotic Services<br>01 - 10 = For Prosthetic and Orthotic Services only. This field denotes the applicable regional fee schedule.   |
| State             | X(2)    | 20 - 21  |   |
| Original Base Fee | 9(5)V99 | 22 - 28  | This amount is not used for pricing claims. It is on file for informational purposes. For capped rental services, this amount represents the base fee after adjustments for rebasing and statewide conversions. The base year for E0607 and L8603 is 1995. Since pricing amounts for E1405 and E1406 are developed by summing pricing amounts from source codes, they do not have a true base fee. For these codes, this field will be filled with zeros.<br><i>Beginning January 1, 2016, this field will include the Competitive Bidding Rural Fee Amount for specific HCPCS codes. A new indicator field (RURAL FEE INDICATOR) shall be populated with a value of "R" when the Rural Fee is present in this field.</i> |

|                             |              |           |   |
|-----------------------------|--------------|-----------|---|
| Ceiling                     | 9(5)V99      | 29 - 35   | This amount is not used for pricing claims. It is on file for informational purposes and could be integrated into other processes (i.e., IR review, validation, inquiries). <b>NOTE:</b> Since E0607 is priced via national IR, it is not priced using floors and ceilings. For E0607, this field will be filled with zeros. Since pricing amounts for E1405 and E1406 are developed by summing pricing amounts from source codes, they are not subject to ceilings and floors. Since non-mail order (no-KL) codes A4233, A4234, A4235, A4236, A4253, A4256, A4258, and A4259 are priced using National Mail order single payment amounts, they are not subject to ceilings and floors. Splints, casts and intraocular lenses are national fee schedule amounts not subject to ceilings. For these codes, this field will be filled with zeros. <i>Beginning January 1, 2016, this field will also be filled with zeros for codes whose fees are adjusted using DMEPOS competitive bid information.</i> |
| Floor                       | 9(5)V99      | 36 - 42   | This amount is not used for pricing claims. It is on file for informational purposes and could be integrated into other processes (i.e., IR review, validation, inquiries). <b>NOTE:</b> Since E0607 is priced via national IR, it is not priced using floors and ceilings. For E0607, this field will be filled with zeros. Since pricing amounts for E1405 and E1406 are developed by summing pricing amounts from source codes, they are not subject to ceilings and floors. Since non-mail order (no-KL) codes A4233, A4234, A4235, A4236, A4253, A4256, A4258, and A4259 are priced using National Mail order single payment amounts, they are not subject to ceilings and floors. Splints, casts and intraocular lenses are national fee schedule amounts not subject to floors. For these codes, this field will be filled with zeros. <i>Beginning January 1, 2016, this field will also be filled with zeros for codes whose fees are adjusted using DMEPOS competitive bid information.</i>   |
| Updated Fee Schedule Amount | 9(5)V99      | 43 - 49   | Amount used for pricing.  |
| Gap-Fill Indicator          | X            | 50        | 0 = No Gap-filling required.<br>1 = Carrier Needs to Gap-fill Original Base Year Amount.  |
| Pricing Change Indicator    | X            | 51        | 0 = No change to the updated fee schedule amount since previous release.<br>1 = A change has occurred to the updated fee schedule amount since the previous release.  |
| <i>Rural Fee Indicator</i>  | <i>X(01)</i> | <i>52</i> | <i>R = Rural Fee is present in the Original Base Fee field</i>  |
| Filler                      | X(8)         | 53 - 60   | Set to spaces   |

## **60.5 – Rural ZIP Code Claim Record Layout for Medicare Contractors Processing Rural DMEPOS Fee Schedule Claims**

*(Rev.3350, Issued: 09-11-15, Effective: 01-01-16, Implementation: 01-04-16)*

*This file contains rural area, as defined in 42 CFR §414.202, ZIP codes within the contiguous United States for use processing claims subject to the adjusted fee schedule methodology required by Section 1834(a)(1)(F) of the Social Security Act. The CMS will provide the specific file names when the rural ZIP code files are released.*

| <i>Field Name</i>      | <i>Pic</i>   | <i>Position</i> | <i>Comment</i>   |
|------------------------|--------------|-----------------|--|
| <i>Effective Date</i>  | <i>9(8)</i>  | <i>1 - 8</i>    | <i>Effective date that ZIP code considered rural (CCYYMMDD).</i>   |
| <i>Expiration Date</i> | <i>9(8)</i>  | <i>9 - 16</i>   | <i>Final date for considering a ZIP code rural. Field will be filled with 99999999s if an end-date has not been established. Discontinued rural ZIP codes will be end dated as of the end of the quarter it was last an active rural ZIP. File Format is CCYYMMDD.</i> |
| <i>ZIP Code</i>        | <i>X(5)</i>  | <i>17 - 21</i>  | <i>5-digit ZIP code considered rural</i>   |
| <i>State</i>           | <i>X(2)</i>  | <i>22 - 23</i>  |  |
| <i>Filler</i>          | <i>X(17)</i> | <i>24 -40</i>   | <i>Set to spaces</i>   |

## **70.1 - Record Layout for PEN Fee Schedule**

*(Rev.3350, Issued: 09-11-15, Effective: 01-01-16, Implementation: 01-04-16)*

| <b>Field Name</b> | <b>Pic</b> | <b>Position</b> | <b>Comment</b>   |
|-------------------|------------|-----------------|--|
| Year              | X(4)       | 1 - 4           | Applicable Update Year   |
| HCPCS Code        | X(5)       | 5 - 9           | All current year active and deleted codes  |
| 1st Modifier      | XX         | 10 - 11         |  |
| 2nd Modifier      | XX         | 12 - 13         |  |
| Jurisdiction      | X          | 14              | D = DMERC Jurisdiction   |
| Category          | XX         | 15 - 16         | PE = Parenteral and Enteral Nutrition.   |
| HCPCS Action      | X          | 17              | Indicates active/delete status in HCPCS file<br>A = Active Code<br>D = Deleted Code, price provided for grace period processing only |
| Filler            | XX         | 18 - 19         | Value = 00   |
| State             | XX         | 20 - 21         |  |

|                             |              |           |   |
|-----------------------------|--------------|-----------|---|
| Original Base Fee           | 9(5)V99      | 22 - 28   | This amount is not used for pricing claims. It is on file for informational purposes.<br><i>Beginning January 1, 2016, this field will include the Competitive Bidding Rural Fee Amount for specific HCPCS codes. A new indicator field (RURAL FEE INDICATOR) shall be populated with a value of "R" when the Rural Fee is present in this field.</i> |
| Filler                      | 9(5)V99      | 29 - 35   | This field is zero filled.  |
| Filler                      | 9(5)V99      | 36 - 42   | This field is zero filled.  |
| Updated Fee Schedule Amount | 9(5)V99      | 43 - 49   | Amount used for pricing.  |
| Gap-Fill Indicator          | X            | 50        | 0 = No Gap-filling required.<br>1 = Carrier Needs to Gap-fill Original Base Year Amount.  |
| Pricing Change Indicator    | X            | 51        | 0 = No change to the updated fee schedule amount since previous release.<br>1 = A change has occurred to the updated fee schedule amount since the previous release.  |
| <i>Rural Fee Indicator</i>  | <i>X(01)</i> | <i>52</i> | <i>R = Rural Fee is present in the Original Base Fee field</i>  |
| Filler                      | X(8)         | 53 - 60   |   |