



DMEPOS Fee Schedule: July 2023 Quarterly Update

Related CR Release Date: June 2, 2023

MLN Matters Number: MM13235

Effective Date: July 1, 2023

Related Change Request (CR) Number: [CR 13235](#)

Implementation Date: July 3, 2023

Related CR Transmittal Number: R12068CP

Related CR Title: July Quarterly Update for 2023 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

Affected Providers

- DMEPOS suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for DMEPOS they provide to Medicare patients

Action Needed

Make sure your billing staff knows about:

- Fee schedule adjustment relief for rural and non-contiguous areas
- Supplier education on power wheelchair repair

Background

Sections 1834(a), (h), and (i) of the [Social Security Act](#) (the Act) requires CMS to make payment on a fee schedule basis for certain DMEPOS. Payment on a fee schedule basis is a regulatory requirement at [42 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 HCPCS codes 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 aren't subject to the CBP or fee schedule adjustments.

The Coronavirus (COVID-19) Aid, Relief, and Economic Security (CARES) Act, 2020 and the Consolidated Appropriations Act, 2023

Section 3712 of the [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), 2020, requires the following:

- For items and services subject to the fee schedule adjustments provided in rural or noncontiguous areas, continue to base the fee schedule amounts on a blend of 50% of the adjusted fee schedule amounts and 50% of the unadjusted fee schedule amounts (no

change from the current fee schedule amounts) through May 11, 2023, end of the COVID-19 public health emergency (PHE). The COVID-19 PHE ended on May 11, 2023.

For items and services subject to the fee schedule adjustments provided in non-rural contiguous non-competitive bidding areas (CBAs), base the fee schedule amounts on a blend of 75% of the adjusted fee schedule amounts and 25% of the unadjusted fee schedule amounts (an increase in the fee schedule amounts) for claims with dates of service from March 6, 2020 – May 11, 2023 (end of the COVID-19 PHE).

Fee Schedule Adjustment Relief for Rural and Non-Contiguous Areas

Section 4139 of the [Consolidated Appropriations Act \(CAA\)](#), 2023, requires that we continue to base the fee schedule amounts for items and services provided in non-rural contiguous non-CBAs on a blend of 75% of the adjusted fee schedule amounts and 25% of the unadjusted fee schedule amounts for claims with dates of service through December 31, 2023.

Also, we'll continue to base payment for items and services subject to the fee schedule adjustments provided in rural and non-contiguous areas on a blend of 50% of the adjusted fee schedule amounts and 50% of the unadjusted fee schedule amounts. We'll continue to adjust payment for items and services you provide in all areas, such as rural, non-contiguous, and non-rural contiguous non-CBAs as the CAA requires for claims with dates of service through December 31, 2023.

The ZIP Code associated with the address used for pricing a DMEPOS claim determines the rural fee schedule payment 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 (MSAs) aren't in the DMEPOS Rural ZIP Code file. We update the DMEPOS Rural ZIP Code file on a quarterly basis as necessary.

42 CFR 414.202 defines a rural area to be a geographical area represented by a postal ZIP code where at least 50% 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's excluded from a CBA established for that MSA. A former CBA ZIP Code file contains the CBA ZIP Codes we use in pricing a claim for an item provided in a CBA, and we update it on a quarterly basis as necessary.

File Updates

- No updates for the DMEPOS or PEN fee schedule files for July 2023
- DMEPOS rural ZIP Code file for July 2023

Any updates will be available as [Public Use Files \(PUFs\)](#) for State Medicaid Agencies, managed care organizations, and other interested parties.

See [MM13006](#) and [MM13153](#) for more information on the 2023 DMEPOS fee schedules.

Specific Coding and Pricing Issues – We’re not adding or deleting any codes in the July 2023 update of the DMEPOS fee schedule.

Supplier Education on Power Wheelchair Repair

[42 CFR 414.210\(e\)\(4\)](#) specifies that a supplier transferring title to a capped rental item, such as a power wheelchair, to a patient is responsible for providing replacement equipment free to the patient or to the Medicare Program if the DME MAC determines that the item you provide won’t last for the entire 5-year reasonable useful lifetime for the equipment. In making this determination, DME MACs may consider whether the accumulated costs of repair exceed 60% of the cost to replace the item.

You must maintain copies of any manufacturer or supplier warranties for equipment in repair and provide this documentation upon request. 42 CFR 414.210(e)(1) says that we may make payment for reasonable and necessary charges for maintenance and servicing of patient-owned equipment. Reasonable and necessary charges are those made for parts and labor not otherwise covered under a manufacturer or supplier warranty.

Updates to Sections 60, 60.1, 60.3, 60.3.1, and 60.4 of the Medicare Claims Processing Manual, Chapter 23

As part of this instruction, we’re updating Sections 60, 60.1, 60.3, 60.3.1, and 60.4 of the Medicare Claims Processing Manual, [Chapter 23](#) to implement regulations effective February 28, 2022, about payment determinations for the new DMEPOS items and services.

More Information

We issued CR 13235 to your MAC as the official instruction for this change.

For more information, [find your MAC’s website](#).

Document History

Date of Change	Description
June 5, 2023	Initial article released.

View the [Medicare Learning Network® Content Disclaimer and Department of Health & Human Services Disclosure](#).

The Medicare Learning Network®, MLN Connects®, and MLN Matters® are registered trademarks of the U.S. Department of Health & Human Services (HHS).