CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 12228	**Date: August 31, 2023**
	Change Request 13343

SUBJECT: October Quarterly Update for 2023 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to update on a quarterly basis the DMEPOS fee schedules, 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: October 1, 2023
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: October 2, 2023

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: 12228	Date: August 31, 2023	Change Request: 13343

SUBJECT: October Quarterly Update for 2023 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

EFFECTIVE DATE: October 1, 2023
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: October 2, 2023

I. GENERAL INFORMATION

A. Background: 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.

Payment on a fee schedule basis is required for certain Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by Subsection (§)1834(a), (h), and (i) of the Social Security Act (the Act). In addition, 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 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).

1. The Coronavirus (COVID-19) Aid, Relief, and Economic Security (CARES) Act, 2020 and the Consolidated Appropriations Act, 2023

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.

On December 29, 2022, the Consolidated Appropriations Act (CAA), 2023 was signed into law. Section 4139 of this legislation requires that the fee schedule amounts for items and services furnished in non-rural contiguous non-CBAs continue to be based on a blend of 75 percent of the adjusted fee schedule amounts and 25 percent of the unadjusted fee schedule amounts for claims with dates of service for the remainder of the COVID-19 public health emergency or December 31, 2023, whichever is later. Also, payment for items and services subject to the fee schedule adjustments furnished in rural and non-contiguous areas continues to be based on a blend of 50 percent of the adjusted fee schedule amounts and 50 percent of the unadjusted fee schedule amounts in accordance with 42 CFR 414.210(g)(9) for claims with dates of service for the remainder of the COVID-19 public health emergency or December 31, 2023, whichever is later. The COVID-19 public health emergency ended on May 11, 2023. Therefore, in accordance with the provisions of the CAA of 2023, payment for items and services furnished in all areas (i.e., rural, non-contiguous and non-rural contiguous non-CBAs) will continue to be adjusted in the manner required by CAA for claims with dates of service through December 31, 2023.

2. Fee Schedule Adjustment Relief for Rural and Non-Contiguous Areas

On December 28, 2021, the Centers for Medicare & Medicaid Services (CMS) published a Medicare DMEPOS final rule in the Federal Register (86 FR 73860) docket rule number CMS-1738-F/CMS1687-F/CMS-5531-F. In accordance with this final rule, although the methodology for the 50/50 blended rates described above were initially transitional rates, the methodology is used to establish the fully adjusted fee schedule amounts for rural and non-contiguous non-CBA areas for items furnished beginning on the date immediately following the duration of the emergency period or December 31, 2023, whichever is later. The COVID-19 public health emergency ended on May 11, 2023. The final rule is available at https://www.cms.gov/medicare/medicare-fee-for-service-payment/dmeposfeesched

3. 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 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.

4. Additional information on the 2023 DMEPOS fee schedules is available in program instructions:

January 2023 Update for DMEPOS Fee Schedule, Transmittal 11722, Change Request 13006

April 2023 Update for DMEPOS Fee Schedule, Transmittal 11910, Change Request 13153

July 2023 Update for DMEPOS Fee Schedule, Transmittal 12068, Change Request 13235

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

1. DMEPOS fee schedule file for October 2023 (Quarter 4)

2. DMEPOS Rural ZIP code file for October 2023 (Quarter 4)

These updates will be available as Public Use Files (PUFs) for State Medicaid Agencies, managed care organizations, and other interested parties on the CMS website at www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule

Codes Added

New DMEPOS codes added to the Healthcare Common Procedure Coding System file (HCPCS) file, effective October 1, 2023, are listed in the business requirements below.

Codes Deleted

No codes are deleted from the DMEPOS fee schedule file effective October 1, 2023.

New Fee Schedule Amounts

Fee schedules amounts are added to the DMEPOS fee schedule file for new and revised HCPCS codes:

E0490

E0491

L1681

L5991

The fee schedule category listed in the DMEPOS file for some of these items may reflect revisions for benefit category determinations made using the procedures at 42 CFR §414.114 and §414.240.

Pursuant to regulations for DMEPOS items and services at 42 CFR §414.114 and §414.240, CMS obtained public consultation on national Medicare benefit category determinations and/or payment determinations for these codes during CMS' First Biannual 2023 Non-Drug and Non-Biological Items and Services HCPCS code application review cycle**.** A narrative summary for the Medicare benefit category and/or payment determinations for these items is available on the CMS website at www.cms.gov/medicare/coding/medhcpcsgeninfo/prior-years-cms-hcpcs-levelii-coding-decisions-narrative-summary

New HCPCS and DMEPOS Fee Schedule Indicators for Lymphedema Compression Treatment Items

Effective for items furnished on or after January 1, 2024, section 4133(a)(1) of the Consolidated Appropriations Act amends section 1861 of the Act adding coverage under a new benefit category under Medicare Part B for lymphedema compression treatment items. Beginning with the January 2024 file updates, CMS will add three new indicators to identify lymphedema compression treatment items:

On the Healthcare Common Procedure Coding System (HCPCS) file:

1. New HCPCS pricing indicator of '40'

2. New HCPCS Berenson-Eggers Type of Service (BETOS) code of 'O1L' will identify Lymphedema compression treatment items.

On DMEPOS fee schedule file:

3. New payment category indicator of ‘LC’ will identify Lymphedema compression treatment items.

As part of the Calendar Year 2024 (January) Update for DMEPOS Fee Schedule program instructions, Publication 100-04 Medicare Claims Processing Manual, Chapter 23, Section 60.1 Record Layout for DMEPOS Fee Schedule will be updated to add the new ‘LC’ payment category indicator for Lymphedema compression treatment items.

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	
13343.1	The DME MACs, A/B MACs Part B and/or Virtual Data Center (VDC) shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T230101.V0914) The file is available for download on or after September 14, 2023.		X		X					VDC
13343.1.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).		X		X					VDC
13343.2	The A/B MACs Part A, A/B MACs Part Home Health and Hospice (HHH) and/or VDC shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T230101.V0914.FI). The file is available for download on or after September 14, 2023.	X		X						VDC
13343.2.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).	X		X						VDC
13343.3	The DME MACs, A/B MACs Part B, A/B MACs Part A, A/B MACs Part HHH and/or the Virtual Data	X	X	X	X					VDC

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	Centers (VDCs) shall retrieve the 2023 Rural ZIP code file (filename: MU00.@DMECBIC.RURZIP. C23Q04.V0914) on or after September 14, 2023.									
13343.3.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).	X	X	X	X					VDC
13343.4	Contractors shall use the DMEPOS files in requirements 13343.1, 13343.2, and the Rural Zip code file in requirement 13343.3 to pay claims for items with dates of service beginning October 1, 2023.	X	X	X	X					
13343.5	Contractors shall be aware the HCPCS codes listed below are being added to the HCPCS effective October 1, 2023, and shall be added to the Common Working File (CWF) categories (category codes in parentheses) and systems where necessary as follows: A9156 (60) DME MACs A9268 (60) DME MACs A9269 (60) DME MAC A9292 (67) A/B MACs B4148 (15, 60) DME MACs E0490 (01, 60) DME MACs E0491 (16, 60) DME MACs K1036 (60) DME MACs L1681 (03, 60) DME MACs L5991 (03, 60) DME MACs V2526 (60) DME		X		X				X	

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
13343.6	CWF shall add the HCPCS codes below to the CWF categories specified: E1905 (1)								X	
13343.7	CWF shall remove the HCPCS codes below from the CWF categories specified: E0676 (1)								X	

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
13343.8	Medicare Learning Network® (MLN): CMS will market provider education content through the MLN Connects® newsletter shortly after CMS releases the CR. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 instructions for distributing the MLN Connects newsletter information to providers and link to relevant information on your website. You may supplement MLN content with your local information after we release the MLN Connects newsletter. Subscribe to the "MLN Connects" listserv to get MLN content notifications. You don't need to separately track and report MLN content releases when you distribute MLN Connects newsletter content per the manual section referenced above.	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:

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

V. CONTACTS

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: 0