

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 13805	Date: June 18, 2026
	Change Request 14513

SUBJECT: July Quarterly Update for 2026 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to update the DMEPOS fee schedule 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, 2026

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

IMPLEMENTATION DATE: July 6, 2026

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

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II. GENERAL INFORMATION

A. Background: Payment on a fee schedule basis is required for certain Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by subsections §1834(a), (h), and (i) of the Social Security Act (the Act). Also, 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 fee schedule file also includes national payment amounts for lymphedema compression treatment items established in accordance with §1834(z) of the Act and regulations at 42 CFR §414.1650.

Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for DME items included in the DMEPOS Competitive Bidding Program (CBP) for payment of the items in areas that are not included in the CBP. Sections 1834(h)(1)(H)(ii), 1842(s)(3)(B) and 1834(z)(3) of the Act provide authority to adjust the fee schedule amounts for off-the-shelf orthotics, braces, and enteral nutrients, equipment, and supplies (enteral nutrition), based on information from the DMEPOS CBP and the national payment amounts for lymphedema compression treatment items. The methodologies for adjusting DMEPOS fee schedule and national payment amounts are established at 42 CFR §414.210(g). 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 CBP, as well as codes that are not subject to the CBP or fee schedule adjustments.

1. Payment for Items Furnished in Former Competitive Bidding Areas

Beginning January 1, 2024, there is a gap period in the DMEPOS CBP. All Medicare Round 2021 DMEPOS CBP contracts for Off-the-Shelf (OTS) back braces and OTS knee braces expired on December 31, 2023. Additional information on the gap period is available at <https://www.cms.gov/medicare/payment/fee-schedules/dmepos-competitive-bidding>.

During the gap period, payment for items and services that were included in the CBP are equal to 80 percent of the lesser of the supplier's charge or the fee schedule amount for the item. Pursuant to §414.210(g)(10), the fee schedules for items and services furnished in former Competitive Bidding Areas (CBAs) are based on the Single Payment Amounts (SPAs) 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 Urban (CPI-U) for the 12-month period on the date after the contract periods ended. The fee schedule amounts are

increased once every 12 months on the anniversary date of the first day after the contract period ended with the CPI-U.

For Calendar Year (CY) 2026, for items where contracts were awarded in Round 2021, the fee schedule amounts for items furnished in areas that were CBAs as of December 31, 2023, are adjusted based on the SPAs for each specific CBA, increased by the projected percentage change in the CPI-U of 2.8 percent for the 12-month period ending January 1, 2026. Also, for items that were included in Round 2021 but where contracts were not awarded in Round 2021 of the CBP, the 2025 adjusted fee schedule amounts are increased by the projected CPI-U of 2.8 percent for CY 2026.

A former CBA ZIP code file contains the CBA ZIP codes used in pricing a claim for an item furnished in a CBA and will be updated on a quarterly basis as necessary. The former CBA ZIP code file includes the ZIP codes for the CBAs included in Round 2021.

2. DMEPOS Rural Zip Codes

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 fee schedule amounts adjusted in accordance with §414.210(g). The DMEPOS Rural ZIP code file contains the ZIP codes designated as rural areas. ZIP codes for non-contiguous Metropolitan Statistical Areas (MSAs) 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 Metropolitan Statistical Area (MSA). A rural area also includes any low population density ZIP Code within an MSA that is excluded from a CBA established for that MSA.

B. Policy: This instruction provides updates for the following files:

1. DMEPOS fee schedule file
2. DMEPOS Rural ZIP code file (Quarter 3)
3. Former CBA fee schedule file
4. Former CBA National Mail Order diabetic testing supply fee schedule
5. Former CBA ZIP Code

There are no updates to the DMEPOS Parenteral and Enteral Nutrition (PEN) fee schedule file this quarter.

Updates to the Medicare DMEPOS fee schedule files are available as Public Use Files (PUFs) for State Medicaid Agencies, managed care organizations, and other interested parties on the CMS website at <https://www.cms.gov/medicare/payment/fee-schedules/dmepos/dmepos-fee-schedule>.

FDA Reclassification of Non-Invasive Osteogenesis Stimulators

The Food and Drug Administration (FDA) reclassified non-invasive bone growth stimulators from class III to class II, effective May 18, 2026. The FDA final order (91 FR 20352), published in the **Federal Register** on April 16, 2026 is available at: <https://www.federalregister.gov/documents/2026/04/16/2026-07366/physical-medicine-devices-reclassification-of-non-invasive-bone-growth-stimulators>.

Beginning May 18, 2026, the non-invasive bone growth stimulators (also known as osteogenesis stimulators) described by the following HCPCS Level II codes are classified as class II devices:

E0747 Osteogenesis Stimulator, Electrical, Non-Invasive, Other than Spinal Applications

E0748 Osteogenesis Stimulator, Electrical, Non-Invasive, Spinal Applications

E0760 Osteogenesis Stimulator, Low Intensity Ultrasound, Non-Invasive

The KF modifier is appended to claims for items that are designated by the FDA as class III devices. Beginning with dates of service on or after May 18, 2026, claims for HCPCS Level II codes E0747, E0748, and E0760 must be billed without the KF modifier or they will be rejected. Claims for these codes with dates of service before May 18, 2026 must continue to be billed with the KF modifier and will be rejected if the KF modifier is excluded.

The FDA reclassification also affects the fee schedules for these codes, as the statute mandates different annual covered item updates for class II and class III devices. Prior to May 18, 2026, the fee schedules for codes E0747, E0748, and E0760 reflected the class III covered item updates associated with the KF modifier. To align with the FDA reclassification final order, the fee schedules for codes E0747, E0748 and E0760 are recalculated as part of this update to remove the class III covered item updates and the KF modifier designation.

III. 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	
14513.1	The CMS shall notify the Medicare contractors via e-mail when the revised payment data in the cloud is available for their retrieval.									CMS, PCS
14513.2	The A/B MACs Part A, A/B MACs for Home Health and Hospice (HHH) shall retrieve the DMEPOS FI fee schedule data from the cloud service and implement it into their testing and production regions. The cloud data will be available on or after June 11, 2026.	X		X						Hybrid Cloud Data Center (HCDC)
14513.3	The DME MACs shall and the A/B MACs Part B may retrieve the DMEPOS fee schedule data from the cloud service and implement it into their testing and production regions. The cloud data will be available on or after June 11, 2026.		X		X					Hybrid Cloud Data Center (HCDC)

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CFW	
14513.3.1	Upon email notification from CMS, Data Centers shall download the DMEPOS revised payment data from the cloud service and work with Part B MACs to implement it into their testing and production regions.		X							Hybrid Cloud Data Center (HCDC)
14513.4	The A/B MACs Part A, A/B MACs for Home Health and Hospice (HHH), A/B MACs Part B, DME MACs and/or HCDC shall retrieve the 2026 Rural ZIP code data from the cloud service on or after June 11, 2026.	X	X	X	X					Hybrid Cloud Data Center (HCDC)
14513.5	Contractors shall use the DMEPOS payment data in business requirements 14513.2 and 14513.3 and the Rural Zip code cloud data in requirement 14513.4 retrieved from the cloud service to pay claims for items with dates of service beginning July 1, 2026.	X	X	X	X					
14513.6	Beginning with dates of service on or after May 18, 2026, DME MACs shall ensure that claims for HCPCS Level II codes E0747, E0748 and E0760 are billed without the KF modifier.				X					

IV. PROVIDER EDUCATION

Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.

Impacted Contractors: DME MAC

V. 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

VI. CONTACTS

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

VII. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0