News Flash - *The Centers for Medicare & Medicaid Services (CMS) is extending the bid submission deadline for the first round of the Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program.* All bids are due by 9:00 p.m. prevailing Eastern Time on July 27, 2007. *The contract period for mail order diabetic supplies is April 1, 2008 – December 31, 2009. The contract period for all other first round product categories is April 1, 2008 – March 31, 2011. Suppliers must be accredited or have pending accreditation to submit a bid and will need to be accredited to be awarded a contract. The accreditation deadline for the first round of competitive bidding is August 31, 2007. Suppliers should apply for accreditation immediately to allow adequate time to process their applications. Suppliers interested in bidding must have first registered to receive a User ID and Password before they could access the internet-based bid submission system. Suppliers who did not register cannot submit bids.* The registration deadline was June 30, 2007. *For more information on the program as well as bidding and accreditation information, please visit* http://www.dmecompetitivebid.com **or** http://www.cms.hhs.gov/CompetitiveAcqforDMEPOS.

MLN Matters Number: MM5331	Related Change Request (CR) #: 5331
Related CR Release Date: July 13, 2008	Effective Date: July 1, 2006
Related CR Transmittal #: R1288CP	Implementation Date: January 7, 2008

Update to the Place of Service (POS) Code Set to Add a Code for Prison/Correctional Facility - VMS Only

Provider Types Affected

Suppliers who bill Durable Medical Equipment Medicare Administrative Contractors (DME MACs) for services provided in prison/correctional facility settings.

What you need to know

CR 5331, from which this article is taken, announces the addition of place of service (POS) code "09" for a prison/correctional facility setting.

Background

As a Health Insurance Portability and Accountability Act of 1996 (HIPAA) covered entity, Medicare must comply with the statute's standards and implementation guides. The currently adopted professional implementation guide for the ASC

X12N 837 standard requires that each electronic claim transaction include a Place of Service (POS) code from the POS code set that the Centers for Medicare & Medicaid Services (CMS) maintains. Further, as a payer, Medicare must be able to recognize, as valid, any code from the CMS-maintained, HIPAA-standard POS code set that appears on the HIPAA standard claim transaction.

This POS code set provides setting information that both Medicare and Medicaid need in order to appropriately pay their claims. Medicaid sometimes has a greater need for POS specificity than Medicare, and many of the new codes developed over the past few years have been developed to meet Medicaid's more specific needs. While Medicare does not always need this greater specificity in order to appropriately pay its claims, it nevertheless adjudicates claims with the new codes to ease coordination of benefits and to give Medicaid and other payers the setting information they require.

CR 5331, from which this article is taken, updates the current Medicare fee-for-service POS code set to add a new code (POS code "09") for prison/correctional facility and will implement the systems and contractor-level changes needed for Medicare to adjudicate claims with the new code.

Your DME MAC will develop the necessary policies to adjudicate claims containing this new code, and will accept it as valid.   You should also be aware that your DME MAC must continue to comply with CMS current policy that, in most cases, does not allow payment for Medicare services in a penal institution. The addition of a POS code for a prison/correctional facility setting does not supersede this policy. (See *Medicare Claims Processing Manual* (100-04, Section 10.4, Chapter 1, available at *http://www.cms.hhs.gov/manuals/downloads/clm104c01.pdf* on the CMS website.)

The implementation of this change will be based on claims processed on or after January 7, 2008, even though the effective date shows July 1, 2006. The effective date is based on HIPAA requirements for nonmedical data code sets, but the changes in CR5331 apply to claims Medicare processes on or after January 7, 2008.

Additional Information

You can find more information about the prison/correctional facility POS code update to the POS code set by going to CR 5331, located at *http://www.cms.hhs.gov/Transmittals/downloads/R1288CP.pdf* on the CMS website.

If you have any questions, please contact your carrier at their toll-free number, which may be found at *http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip* on the CMS website.