

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1008	Date: December 23, 2011
	Change Request 7498

NOTE: Transmittal 1007, dated December 22, 2011, is being rescinded and replaced by Transmittal 1008 dated December 23, 2011 to correct the effective date from January 1, 2011 to January 1, 2012. All other information remains the same.

SUBJECT: Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program: Allowing Contract or Non-contract Suppliers to Maintain and Service the Enteral Nutrition Equipment that They Provided in the 15th Continuous Month of Rental

I. SUMMARY OF CHANGES: This Change Request (CR) will allow the shared system maintainer to pay maintenance and servicing to both contract and non-contract suppliers for the enteral pumps that they furnish to beneficiaries in the 15th month of continuous service.

EFFECTIVE DATE: January 1, 2012

IMPLEMENTATION DATE: January 3, 2012

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:

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

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

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SUBJECT: Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program: Allowing Contract or Non-contract Suppliers to Maintain and Service the Enteral Nutrition Equipment that They Provided in the 15th Continuous Month of Rental

Effective Date: January 1, 2012

Implementation Date: January 3, 2012

I. GENERAL INFORMATION

A. Background:

Under the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program, beneficiaries with Original Medicare who obtain competitive bidding items in designated competitive bidding areas (CBAs) are required to obtain these items from a contract supplier, unless an exception applies. Section 30.7 of Chapter 20 of the Medicare Claims Processing Manual (Pub. 100-02) states that the supplier that collects the last month of rental (i.e., 15th month) for an enteral nutrition pump is responsible for continuing to furnish, maintain and service the pump after the 15th rental month. Business requirement 5487.10.1 of The National Competitive Bidding (NCB)—Phase III of Implementation Change Request (CR) 5487, states that maintenance and servicing may be performed by any supplier, regardless of their status as a winning or non-winning supplier.

B. Policy:

If an enteral nutrition pump was rented for less than 15 continuous months by a non-contract supplier at the time of the implementation of the competitive bidding program, the rental of the pump will transition to a contract supplier. The contract supplier will be paid the remainder of the rental months and subsequent maintenance and servicing payments.

If an enteral nutrition pump was rented for at least 15 continuous months at the time of the implementation of the competitive bidding program, the contract or non-contract supplier that provided the item in the 15th month of the rental period is responsible for furnishing, maintaining and servicing the enteral nutrition equipment after the 15th rental month until medical necessity ceases or the end of the reasonable useful lifetime (RUL) of the equipment is reached, whichever is earlier.

For non-contract suppliers that received payment for the 15th rental month prior to the implementation of the competitive bidding program, the Medicare payment amount for maintenance and servicing of enteral nutrition equipment is equal to 50 percent of the fee schedule amount for one month's rental of enteral nutrition equipment. For contract suppliers, the Medicare payment amount for maintenance and servicing of enteral nutrition equipment is equal to 5 percent of the single payment amount for the purchase of enteral nutrition equipment.

Prior to making payment to the non-contract supplier for maintenance and servicing, the contractors must verify that the non-contract supplier received payment for the 15th rental month prior to the start of a competitive bidding round.

This Change Request (CR) will allow the shared system maintainer to pay maintenance and servicing to both contract and non-contract suppliers for the enteral pumps that they furnish to beneficiaries in the 15th month of continuous service. The CR includes instructions to reprocess claims with dates of service between January 1, 2011 and December 31, 2011.

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 A C	F I	C A R I E R	R H I	Shared-System Maintainers			
						F I S S	M C S	V M S	C W F	
7498.1	Contractors shall pay claims submitted by a National Competitive Bidding (NCB) contract or non-contract supplier for the maintenance and servicing of enteral nutrition pumps, provided that the supplier furnished the pump to the beneficiary in the 15 th month of continuous rental and provided that, in the case of a non-contractor supplier, the 15 th month of rental occurred before the start of the competitive bidding round.		X					X		
7498.1.1	Contractors shall deny claims submitted by non-contract suppliers for the maintenance and servicing specified in 7498.1 if the supplier did not provide the item in the 15 th month of the rental period or if the 15 th month occurred on or after the start of the competitive bidding round.		X					X		
7498.1.2	Contractors shall use the following remittance advice messages, Medicare Summary Notice messages and group code for the denial specified in 7498.1.1: 96: Non-covered charge(s). M115: This item is denied when provided to this patient by a non-contract or non-demonstration supplier. M114: This service was processed in accordance with rules and guidelines under the DMEPOS Competitive Bidding Program or other Demonstration Project. For more information		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:
7498.1, 7498.2.2, 7498.3	Contractors shall follow previously issued guidelines for allowing payments for maintenance and servicing of capped rental items beginning 6 months after the rental payment for the equipment and no more often than once every 6 months for actual incidents of maintenance where the equipment requires repairs and/or extensive maintenance.
7498.1, 7498.2.1	The DMEPOS Competitive Bidding Program Round One Rebid was implemented on January 1, 2011. Maintenance and servicing of enteral nutrition pumps may only be paid to a non-contract supplier when the item was rented for at least 15 continuous months at the time of implementation of the NCB and the supplier provided the equipment in the 15 th month of the rental period.

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): For payment policy questions contact Janae James at 410-786-0801 or by e-mail at Janae.James@cms.hhs.gov. For claims processing questions contact Bobbett Plummer at 410-786-3321 or Bobbett.Plummer@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), 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.