

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 12097</b>	<b>Date: June 22, 2023</b>
	<b>Change Request 13273</b>

**SUBJECT: Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) - October 2023**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to provide instructions for updating the DMEPOS CBP files. These files are updated on a quarterly basis in order to implement necessary changes to the Healthcare Common Procedure Coding System, ZIP code, and single payment amount files. These requirements provide specific instruction for implementing the DMEPOS CBP files. This recurring update notification applies to chapter 23, section 100.

**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/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	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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## I. GENERAL INFORMATION

**A. Background:** The DMEPOS 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 CBP files are included in these transmittals. The DMEPOS CBP files are provided to the Durable Medical Equipment (DME) Medicare Administrative Contractors (MACs) and the Pricing, Data Analysis, and Coding (PDAC) contractor via CMS’s mainframe telecommunication system on a quarterly basis.

The Virtual Data Center (VDC) transmits the DMEPOS CBP 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 DMEPOS CBP files: the Competitive Bidding Area (CBA) ZIP code file, the Healthcare Common Procedure Coding System (HCPCS) file, and the CBA pricing file. The CBIC transmits these three files to the CMS mainframe telecommunications system via Connect: Direct for VDC retrieval, while the VMS maintainer updates the supplier record files with the information provided in the VMS nightly extract.

For more information, see the Quarterly Updates Page (<https://www.dmecompetitivebid.com/quarterlyupdates>) on the CBIC website.

## 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



Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	refreshing these files quarterly.									
13273.6	The DME MACs, PDAC contractor, and VDC shall load these files quarterly.				X				PDAC, VDC	
13273.7	The VDC shall receive notice via technical direction in the event the dataset names listed in business requirements 13273.3 and 13273.4 are changed for any reason.								VDC	
13273.8	The Fiscal Intermediary Shared System (FISS) shall pull in the correct files for reason code 31716.					X				

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	C E D I
		A	B	H H H		
	None					

### 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):** Joe Bryson, 410-786-2986 or joseph.bryson@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**