

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 11619	Date: September 29, 2022
	Change Request 12918

SUBJECT: October Quarterly Update for 2022 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

I. SUMMARY OF CHANGES: The purpose of this change request 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, 2022

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

IMPLEMENTATION DATE: October 3, 2022

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: 11619	Date: September 29, 2022	Change Request: 12918
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EFFECTIVE DATE: October 1, 2022

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

IMPLEMENTATION DATE: October 3, 2022

I. GENERAL INFORMATION

A. Background: The DMEPOS fee schedules are updated 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 §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).

The Coronavirus (COVID-19) Aid, Relief, and Economic Security (CARES) Act, 2020

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. The fees in the April 2022 fee schedule update continue to reflect the requirements of the CARES Act. 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.

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.

Additional information on the 2022 DMEPOS fee schedules is available in program instructions:

1. January 2022 Update for DMEPOS Fee Schedule, Transmittal 11137, Change Request 12521
2. April 2022 Quarterly Update for DMEPOS Fee Schedule, Transmittal 11292, Change Request 12654
3. July 2022 Quarterly Update for DMEPOS Fee Schedule, Transmittal 11451, Change Request 12772

B. Policy:

This recurring update notification provides instructions for the October 2022 DMEPOS fee schedule file contains fee schedule amounts for non-rural and rural areas. In addition, the PEN fee schedule file includes state fee schedule amounts for enteral nutrition items and national fee schedule amounts for parenteral nutrition items.

This recurring update notification provides updates for the following files:

1. DMEPOS fee schedule file for Quarter 4, 2022
2. DMEPOS Rural ZIP code file for Quarter 4, 2022
3. No updates to the PEN fee schedule file for Quarter 4, 2022

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

Specific Coding and Pricing Issues

New Codes Added

New DMEPOS codes added to the HCPCS file, effective October 1, 2022 are listed in Business Requirement (BR) 12918.5 of this instruction. The new codes are not to be used for billing purposes until they are effective on October 1, 2022.

Codes Deleted

No codes are deleted from the DMEPOS fee schedule file effective October 1, 2022.

As part of this update, fee schedules amounts are added to the DMEPOS fee schedule file for new and revised HCPCS codes: A4238, A4596, E0183, E2102, K1002, K1014, K1016-K1018, K1020, K1022, K1024-K1025,

K1031-K1033, L2006, V2524. The fee schedule category listed in the 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.

CMS obtained public consultation on national Medicare benefit category determinations and/or payment determinations for these codes at the June 7 – 10, 2022 HCPCS Public Meetings using the process established by regulations for DMEPOS items and services at 42 CFR 414.114 and 414.240 for the B1 2022 Non-Drug and Non-Biological Items and Services Coding Cycle. A narrative summary for the Medicare benefit category and/or payment determinations for these items is available on the CMS website at

<https://www.cms.gov/Medicare/Coding/MedHCPCSGenInfo/Prior-Years-CMS-HCPCS-LevelII-Coding-Decisions-Narrative-Summary>

Continuous Glucose Monitors (CGMs)

On December 28, 2021, the Centers for Medicare & Medicaid Services (CMS) published the Medicare DMEPOS final rule in the **Federal Register** (CMS-1738-F/CMS1687-F/CMS-5531-F) that addressed the classification and payment of adjunctive CGMs under the Medicare Part B benefit for DME. The final rule is available at <https://www.cms.gov/medicare/medicare-fee-for-service-payment/dmeposfeesched>

This rule expanded the classification of DME to a larger group of non-implantable CGMs, regardless of whether the CGMs are non-adjunctive (can alert patients when glucose levels are approaching dangerous levels, including while they sleep and also replace blood glucose monitors) or adjunctive (can alert patients when glucose levels may be approaching dangerous levels, including while they sleep but do not replace blood glucose monitors), as long as the CGMs otherwise satisfy the regulatory definition of DME.

Effective April 1, 2022, codes A4238 (Supply allowance for adjunctive CGM, includes all supplies and accessories, 1month supply = 1 unit of service) and E2102 (Adjunctive Continuous Glucose Monitor or Receiver) were added to the HCPCS file to describe adjunctive CGM receivers and supplies and accessories. Additional information on the coding and payment for adjunctive CGMs is available in the April 2022 DMEPOS Fee Schedule Change Request, Transmittal 11292, CR 12654.

CMS obtained additional public consultation on the adjunctive continuous glucose monitor and related supplies and accessories at a June 8, 2022 HCPCS Public Meeting. A narrative summary for the B1 2022 Non-Drug and Non-Biological Items and Services Coding Cycle is available on the CMS website at

<https://www.cms.gov/Medicare/Coding/MedHCPCSGenInfo/Prior-Years-CMS-HCPCS-LevelII-Coding-Decisions-Narrative-Summary>

In consideration of the public consultation, the effective date for coding changes for new and revised CGM codes A4238, A9276, A9277, A9278, E2102, K0553, K0554 will be delayed until January 1, 2023 and instructions will be included in a future change request for the calendar year 2023 update for the DMEPOS fee schedule.

The following payment determinations are added to the DMEPOS fee schedule file effective October 1, 2022:

For the Class III adjunctive CGM monthly supplies code/modifier combination A4238KF, the 2022 fee schedule amount of \$240.98 is established using \$272.97, the 2022 fee schedule amount for the Class III non-adjunctive CGM monthly supplies code/modifier combination K0553KF, minus \$31.99, the average monthly payment for supplies for a blood glucose monitor for insulin-treated beneficiaries with diabetes (not including the blood glucose monitor itself).

For the Class III adjunctive CGM code/modifier combination E2102KFNU, the 2022 purchase new fee schedule amounts (average of \$195.66) are established using the 2022 purchase new fee schedule amounts for the Class III non-adjunctive CGM code/modifier combination K0554KFNU (average of \$278.06), minus the 2022 purchase new fee schedule amount for the blood glucose monitor code/modifier combination E0607NU (average of \$82.40).

II. BUSINESS REQUIREMENTS TABLE

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

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	
12918.1	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.T220101.V0916) The file is available for download on or after September 16, 2022.		X		X					VDC
12918.1.1	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
12918.2	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.T220101.V0916.FI) The file is available for download on or after September 16, 2022.	X		X						VDC
12918.2.1	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
12918.3	The DME MACs, A/B MACs Part B, A/B MACs Part A, A/B MACs Part HHH and/or the Virtual Data Centers (VDCs) shall retrieve the Calendar Year (CY) 2022 Rural ZIP code file (filename: MU00.@DMECBIC.RURZIP. C22Q04.V0916) on or after September 16, 2022.	X	X	X	X					VDC

[illegible]

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	
	K1019 (16)								
	K1020 (1)								
	K1022 (3)								
	K1024 (1)								
	K1025 (1)								
	K1031 (1)								
	K1032 (1)								
	K1033 (1)								
	L2006 (3)								
	V2524 (3)								

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		
12918.8	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:
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Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Anita Greenberg, Anita.Greenberg@cms.hhs.gov

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