

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 12584	Date: April 15, 2024
	Change Request 13574

Transmittal 12553 issued March 21, 2024, is being rescinded and replaced by Transmittal 12584, dated April 15, 2024, to add Business Requirement (BR) 13574.9, effective for claims with dates of service on or after January 1, 2024. The effective date for the CR is also updated to reflect the addition of BR 13574.9. All other information remains the same.

SUBJECT: April Quarterly Update for 2024 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

I. SUMMARY OF CHANGES: The purpose of this Change Request (CR) is to update the DMEPOS fee schedule 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.

EFFECTIVE DATE: January 1, 2024, for BR 13574.9; April 1, 2024

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

IMPLEMENTATION DATE: April 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.

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: 12584	Date: April 15, 2024	Change Request: 13574
-------------	--------------------	----------------------	-----------------------

Transmittal 12553 issued March 21, 2024, is being rescinded and replaced by Transmittal 12584, dated April 15, 2024, to add Business Requirement (BR) 13574.9, effective for claims with dates of service on or after January 1, 2024. The effective date for the CR is also updated to reflect the addition of BR 13574.9. All other information remains the same.

SUBJECT: April Quarterly Update for 2024 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

EFFECTIVE DATE: January 1, 2024, for BR 13574.9; April 1, 2024

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

IMPLEMENTATION DATE: April 1, 2024

I. GENERAL INFORMATION

A. Background: The purpose of this Change Request (CR) is to update the DMEPOS fee schedule 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 Subsection (§)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.

Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for DME items included in the DMEPOS Competitive Bidding Program (CBP) for payment of the items in areas that are not included in the CBP. Sections 1834(h)(1)(H)(ii) and 1842(s)(3)(B) of the Act provide authority to adjust the fee schedule amounts for off-the-shelf orthotics or braces and enteral nutrients, equipment, and supplies (enteral nutrition), respectively, 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 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 CBP, as well as codes that are not subject to the CBP or fee schedule adjustments.

1. The Consolidated Appropriations Act, 2023

On December 29, 2022, the Consolidated Appropriations Act (CAA), 2023 was signed into law. Section 4139 of this legislation required that the fee schedule amounts for items and services furnished in non-rural contiguous non-Competitive Bidding Areas (CBAs) continue to be based on a blend of 75 percent of the adjusted fee schedule amounts and 25 percent of the unadjusted fee schedule amounts for claims with dates of service for the remainder of the Coronavirus Disease (COVID-19) public health emergency or December 31, 2023, whichever is later. The COVID-19 public health emergency ended on May 11, 2023. Therefore, effective January 1, 2024, the fee schedule amounts for items and services furnished in non-rural contiguous non-CBAs is based on 100 percent of the fee schedule amounts adjusted in accordance with §414.210(g). Additional details are available in the Home Health Prospective Payment System final rule (CMS-1780-F) published on

November 13, 2023 in the Federal Register which is available at <https://www.cms.gov/medicare/payment/fee-schedules/dmepos-fee-schedule/dmepos-laws-regulations>

Effective January 1, 2024, there is a gap period in the DMEPOS CBP. All Medicare Round 2021 DMEPOS CBP contracts for Off-the-Shelf (OTS) back braces and OTS knee braces expired on December 31, 2023. Additional information on the gap period can be found at <https://www.cms.gov/medicare/payment/fee-schedules/dmepos-competitive-bidding> and www.dmecompetitivebid.com

During the gap period payment for items and services that were included in the CBP are equal to 80 percent of the lesser of the supplier's charge or the fee schedule amount for the item. Pursuant to §414.210(g)(10), the fee schedules for items and services furnished in former CBAs are based on the Single Payment Amounts (SPAs) in effect in the CBA on the last day before the CBP contract period of performance ended, increased by the projected percentage change in the Consumer Price Index Urban (CPI-U) for the 12-month period on the date after the contract periods ended. The fee schedule amounts are increased once every 12 months on the anniversary date of the first day after the contract period ended with the CPI-U.

For items where contracts were awarded in Round 2021, for Calendar Year (CY) 2024, the fee schedule amounts for items furnished in areas that were CBAs as of December 31, 2023, are adjusted based on the SPAs for each specific CBA, increased by the projected percentage change in the CPI-U of 2.9 percent for the 12-month period ending January 1, 2024. Similarly, for items that were included in Round 2021 but where contracts were not awarded in Round 2021 of the CBP, the 2023 adjusted fee schedule amounts are increased by the projected CPI-U of 2.9 percent for CY 2024.

A former CBA ZIP code file contains the CBA ZIP codes used in pricing a claim for an item furnished in a CBA and will be updated on a quarterly basis as necessary. Effective January 1, 2024, the former CBA ZIP code file will contain the ZIP codes for the CBAs included in Round 2021.

2. DMEPOS Rural Zip Codes

Also, 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 fee schedule amounts adjusted in accordance with §414.210(g). The DMEPOS Rural ZIP code file contains the ZIP codes designated as rural areas. ZIP codes for non-contiguous Metropolitan Statistical Areas (MSAs) 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 CBA established for that MSA.

B. Policy: This instruction provides updates for the following files:

1. DMEPOS fee schedule file for April 2024 (Quarter 2)
2. DMEPOS Parenteral and Enteral Nutrition (PEN) fee schedule file for 2024 (Quarter 2)
3. DMEPOS Rural ZIP code file for April 2024 (Quarter 2)

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

Codes Added and Deleted

New DMEPOS codes added to the Healthcare Common Procedure Coding System file (HCPCS) file, effective April 1, 2024, are listed in the business requirements below.

Code E2300 is deleted from the HCPCS file effective April 1, 2024.

Fee Schedule Amounts Added and Deleted

Fee schedules amounts are added to the DMEPOS fee schedule file for new and revised HCPCS codes effective April 1, 2024:

A4271

A4438

E2104

E0468

E2298

L5783

L5841

L8701

L8702

Fee schedules amounts are added to the PEN fee schedule file for HCPCS codes effective April 1, 2024:

B4148

The fee schedule category listed in the DMEPOS file for some of these items may reflect revisions for benefit category determinations made using the procedures at 42 CFR §414.114, §414.240, and §414.1670. Pursuant to regulations for DMEPOS items and services at 42 CFR §414.114, §414.240 and §414.1670, CMS obtained public consultation on national Medicare benefit category determinations and/or payment determinations for these codes during CMS’ Second Biannual 2023 Non-Drug and Non-Biological Items and Services HCPCS code application review cycle. A narrative summary for the Medicare benefit category and/or payment determinations for these items is available on the CMS website at www.cms.gov/medicare/coding/medhcpcsgeninfo/prior-years-cms-hcpcs-levelii-coding-decisions-narrative-summary

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	M A C	F I S S	M C S	V M S	C W F	
13574.1	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.T240101.V0321) The file is available for download on or after March 21, 2024.		X		X					DRaaS-CACHE DC
13574.1.1	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					DRaaS-CACHE DC
13574.2	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.T240101.V0321.FI). The file is available for download on or after March 21, 2024.	X		X						DRaaS-CACHE DC
13574.2.1	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						DRaaS-CACHE DC
13574.3	The DME MACs and/or VDC shall retrieve the PEN fee schedule file (filename: MU00.@BF12393.PEN.CY24.V0321). The file is available for download on or after March 21, 2024.				X					DRaaS-CACHE DC
13574.3.1	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					DRaaS-CACHE DC
13574.4	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 2024 Rural ZIP code file (filename: MU00.@DMECBIC.RURZIP.C24Q02.V0321) on or after March 21, 2024.	X	X	X	X					DRaaS-CACHE DC
13574.4.1	Contractors shall notify CMS of successful receipt via	X	X	X	X					DRaaS-

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		
	email to price_file_receipt@cms.lhs.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).										CACHE DC
13574.5	Contractors shall use the DMEPOS files in requirements 13574.1, 13574.2, and the Rural Zip code file in requirement 13574.4 to pay claims for items with dates of service beginning April 1, 2024.	X	X	X	X						
13574.6	The DME MACs shall use the PEN fee schedule file in requirement 13574.3 and the Rural Zip code file in requirement 13574.4 to pay claims with dates of service beginning April 1, 2024.				X						
13574.7	Contractors shall be aware the HCPCS codes listed below are being added to the HCPCS effective April 1, 2024, and shall be added to the Common Working File (CWF) categories (category codes in parentheses) and systems where necessary as follows: A4271 (16, 60) A4438 (3, 67) A4564 (03, 67) A4593 (60) A4594 (60) A9293 (67) E0152 (60) E0468 (02, 60) E0736 (60) E0738 (60) E0739 (60)		X		X					X	

Number	Requirement	Responsibility								Other
		A/B MAC			D M E M A C	Shared- System Maintainers				
		A	B	H H H		F I S S	M C S	V M S	C W F	
	E2104 (04, 60) E2298 (01, 60) K1037 (60) L1320 (03, 60) L5783 (03, 60) L5841 (03, 60)									
13574.8	CWF shall delete the HCPCS codes below from the CWF categories specified: E2300 (4,60)									X
13574.9	Effective January 1, 2024, CWF shall add the following not otherwise specified HCPCS Level II codes to Common Working File (CWF) category 56: A6549, A6584, A6593, and A6609.									X

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		
13574.10	Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.	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:
--------------------------	--

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