

<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 10865</b>	<b>Date: July 1, 2021</b>
	<b>Change Request 12345</b>

**SUBJECT: July Quarterly Update for 2021 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule**

**I. SUMMARY OF CHANGES:** The DMEPOS fee schedules are updated on a quarterly basis, when necessary, in order to implement fee schedule amounts for new and existing codes, as applicable, and apply changes in payment policies. The update process for the DMEPOS fee schedule is located in publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

**EFFECTIVE DATE: July 1, 2021**

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

**IMPLEMENTATION DATE: July 6, 2021**

*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>
N/A	N/A

**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:**

**Recurring Update Notification**

# Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 10865	Date: July 1, 2021	Change Request: 12345
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**SUBJECT: July Quarterly Update for 2021 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule**

**EFFECTIVE DATE: July 1, 2021**

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**IMPLEMENTATION DATE: July 6, 2021**

## **I. GENERAL INFORMATION**

**A. Background:** The DMEPOS fee schedules are updated on a quarterly basis, when necessary, in order to implement fee schedule amounts for new and existing codes, as applicable, and apply changes in payment policies. The update process for the DMEPOS fee schedule is located in publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

Payment on a fee schedule basis is required for certain Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by §1834(a), (h), and (i) of the Social Security Act (the Act). Additionally, payment on a fee schedule basis is a regulatory requirement at 42 Code of Federal Regulations (CFR) §414.102 for Parenteral and Enteral Nutrition (PEN), splints, casts and Intraocular Lenses (IOLs) inserted in a physician's office. The DMEPOS and PEN fee schedule files contain Healthcare Common Procedure Coding System (HCPCS) codes that are subject to fee schedule adjustments using information on the payment determined for these items under the DMEPOS Competitive Bidding Program (CBP), as well as codes that are not subject to the CBP or fee schedule adjustments.

Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for DME items included in the CBP for payment of the items in areas that are not Competitive Bidding Areas (CBAs). 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 adjusting DMEPOS fee schedule amounts under this authority are established at 42 CFR §414.210(g).

## **The Coronavirus (COVID-19) Aid, Relief, and Economic Security (CARES) Act, 2020**

Section 3712 of the CARES Act was signed into law on March 27, 2020. Additional information on section 3712 of the CARES Act is available in Transmittal 10016, change request 11784, dated May 8, 2020. Sections 3712(a) and (b) of the CARES Act, respectively, require the following:

(a) For items and services subject to the fee schedule adjustments furnished in rural or non-contiguous areas, the fee schedule amounts will continue to be based on a blend of 50 percent of the adjusted fee schedule amounts and 50 percent of the unadjusted fee schedule amounts (i.e., no change from the current fee schedule amounts) through December 31, 2020, or the duration of the COVID-19 public health emergency, whichever is later.

(b) For items and services subject to the fee schedule adjustments furnished in non-rural contiguous non-CBAs, the fee schedule amounts will be based on a blend of 75 percent of the adjusted fee schedule amounts and 25 percent of the unadjusted fee schedule amounts (i.e., an increase in the fee schedule amounts) for claims with dates of service beginning March 6, 2020, and continuing until the end of the COVID-19 public health emergency.

The ZIP code associated with the address used for pricing a DMEPOS claim determines the rural fee schedule payment applicability for codes with rural and non-rural adjusted fee schedule amounts. The DMEPOS Rural ZIP code file contains the ZIP codes designated as rural areas. ZIP codes for non-continental Metropolitan Statistical Areas (MSA) are not included in the DMEPOS Rural ZIP code file. The DMEPOS Rural ZIP code file is updated on a quarterly basis as necessary. 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 MSA. A rural area also includes any ZIP Code within an MSA that is excluded from a competitive bidding area established for that MSA. A former CBA ZIP code file contains the competitive bidding area ZIP codes used in pricing a claim for an item furnished in a CBA and will be updated on a quarterly basis as necessary.

Additional information on the 2021 DMEPOS fee schedules is available in program instructions for the January 2021 DMEPOS fee schedule, transmittal 10504, change request 12063 and the April Quarterly Update for 2021 DMEPOS fee schedule, transmittal 10681, change request 12193.

**B. Policy:** The DMEPOS fee schedule file contains fee schedule amounts for non-rural and rural areas. Additionally, the PEN fee schedule file includes state fee schedule amounts for enteral nutrition items and national fee schedule amounts for parenteral nutrition items.

For July 1, 2021, the DMEPOS fee schedule file includes updates and there are no updates to the following:

1. DMEPOS fee schedule file
2. PEN fee schedule file
3. DMEPOS Rural ZIP code file for Quarter 3, 2021
4. Former CBA fee schedule file
5. Former CBA National Mail Order diabetic testing supply fee schedule
6. Former CBA ZIP code file

The update to the DMEPOS fee schedule file will be available as Public Use Files (PUFs) for State Medicaid Agencies, managed care organizations, and other interested parties shortly after the release of the data files on the CMS website at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule>

### **Wheelchair Accessories and Seat and Back Cushions used with Complex Rehabilitative Manual Wheelchairs and Certain Manual Wheelchairs under Section 106(b) of the Further Consolidated Appropriations Act (FCAA), 2020**

During the period January 1, 2020 through June 30, 2021, section 106(b) of division N, title I of the FCAA, 2020 exempts wheelchair accessories and seat and back cushions furnished in connection with complex rehabilitative manual wheelchairs (as determined by the Secretary to be HCPCS codes K0005, E1161, E1231, E1232, E1233 and E1234) and other manual wheelchairs (identified, as of October 1, 2018, by HCPCS codes E1235, E1236, E1237, E1238, and K0008 or any successor to such codes) from the application of adjusted fee schedule amounts.

The fee schedule amounts associated with the KU modifier were not adjusted using information from the competitive bidding program for dates of service January 1, 2020 through June 30, 2021. The HCPCS codes for wheelchair accessories and seat and back cushions affected by this change are identified in Attachment A and in change request 11635. The unadjusted fee schedule amounts associated with section 106(b) of the FCAA are identified on the DMEPOS fee schedule file with the 'KU' modifier.

Effective for dates of service on or after July 1, 2021, CMS is continuing the KU modifier fee schedule amounts for wheelchair accessories (including seating systems) and seat and back cushions furnished in connection with wheelchair codes E1161, E1231, E1232, E1233, E1234, E1235, E1236, E1237, E1238, K0005 and K0008. Payment for these items when furnished in connection with a complex rehabilitative or

certain manual wheelchairs and billed with the KU modifier will continue to be based on the unadjusted fee schedule amounts updated in accordance with section 1834(a)(14) of the Act. Suppliers should continue to append the KU modifier when billing the manual wheelchair accessories and seat and back cushion codes listed in Attachment A when they are furnished in connection with manual wheelchairs codes E1161, E1231, E1232, E1233 E1234, E1235, E1236, E1237, E1238, K0005, and K0008.

## II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C S	Shared-System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
12345.1	<p>Contractors shall be aware there are no updates to the following files for the July 2021 quarterly update.</p> <ol style="list-style-type: none"> <li>1. DMEPOS fee schedule file</li> <li>2. PEN fee schedule file</li> <li>3. DMEPOS Rural ZIP code file for Quarter 3, 2021</li> <li>4. Former CBA fee schedule file</li> <li>5. Former CBA National Mail Order diabetic testing supply fee schedule</li> <li>6. Former CBA ZIP code file</li> </ol>	X	X	X	X						VDC

## III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility					
		A/B MAC			D M E M A C S	C E D I	
		A	B	H H H			
12345.2	<p>MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the "MLN Matters" listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.</p>	X	X	X	X		

#### IV. SUPPORTING INFORMATION

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

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
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**Section B: All other recommendations and supporting information: N/A**

#### V. CONTACTS

**Pre-Implementation Contact(s):** Anita Greenberg, Anita.Greenberg@cms.hhs.gov , Karen Jacobs, Karen.Jacobs@cms.hhs.gov

**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: 1**

Attachment A

Wheelchair Accessories and Seat and Back Cushions used with Complex Rehabilitative Manual Wheelchairs and Certain Manual Wheelchairs under Section 106 of the Further Consolidated Appropriations Act, 2020

HCPCS	Descriptor
E0705	Transfer Device
E0950	Tray
E0951	Loop heel
E0952	Toe loop/holder, each
E0953	W/c lateral thigh/knee sup
E0954	Foot box, any type each foot
E0955	Cushioned headrest
E0956	W/c lateral trunk/hip support
E0957	W/c medial thigh support
E0958	Whichr att- conv 1 arm drive
E0959	Amputee adapter
E0960	W/c shoulder harness/traps
E0961	Wheelchair brake extension
E0966	Wheelchair head rest extensi
E0967	Manual wc hand rim w project
E0971	Wheelchair anti-tipping devi
E0973	W/Ch access det adj armrest
E0974	W/Ch access anti-rollback
E0978	W/C acc,saf belt pelv strap
E0981	Seat upholstery, replacement
E0982	Back upholstery, replacement
E0985	W/C seat tilt mechanism
E0990	Wheelchair elevating leg res
E0992	Wheelchair solid seat insert
E0995	Wc calf rest, pad replacemnt
E1015	Shock absorber for man w/c
E1020	Residual limb support system
E1028	W/c manual swingaway
E1029	W/c vent tray fixed
E1030	W/c vent tray gimbaled
E1225	Manual semi-reclining back
E1226	Manual fully reclining back
E2201	Man w/ch acc seat w>=20" <24"
E2202	Seat width 24-27 in
E2203	Frame depth less than 22 in
E2204	Frame depth 22 to 25 in
E2205	Manual wc accessory, handrim
E2206	Man wc whl lock comp repl ea
E2207	Crutch and cane holder
E2208	Cylinder tank carrier
E2209	Arm trough each
E2210	Wheelchair bearings
E2211	Pneumatic propulsion tire
E2212	Pneumatic prop tire tube
E2213	Pneumatic prop tire insert
E2214	Pneumatic caster tire each
E2215	Pneumatic caster tire tube
E2216	Foam filled propulsion tire
E2217	Foam filled caster tire each
E2218	Foam propulsion tire each
E2219	Foam caster tire any size ea
E2220	Solid propuls tire, repl, ea
E2221	Solid caster tire repl, each
E2222	Solid caster integ whl, repl
E2224	Propulsion whl excl tire rep
E2225	Caster wheel excludes tire
E2226	Caster fork replacement only
E2228	Mwc acc, wheelchair brake
E2231	Solid seat support base
E2601	Gen w/c cushion width < 22 in
E2602	Gen w/c cushion width >=22 in
E2603	Skin protect wc cus wd <22in
E2604	Skin protect wc cus wd>=22in
E2605	Position wc cush width <22 in
E2606	Position wc cush width>=22 in
E2607	Skin pro/pos wc cus wd <22in
E2608	Skin pro/pos wc cus wd>=22in
E2611	Gen use back cush width <22in
E2612	Gen use back cush width>=22in
E2613	Position back cush wd <22in
E2614	Position back cush width>=22in
E2615	Pos back post/lat width <22in
E2616	Pos back post/lat width>=22in
E2619	Replace cover w/c seat cush
E2620	WC planar back cush wd <22in
E2621	WC planar back cush wd>=22in
E2622	Adj skin pro w/c cus wd<22in
E2623	Adj skin pro wc cus wd>=22in
E2624	Adj skin pro/pos cus<22in
E2625	Adj skin pro/pos wc cus>=22
E2626	See mobile arm sup att to wc
E2627	Arm supp att to wc ranche ty
E2628	Mobile arm supports reclinin
E2629	Friction dampening arm supp
E2630	Monosuspension arm/hand supp
E2631	Elevat proximal arm support
E2632	Offset/lat rocker arm w/ela
E2633	Mobile arm support supinator
K0015	Detach non-adjus hght armrst
K0017	Detach adjust armrest base
K0018	Detach adjust armrst upper
K0019	Arm pad each
K0020	Fixed adjust armrest pair
K0037	Hi mount flip-up footrest ea
K0038	Leg strap each
K0039	Leg strap h style each
K0040	Adjustable angle footplate
K0041	Large size footplate each
K0042	Standard size fplate rep ea
K0043	Frst lowr exten tube rep ea
K0044	Frst upper hanger bracket
K0045	Frst upr hanger brac rep ea
K0046	Elev lgrst lwr exten repl ea
K0047	Elev lgrst upr hanger rep ea
K0050	Ratchet assembly replacement
K0051	Cam rel asm ft/lgrst rep ea
K0052	Swingaway detach frrest repl
K0053	Elevate footrest articulate
K0056	Seat ht <17 or >=21 lwtw wc
K0065	Spoke protectors
K0069	Rv whl compl sol tire rep ea
K0070	Rv whl compl pne tire rep ea
K0071	Fr cstr comp pne tire rep ea
K0072	Fr cstr semi-pne tire rep ea
K0073	Caster pin lock each
K0077	Fr cstr asmb sol tire rep ea
K0105	Iv hanger
K0195	Elevating wheelchair leg rests