CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11474	**Date: June 29, 2022**
	Change Request 12796

SUBJECT: Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) - October 2022

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to provide instructions for updating the DMEPOS CBP files. These files are updated on a quarterly basis in order to implement necessary changes to the Healthcare Common Procedure Coding System, ZIP code, and single payment amount files. These requirements provide specific instruction for implementing the DMEPOS CBP files. This recurring update notification applies to chapter 23, section 100.

EFFECTIVE DATE: October 1, 2022
Unless otherwise specified, the effective date is the date of service.
IMPLEMENTATION DATE: October 3, 2022

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	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: 11474	Date: June 29, 2022	Change Request: 12796

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EFFECTIVE DATE: October 1, 2022
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I.   GENERAL INFORMATION

A.   Background: The Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) was mandated by Congress through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The statute requires that Medicare replace the current fee schedule payment methodology for selected DMEPOS items with a competitive bidding process. The intent is to improve the effectiveness of the Medicare methodology for setting DMEPOS payment amounts, which will reduce beneficiary out-of-pocket expenses and save the Medicare program money while ensuring beneficiary access to quality items and services.

B.   Policy: In implementing the DMEPOS CBP, the Centers for Medicare & Medicaid Services (CMS) issues recurring update notifications on a quarterly basis. Instructions for updating the DMEPOS CBP files are included in these transmittals. The DMEPOS CBP files are provided to the Durable Medical Equipment (DME) Medicare Administrative Contractors (MACs) and the Pricing, Data Analysis, and Coding (PDAC) contractor via CMS's mainframe telecommunication system on a quarterly basis.

The Virtual Data Center (VDC) transmits the DMEPOS CBP files when received from the Competitive Bidding Implementation Contractor (CBIC) to the ViPS Medicare System (VMS), and VMS makes the file updates available to the contractors for use in processing DMEPOS CBP claims. Automated entry of the file additions, updates or deletions are done on a quarterly basis using fully refreshed files for the following three DMEPOS CBP files: the Competitive Bidding Area (CBA) ZIP code file, the Healthcare Common Procedure Coding System (HCPCS) file, and the CBA pricing file. The CBIC transmits these three files to the CMS mainframe telecommunications system via Connect: Direct for VDC retrieval, while the VMS maintainer updates the supplier record files with the information provided in the VMS nightly extract.

For more information, see the Quarterly Updates Page (https://www.dmecompetitivebid.com/quarterlyupdates) on the CBIC website.

II.   BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
12796.1	The CBIC shall generate updated files quarterly for the CBA ZIP code file, the HCPCS file, and the CBA									CBIC

Number	Requirement	A	B	HHH	DME MAC	FISS	MCS	VMS	CWF	Other
		A/B MAC			**DME**	**Shared-System Maintainers**				**Other**
	pricing file and transmit them to the VDC.									
12796.2	The VDC shall retrieve the following files from the CMS mainframe telecommunications system via Connect: Direct on a quarterly basis: CBA ZIP Code File HCPCS File CBA Pricing File									PDAC, VDC
12796.3	During the testing phase of this Change Request (CR), the VDC shall retrieve the CBA ZIP code file, HCPCS File, and the CBA Pricing File via Connect: Direct under the following dataset names: T#EFT.ON.CBAZIPQ.C22Q04 T#EFT.ON.PRICEQ.C22Q04 T#EFT.ON.HCATGQ.C22Q04									PDAC, VDC
12796.4	During the production phase of this CR, the VDC shall transmit the CBA ZIP code file, HCPCS File and the CBA Pricing File to VMS via Connect: Direct under the following dataset names: P#EFT.ON.CBAZIPQ.C22Q04 P#EFT.ON.PRICEQ.C22Q04 P#EFT.ON.HCATGQ.C22Q04									PDAC, VDC
12796.5	The VDC shall automate the retrieval process for refreshing these files quarterly.									PDAC, VDC
12796.6	The DME MACs, PDAC contractor, and VDC shall load these files quarterly.				X					PDAC, VDC
12796.7	The VDC shall receive notice via technical direction in the event the dataset names listed in business requirements 210249D.3 and 210249D.4 are changed for any reason.									PDAC, VDC
12796.8	The Fiscal Intermediary Shared System (FISS) shall pull in the correct files for reason code 31716.					X				

Number	Requirement	Responsibility									
		A/B MAC			D M E MAC	Shared-System Maintainers				Other	
		A	B	HHH		FISS	MCS	VMS	CWF		

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	None					

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:

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

V. CONTACTS

Pre-Implementation Contact(s): Jessica Slater, 410-786-1891 or jessica.slater@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 0