

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 10565	Date: January 20, 2021
	Change Request 12128

SUBJECT: Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) - April 2021

I. SUMMARY OF CHANGES: The DME CBP files are updated on a quarterly basis in order to implement necessary changes to the healthcare common procedure coding system, zip code, single payment amount, and supplier files. These requirements provide specific instruction for implementing the DMEPOS CBP files. This recurring update notification applies to chapter 23, section 100.

EFFECTIVE DATE: April 1, 2021

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

IMPLEMENTATION DATE: April 5, 2021

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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EFFECTIVE DATE: April 1, 2021

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IMPLEMENTATION DATE: April 5, 2021

I. GENERAL INFORMATION

A. Background: The Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) was mandated by Congress through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. The statute requires that Medicare replace the current fee schedule payment methodology for selected DMEPOS items with a competitive bidding process. The intent is to improve the effectiveness of the Medicare methodology for setting DMEPOS payment amounts, which will reduce beneficiary out-of-pocket expenses and save the Medicare program money while ensuring beneficiary access to quality items and services.

B. Policy: In implementing the DMEPOS CBP, the Centers for Medicare & Medicaid Services (CMS) issues recurring update notifications on a quarterly basis. Instructions for updating the DMEPOS competitive bidding files are included in these transmittals. The competitive bidding files are provided to the DME Medicare Administrative Contractors (MACs) and the Pricing, Data Analysis and Coding (PDAC) contractor via CMS' mainframe telecommunication system on a quarterly basis. The Virtual Data Center (VDC) transmits the aforementioned files when received from the Competitive Bidding Implementation Contractor (CBIC) to the ViPS Medicare System (VMS), and VMS makes the file updates available to the contractors for use in processing DMEPOS CBP claims. Automated entry of the file additions, updates or deletions are done on a quarterly basis using fully refreshed files, for the following three files: the Competitive Bidding Area (CBA) zip code file, the Healthcare Common Procedure Coding System (HCPCS) file, and the CBA pricing file. The VMS maintainer updates the supplier record files with the information provided in the VMS nightly extract. The CBIC transmits the quarterly files listed above to the CMS mainframe telecommunications system via Connect: Direct for VDC retrieval.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility									
		A/B MAC			D M E	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		
12128.1	The CBIC shall generate updated files quarterly for the CBA zip code file, the HCPCS file, and the CBA pricing file and transmit them to the Virtual Data Center (VDC).									CBIC	

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
12128.2	The VDC shall retrieve the following files from the CMS mainframe telecommunications system via Connect: Direct on a quarterly basis: CBA ZIP Code File HCPCS File CBA Pricing File									PDAC, VDC
12128.3	During the testing phase of this Change Request (CR), the VDC shall retrieve the CBA zip code file, HCPCS File, and the CBA Pricing File via Connect: Direct under the following dataset names: T#EFT.ON.CBAZIPQ.C21Q02 T#EFT.ON.PRICEQ.C21Q02 T#EFT.ON.HCATGQ.C21Q02									PDAC, VDC
12128.4	During the production phase of this CR, the VDC shall transmit the CBA zip code file, HCPCS File and the CBA Pricing File to VMS via Connect: Direct under the following dataset names: P#EFT.ON.CBAZIPQ.C21Q02 P#EFT.ON.PRICEQ.C21Q02 P#EFT.ON.HCATGQ.C21Q02									PDAC, VDC
12128.5	The VDC shall automate the retrieval process for refreshing these files quarterly.									PDAC, VDC
12128.6	The Durable Medicare Equipment (DME) Medicare Administrative Contractors (MACs), Pricing, Data Analysis and Coding (PDAC) and VDC shall load these quarterly files.				X					PDAC, VDC
12128.7	The VDC shall receive notice via technical direction in the event the dataset names listed in business requirements 12128.3 and 12128.4 are changed for any reason.									PDAC, VDC
12128.8	FISS shall pull in the correct files for reason code 31716.					X				

Number	Requirement	Responsibility									
		A/B MAC			D M E M A C	Shared- System Maintainers				Other	
		A	B	H H H		F I S S	M C S	V M S	C W F		

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
12128.9	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the “MLN Matters” listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.				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

Pre-Implementation Contact(s): Jessica Slater, 410-786-1891 or jessica.slater@cms.hhs.gov

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

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):

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ATTACHMENTS: 0