



DMEPOS Fee Schedule: July 2025 Quarterly Update

Related CR Release Date: June 20, 2025	MLN Matters Number: MM14088
Effective Date: July 1, 2025	Related Change Request (CR) Number: CR 14088
Implementation Date: July 7, 2025	Related CR Transmittal Numbers: R13257CP & R13277CP
Related CR Title: July Quarterly Update for 2025 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule	

Affected Providers

- Physicians
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for DMEPOS

Action Needed

Make sure your billing staff knows about these updates effective July 1, 2025:

- No added or deleted codes
- Corrections to the 2025 fee schedule amounts for certain items provided in non-contiguous areas
- DMEPOS rural ZIP codes

Background

CMS updates the DMEPOS fee schedule quarterly, as necessary, to implement fee schedule amounts for applicable new and existing codes and apply changes in payment policies. See the DMEPOS fee schedule update process in the [Medicare Claims Processing Manual, Chapter 23](#), section 60.

Sections 1834(a), (h), and (i) of the [Social Security Act](#) require payment on a fee schedule basis for DMEPOS and surgical dressings. Regulations at [42 CFR 414.102](#) also require fee schedule payment for parenteral and enteral nutrition (PEN), splints, casts, and intraocular lenses inserted in a physician's office. The DMEPOS fee schedule file includes national payment amounts for lymphedema compression treatment items established according to section 1834(z) of the [Social Security Act](#) and regulations at [42 CFR 414.1650](#).

Payment for Items Provided in Former Competitive Bidding Areas

Starting January 1, 2024, there's a [gap period](#) in the DMEPOS Competitive Bidding Program (CBP). All Medicare Round 2021 DMEPOS CBP contracts for off-the-shelf (OTS) back braces and OTS knee braces expired on December 31, 2023.

During the gap period, payment for items and services included in the CBP are equal to 80% of the lesser of the supplier's charge or the fee schedule amount for the item, less any unmet Medicare Part B deductible. Per [42 CFR 414.210\(g\)\(10\)](#), the fee schedule amounts for items and services provided in former Competitive Bidding Areas (CBAs) are based on single payment amounts in effect in the CBA on the last day before the CBP contract period of performance ended, increased by the projected percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) for the 12-month period ending on the date after the contract periods ended.

We increase the fee schedule amounts once every 12 months on the anniversary date of the first day after the contract period ends. For CY 2025, the projected change in the CPI-U for the 12-month period ending January 1, 2025, is 2.9%.

We update a former CBA ZIP Code file, which contains the CBA ZIP Codes used in pricing claims for items provided in a CBA, quarterly as necessary. Effective January 1, 2025, the former CBA ZIP Code file contains the ZIP Codes for CBAs included in Round 2021.

DMEPOS Rural ZIP Codes

ZIP Codes associated with the address used for pricing a DMEPOS claim determine the rural fee schedule payment applicability for codes with rural and non-rural fee schedule amounts adjusted per 42 CFR 414.210(g). The DMEPOS Rural ZIP Code file contains ZIP Codes designated as rural areas. We don't include ZIP Codes for non-contiguous Metropolitan Statistical Areas (MSAs) in the DMEPOS Rural ZIP Code file. We update the Rural ZIP Code file quarterly as necessary.

Regulations at [42 CFR 414.202](#) define a rural area as a geographical area represented by a postal ZIP Code where at least 50% of the total geographical area of the ZIP Code is estimated to be outside any MSA. A rural area also includes any low population density ZIP Code within an MSA that's excluded from a CBA established for that MSA.

Key Updates

CR 14088 updates 3 files:

- DMEPOS fee schedule file for July 2025
- DMEPOS PEN fee schedule for 2025
- DMEPOS Rural ZIP Code file for July 2025 (Quarter 3)

These updates will be available as [Public Use Files](#) for state Medicaid agencies, managed care organizations, and other interested parties.

Codes Added or Deleted

There are no added or deleted codes in this update.

Corrections Made to the 2025 Fee Schedule Amounts for Certain Items Provided in Non-Contiguous Areas (Alaska, Hawaii, Puerto Rico & the U.S. Virgin Islands)

We incorrectly calculated some non-contiguous fee schedule amounts for CY 2024 for 19 HCPCS Level II codes. We adjusted fees for these codes based on prices established under the DMEPOS CBP.

In applying the adjusted fee schedule methodologies to these codes, we didn't limit the non-contiguous fee schedule amounts by the unadjusted fee schedule amounts in accordance with regulations at 42 CFR 414.210(g). We corrected the errors in the [January 2025 fee schedule update](#). Most corrections were minor with the percentage fee adjustments correcting the errors ranging from -12.9% to 2.2%. The HCPCS Level II codes impacted by this change include:

- A4636
- E0776
- E0779
- E0780
- E0791
- E0982
- E0995
- E1029
- E1030
- E2324
- E2326
- E2329
- E2351
- E2373
- K0020
- K0037
- K0042
- K0044
- K0046

We also identified errors in the 2025 DMEPOS fee schedule amounts for 99 HCPCS Level II codes in some non-contiguous areas of Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands. We inappropriately adjusted fees by the CPI-U adjustment instead of the weighted average of the CPI-U and the covered item update. Most corrections to the fee schedule amounts were minor resulting in overpayments ranging from \$0.01 to \$14.25 per code, with a median overpayment of \$0.17.

We recalculated the fees and we’re incorporating the corrections in the July 2025 update to the DMEPOS and PEN fee schedule files. [Attachment A](#) contains a list of the HCPCS codes and modifier combinations impacted by the July 2025 corrections. The non-contiguous fee corrections are effective starting July 1, 2025.

More Information

We issued transmittals R13257CP and R13277CP to your MAC as the official instructions for this change. For more information, find your [MAC’s website](#).

Document History

Date of Change	Description
June 20, 2025	Initial article released.

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