



DMEPOS Fee Schedule: October 2023 Quarterly Update

Related CR Release Date: August 31, 2023

MLN Matters Number: MM13343

Effective Date: October 1, 2023

Related Change Request (CR) Number: [CR 13343](#)

Implementation Date: October 2, 2023

Related CR Transmittal Number: R12228CP

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

Affected Providers

- Hospitals
- Physicians
- Suppliers
- Other providers billing Medicare Administrative Contractors (MACs) for DMEPOS services they provide to Medicare patients

Action Needed

Make sure your billing staff knows about:

- Fee schedule adjustment relief for rural and non-contiguous areas
- New HCPCS codes added
- New fee schedule amounts

Background

CMS updates the DMEPOS fee schedule on a quarterly basis to implement fee schedule amounts for new and existing codes, as applicable, and apply changes in payment policies.

Sections 1834(a), (h), and (i) of the [Social Security Act](#) (the Act) requires payment for certain DMEPOS on a fee schedule basis. Payment on a fee schedule basis also 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

Sections 3712 (a) and (b) of the [CARES Act](#), respectively, require the following:

- a. For items and services subject to the fee schedule adjustments you provide in rural or non-contiguous areas, the fee schedule amounts will continue to be based 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 December 31, 2020, or the duration of the COVID-19 Public Health Emergency (PHE), whichever is later.
- b. For items and services subject to the fee schedule adjustments provided in non-rural contiguous non-CBAs, the fee schedule amounts will be based 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 beginning March 6, 2020, and continuing until the end of the COVID-19 PHE.

Section 4139 of the [Consolidated Appropriations Act](#) (CAA), 2023 requires that fee schedule amounts for items and services provided in non-rural contiguous non-CBAs continue to be based 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 for the remainder of the COVID-19 PHE or December 31, 2023, whichever is later. Also, payment for items and services subject to the fee schedule adjustments provided in rural and non-contiguous areas continues to be based on a blend of 50% of the adjusted fee schedule amounts and 50% of the unadjusted fee schedule amounts for claims with dates of service for the remainder of the COVID-19 PHE or December 31, 2023, whichever is later. The COVID-19 PHE ended on May 11, 2023. Per provisions of the CAA of 2023, payment for items and services provided in all areas (rural, non-contiguous and non-rural contiguous non-CBAs) will continue to be adjusted in the manner the CAA requires for claims with dates of service through December 31, 2023.

Fee Schedule Adjustment Relief for Rural and Non-Contiguous Areas

On December 28, 2021, we published a Medicare DMEPOS [final rule](#) in the Federal Register (86 FR 73860) docket rule number CMS-1738-F/CMS1687-F/CMS-5531-F. Per this final rule, although the methodology for the 50/50 blended rates described above were initially transitional rates, the methodology is used to establish the fully adjusted fee schedule amounts for rural and non-contiguous non-CBA areas for items provided beginning on the date immediately following the end of the PHE or December 31, 2023, whichever is later.

DMEPOS Rural ZIP Codes

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) aren't included in the

DMEPOS Rural ZIP Code file.

We update the DMEPOS Rural ZIP Code file on a quarterly basis as necessary. A former CBA ZIP Code file contains the CBA ZIP Codes used in pricing a claim for an item provided in a CBA and we update that file on a quarterly basis as necessary.

More information on the 2023 DMEPOS fee schedules is available in program instructions:

- January 2023 Update for DMEPOS Fee Schedule, Transmittal 11722, [CR 13006](#)
- April 2023 Update for DMEPOS Fee Schedule, Transmittal 11910, [CR 13153](#)
- July 2023 Update for DMEPOS Fee Schedule, Transmittal 12068, [CR 13235](#)

CR 13343 instruction provides updates for the following files:

- DMEPOS fee schedule file for October 2023 (Quarter 4)
- DMEPOS Rural ZIP Code file for October 2023 (Quarter 4)

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

Codes Added

We added the following new codes to the HCPCS file, effective October 1, 2023: A9156, A9268, A9269, A9292, B4148, E0490, E0491, K1036, L1681, L5991, and V2526.

Codes Deleted

We're not deleting any codes from the DMEPOS fee schedule in the October update.

New Fee Schedule Amounts

We've added fee schedule amounts to the DMEPOS fee schedule file for these new and revised HCPCS codes: E0490, E0491, L1681, L5991.

New HCPCS and DMEPOS Fee Schedule Indicators for Lymphedema Compression Treatment Items

Effective for items you provide on or after January 1, 2024, Section 4133(a)(1) of the [CAA](#), 2023, adds coverage under a new benefit category under Medicare Part B for lymphedema compression treatment items. Starting with the January 2024 file updates, we'll add 3 new indicators to identify lymphedema compression treatment items:

On the HCPCS file:

1. New HCPCS pricing indicator of 40

2. New HCPCS Berenson-Eggers Type of Service (BETOS) code of O1L will identify Lymphedema compression treatment items

On the DMEPOS fee schedule file:

3. New payment category indicator of 'LC' will identify Lymphedema compression treatment items

More Information

We issued CR 13343 to your MAC as the official instruction for this change.

For more information, [find your MACs' website](#).

Document History

Date of Change	Description
September 6, 2023	Initial article released.

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