

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 948</b>	<b>Date: August 12, 2011</b>
	<b>Change Request 7498</b>

**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, 2011**

**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/revise 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	

**III. FUNDING:**

**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.

**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

Pub. 100-20	Transmittal: 948	Date: August 12, 2011	Change Request: 7498
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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 15<sup>th</sup> Continuous Month of Rental**

**Effective Date:** January 1, 2011

**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., 15<sup>th</sup> month) for an enteral nutrition pump is responsible for continuing to furnish, maintain and service the pump after the 15<sup>th</sup> 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 15<sup>th</sup> month of the rental period is responsible for furnishing, maintaining and servicing the enteral nutrition equipment after the 15<sup>th</sup> 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 15<sup>th</sup> 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 15<sup>th</sup> 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 15<sup>th</sup> 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 E  M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
						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 <sup>th</sup> month of continuous rental and provided that, in the case of a non-contractor supplier, the 15 <sup>th</sup> 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 <sup>th</sup> month of the rental period or if the 15 <sup>th</sup> month occurred on or after the start of the competitive bidding round.		X						X		
7498.1.1.2	Contractors shall use the following remittance advice messages, Medicare Summary Notice messages and group code for the denial specified in 7498.1.1.1:  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 regarding this project, contact your local contractor.  N211: Alert: You may not appeal this decision.		X						X		



Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
7498.3	Contractors shall reprocess previously denied DMEPOS Competitive Bidding Program claims submitted by non-contract suppliers for maintenance and servicing of enteral nutrition services with dates of service between January 1, 2011 and December 31, 2011, if the claims should have been paid in accordance with 7498.1 and if the claims are submitted and annotated as adjustments by the supplier.		X						X		

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R R I E R	R H I	Shared-System Maintainers				OTH ER
							F I S S	M C S	V M S	C W F	
7498.4	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>		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.

<b>X-Ref Requirement Number</b>	<b>Recommendations or other supporting information:</b>
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 <sup>th</sup> 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](mailto:Janae.James@cms.hhs.gov). For claims processing questions contact Bobbett Plummer at 410-786-3321 or [Bobbett.Plummer@cms.hhs.gov](mailto: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.