

<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 375</b>	<b>Date: September 5, 2008</b>
	<b>Change Request 6203</b>

**SUBJECT: Delay of the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program**

**I. SUMMARY OF CHANGES:** This change request implements previously-issued instructions related to delaying the DMEPOS Competitive Bidding Program, reprocessing DMEPOS Competitive Bidding claims under regular fee-for-service (FFS) rules, and educating suppliers about the delay.

**New / Revised Material**

**Effective Date: July 1, 2008**

**Implementation Date: September 12, 2008**

*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:**

**SECTION A: For Fiscal Intermediaries and Carriers:**

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

**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 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:**

##### **One-Time Notification**

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

## Attachment – One-Time Notification

<b>Pub. 100-20</b>	<b>Transmittal: 375</b>	<b>Date: September 5, 2008</b>	<b>Change Request: 6203</b>
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**SUBJECT: Delay of the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program**

**Effective Date:** July 1, 2008

**Implementation Date:** September 12, 2008

### I. GENERAL INFORMATION

**A. Background:** Section 154 of the Medicare Improvements for Patients and Providers Act of 2008 delays the DMEPOS Competitive Bidding Program and terminates all Round I Competitive Bid contracts. Therefore, in the 10 areas where competitive bidding was initiated, Medicare will resume paying for DMEPOS items, retroactive to June 30, 2008, using the standard DMEPOS fee schedule amounts.

This change request (CR) implements previously-issued instructions related to delaying the DMEPOS Competitive Bidding Program, reprocessing DMEPOS Competitive Bidding claims under regular fee-for-service (FFS) rules, and educating suppliers about the delay.

**B. Policy:** Effective immediately and until further notice, the Durable Medical Equipment Medicare Administrative Contractors (DME MACs), the ViPS Medicare System (VMS), the Regional Home Health Intermediaries (RHHIs), and the Fiscal Intermediary Shared System (FISS) shall cease all implementation activities related to the DMEPOS Competitive Bidding Program. Contractors shall process all DMEPOS claims under standard FFS rules.

### II. BUSINESS REQUIREMENTS TABLE

*Use "Shall" to denote a mandatory requirement*

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
						F I S S	M C S	V M S	C W F		
6203.1	Effective immediately and until further notice, contractors shall cease all implementation activities related to the DMEPOS Competitive Bidding Program.		X			X			X		
6203.2	Contractors shall restore all standard fee-for-service (FFS) edits and payment files that were in effect for DMEPOS claims as of June 30, 2008.		X			X			X		
6203.3	Contractors shall deactivate all edits specific to the DMEPOS Competitive Bidding Program, after confirming that the standard FFS edits and payment files are operational, per 6203.2.		X			X			X		
6203.4	Contractors shall process all DMEPOS claims under standard FFS rules.		X			X			X		

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6203.4.1	Contractors shall begin to process all new incoming DMEPOS claims under standard FFS rules.		X			X			X		
6203.4.2	Contractors shall process all previously-held DMEPOS Competitive Bidding Program claims under standard FFS rules and shall complete such processing as soon as possible.		X			X			X		
6203.4.2.1	Contractor shall process all claims referenced in requirement 6203.4.2 on a flow basis, in consideration of CWF and the Coordination of Benefits Contractor handling capacities.		X			X			X		
6203.4.3	Contractors shall automatically reprocess claims that were denied based solely on DMEPOS Competitive Bidding Program rules under standard FFS rules and shall complete such reprocessing by September 30, 2008.		X						X		
6203.4.3.1	Contractors shall identify and automatically reprocess under standard FFS rules any claim adjudicated under DMEPOS Competitive Bidding Program rules and pay any difference that may be owed on such claims to affected suppliers and shall complete these activities by September 30, 2008.		X						X		
6203.4.4	Contractors shall adjust any claims they are unable to automatically reprocess under 6203.4.3 if they are brought to the contractor's attention.		X						X		
6203.4.5	Contractors shall advise home health agencies (HHA) that any claims which were returned to the provider as subject to DMEPOS Competitive Bidding may be resubmitted.					X					
6203.5	Contractors shall not initiate any redeterminations on claims where the application of one or more DMEPOS Competitive Bidding rule is the only issue in controversy.		X						X		
6203.5.1	Rather than issuing redeterminations per 6203.5 above, contractors shall reprocess such claims and issue substitute initial determinations with full appeal rights.		X						X		
6203.6	Contractors shall not implement instructions contained in Chapter 36 of Claims Processing Internet Only Manual, Pub. 100-04, as communicated via CRs 5978, 6007 and 6119, until further notice.		X			X			X		
6203.6.1	Contractors shall disable but shall not delete DMEPOS Competitive Bidding Program-related functionality, so as to permit the resumption of the DMEPOS Competitive Bidding Program with a minimum of additional reprogramming, upon notification. However, contractors shall take whatever measures are		X			X			X		

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	required to timely and fully implement requirements 6203.1 through 6203.5.1.										
6203.6.2	Contractors shall remove all DMEPOS Competitive Bidding Program files (i.e. the pricing, zip code, supplier, and HCPCS files) that were added as part of the program.		X						X		

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6203.7	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your 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.</p>		X			X					

### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below:**

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
All Requirements	This CR supersedes all previous instructions issued related to the DMEPOS Competitive Bidding Program (CRs 4327, 4337, 5487, 5551, 5686, 5779, 5804, 5868, 5887, 6069, and

X-Ref Requirement Number	Recommendations or other supporting information:
	6159)

**Section B: For all other recommendations and supporting information, use this space:**

## V. CONTACTS

**Pre-Implementation Contact(s):** For DME MAC claims processing issues, Renée Hildt at (410) 786-1446 or [renee.hildt@cms.hhs.gov](mailto:renee.hildt@cms.hhs.gov), for policy issues, Joel Kaiser at (410) 786-4499 or [joel.kaiser@cms.hhs.gov](mailto:joel.kaiser@cms.hhs.gov), for HHA claims processing issues, Wil Gehne at (410) 786-6148 or [wilfried.gehne@cms.hhs.gov](mailto:wilfried.gehne@cms.hhs.gov).

**Post-Implementation Contact(s):** Appropriate regional office.

## VI. FUNDING

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

**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 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.