Medicare Learning Network
MLN Matters®
CMS CENTERS for MEDICARE & MEDICAID SERVICES
Information for Medicare Fee-for-Service Health Care Professionals

News Flash – The Centers for Medicare & Medicaid Services (CMS) is now soliciting bids for the Round 1 Rebid of the Medicare Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program. **All bids must be submitted in DBidS, the on-line bidding system, by 9 p.m. prevailing Eastern Time on December 21, 2009; all required hardcopy documents that must be included as part of the bid package must be postmarked by 11:59 p.m. on December 21, 2009.** The Round 1 Rebid competitive bidding areas (CBAs), product categories, DBidS information, bidder charts, educational materials, complete RFB instructions, and registration information, can all be found at ***http://www.dmecompetitivebid.com***, which is the Competitive Bidding Implementation Contractor (CBIC) website.

MLN Matters® Number: MM6678 | **Related Change Request (CR) #: 6678**

Related CR Release Date: November 6, 2009 | **Effective Date: April 1, 2010**

Related CR Transmittal #: R592OTN | **Implementation Date: April 5, 2010**

Round One Rebid of the Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program—Phase 8C of Implementation: Repairs and Replacements

Provider Types Affected

This article is for Medicare Durable Medical Equipment Prosthetic, Orthotics & Supplies (DMEPOS) suppliers who submit claims for Medicare payment to DME Medicare Administrative Contractors (DME MACs).

Provider Action Needed

This article is based on Change Request (CR) 6678 which provides instructions for contractors to allow any supplier with a valid Medicare billing number to furnish and bill for services (labor and parts) associated with the repair of DME or enteral nutrition equipment owned by beneficiaries in a competitive bidding area (CBA). It also requires a supplier that replaces an item that is subject to the DMEPOS Competitive Bidding Program to be a contract supplier. Please make sure your billing staff know about the modifier changes related to repair and replacement of DME and DME parts. Those modifier changes are discussed in this article.

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Background

The Medicare DMEPOS Competitive Bidding Program was established by section 302(b)(1) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Pub. L. 108-173) which amended section 1847 of the Social Security Act (the Act) to require the Secretary of the Department of Health and Human Services to establish and implement programs under which CBAs are established throughout the United States for contract award purposes for the furnishing of certain competitively priced items and services for which payment is made under Medicare Part B.

CR6678 provides instructions to the DME MACs for processing claims submitted with the new repair and replacement modifiers under the DMEPOS Competitive Bidding Program Round One Rebid. Specifically, the existing modifier for repairs and replacement of DME items, RP, was deleted from the Health Care Common Procedure Code Set (HCPCS), effective December 31, 2008. To distinguish between the repair and the replacement of an item, the following two modifiers were added to the HCPCS on January 1, 2009:

- RA – Replacement of a DME item; and
- RB – Replacement of a part of DME furnished as part of a repair

The new RA modifier will be used in the DMEPOS Competitive Bidding Program to identify claims for the replacement of an entire competitive bid item. The RB modifier will be used to denote the replacement of a part for repair purposes.

CR 6678 provides instructions to allow any supplier with a valid Medicare billing number to furnish and bill for services (labor and parts) associated with the repair of DME or enteral nutrition equipment owned by beneficiaries in a CBA. In these situations, Medicare payment for labor will be made based on the standard payment rules. Medicare payment for replacement parts associated with repairing competitively bid DME or enteral nutrition equipment, that are submitted with the RB modifier, will be based on the single payment amount for the part if the part and equipment being repaired are included in the same competitive bidding product category in the CBA. Otherwise, Medicare payment for replacement parts associated with repairing equipment owned by the beneficiary will be made based on the standard payment rules.

CR 6678 also requires a supplier that replaces an entire item, submitted with the RA modifier that is subject to the DMEPOS Competitive Bidding Program, to be a contract supplier. For these items, Medicare payment will be based on the single payment amount for the item in the beneficiary's CBA.

Additional Information

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If you have questions, please contact your Medicare DME MAC at their toll-free number which may be found at ***http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip*** on the Centers for Medicare & Medicaid Services (CMS) website. The official instruction (CR6678) issued to your Medicare DME MAC may be found at ***http://www.cms.hhs.gov/Transmittals/downloads/R592OTN.pdf*** on the CMS website.

In addition, all providers may find more detailed information about the competitive bidding program at ***http://www.cms.hhs.gov/DMEPOSCompetitiveBid/*** on the CMS website.

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