

<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: 12561</b>	<b>Date: March 28, 2024</b>
	<b>Change Request 13589</b>

**SUBJECT: Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program (CBP) – July 2024**

**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: July 1, 2024**

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

**IMPLEMENTATION DATE: July 1, 2024**

*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.

<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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**EFFECTIVE DATE: July 1, 2024**

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## **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.

The Centers for Medicare & Medicaid Services (CMS) has competed multiple rounds of the DMEPOS CBP since 2011. However, due to a delay in the announcement of a round of the DMEPOS CBP, there was a temporary gap period in the DMEPOS CBP from 2019 through 2020. During that time, CMS made changes to the DMEPOS CBP and awarded Round 2021 DMEPOS CBP Contracts.

On October 27, 2020, the CMS announced the single payment amounts (SPAs) and began offering contracts for the off-the-shelf (OTS) back braces and OTS knee braces product categories. All other product categories that were included in prior rounds of the DMEPOS CBP were removed from Round 2021. Round 2021 of the DMEPOS CBP was implemented on January 1, 2021, and extended through December 31, 2023. Round 2021 consolidated the competitive bidding areas (CBAs) that were included in Round 1 2017 and Round 2 Recompete. Round 2021 included 127 CBAs.

Starting January 1, 2024, there is a temporary gap period in the DMEPOS CBP. CMS plans to conduct bidding for the next round of the DMEPOS CBP after going through formal public notice and comment rulemaking to implement necessary changes to the DMEPOS CBP. The necessary changes will continue to help Medicare set sustainable prices, save money for beneficiaries and taxpayers, and help to limit fraud, waste, and abuse in the Medicare program, while ensuring access to quality items.

**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,



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	
	<p>HCPCS File</p> <p>CBA Pricing File</p>								
13589.3	<p>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:</p> <p>T#EFT.ON.CBAZIPQ.C24Q03</p> <p>T#EFT.ON.PRICEQ.C24Q03</p> <p>T#EFT.ON.HCATGQ.C24Q03</p>								VDC
13589.4	<p>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> <p>P#EFT.ON.CBAZIPQ.C24Q03</p> <p>P#EFT.ON.PRICEQ.C24Q03</p> <p>P#EFT.ON.HCATGQ.C24Q03</p>								VDC
13589.5	<p>The VDC shall automate the retrieval process for refreshing these files quarterly.</p>								VDC
13589.6	<p>The DME MACs, PDAC contractor, and VDC shall load these files quarterly.</p>				X				PDAC, VDC
13589.7	<p>The DME MACs shall expect to receive technical</p>				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	
	direction providing advance notification of when the temporary gap period (i.e., suspension period) will end.								
13589.8	The VDC shall receive notice via technical direction in the event the dataset names listed in business requirements 13589.3 and 13589.4 are changed for any reason.								VDC

### 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		
	None					

### IV. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements: N/A**

*"Should" denotes a recommendation.*

<b>X-Ref Requirement Number</b>	<b>Recommendations or other supporting information:</b>
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**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):**

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**ATTACHMENTS: 0**