



News Flash - The Medicare Guide to Rural Health Services: Information for Providers, Suppliers, and Physicians (Second Edition), which provides rural information pertaining to rural health facility types, coverage and payment policies, and rural provisions under the 2003 MMA and the Deficit Reduction Act of 2005 is now available in downloadable format at <http://www.cms.hhs.gov/MLNProducts/downloads/MedicareRuralHealthGuide.pdf>

MLN Matters Number: MM5551

Related Change Request (CR) #: 5551

Related CR Release Date: May 22, 2007

Effective Date: April 1, 2008

Related CR Transmittal #: 1246CP

Implementation Date: April 1, 2008

Home Health Agencies (HHAs) Providing Durable Medical Equipment (DME) in Competitive Bidding Areas

Note: This article was revised on May 22, 2007, to reflect changes made as CMS revised CR5551 on May 22. The effective date, implementation date, transmittal number, CR release date, and Web address for accessing CR5551 were changed. All other information remains the same.

Provider Types Affected

All HHAs billing Medicare contractors (Fiscal Intermediaries (FIs) or Regional Home Health Intermediaries (RHHIs)) for DME provided to Medicare beneficiaries

Provider Action Needed



STOP - Impact to You

HHAs that furnish DME and are located in one of the competitive bidding areas for DME where the DME items are subject to the competitive bidding program, must be either awarded a contract to furnish the items in this area or use a DME supplier who does have a contract with Medicare for such DME items.

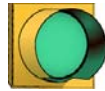
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CAUTION – What You Need to Know

The competitive bidding items are identified by HCPCS codes and the competitive bidding areas are identified based on ZIP codes of the permanent residence of the beneficiary receiving the items. Further, the RHHs will not process claims with affected HCPCS codes for competitive bid DME items. Such claims will be returned to the HHA for removal of the DME line items and appropriate submission of those items to DME Medicare Administrative Contractors (DME MACs).



GO – What You Need to Do

HHAs should read the remainder of this article for important information regarding the new competitive bidding program for DME under Medicare and take appropriate action based on the impact of this program on your DME billings.

Background

This article and related Change Request (CR) 5551 provides general guidelines for processing HHA claims. Beginning in 2007, in a competitive bidding area, a supplier must be awarded a contract by the Centers for Medicare & Medicaid Services (CMS) in order to bill Medicare for competitively bid DME. Therefore, HHAs that furnish DME and are located in an area where DME items are subject to a competitive bidding program must either:

- Be awarded a contract to furnish the items in this area or
- Use a contract supplier in the community to furnish these items.

The competitive bidding items will be identified by HCPCS codes and the competitive bidding areas will be identified based on zip codes where beneficiaries receiving these items maintain their permanent residence. The DME Medicare Administrative Contractors (DME MACs) will have edits in place indicating which entities are eligible to bill for competitive bid items and the appropriate competitive bid payment amount.

Important points to remember are:

- All suppliers of competitively bid DME **must bill the DME MAC** for these items and will no longer be allowed to bill the RHHs for competitive bid items.
- Claims submitted to the RHHI for HCPCS codes subject to a competitive bidding program will be returned to the provider to remove the affected DME line items and the providers will be advised to submit those charges to the DME MACs who will have jurisdiction over all claims for competitively bid items.

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- Claims for DME furnished by HHAs that are not subject to competitive bidding would still be submitted to the RHHIs.

Attached to CR5551 is a list of the HCPCS codes and zip codes applicable to the competitive bidding areas. (See *Additional Information* section of this article for the web address of CR 5551)

Additional Information

For information on registering to compete for a DME contract in the competitive bidding areas, see the MLN Matters article titled "Initial Supplier Registration for Competitive Bidding Program is Now Open", which is at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0717.pdf> on the CMS website.

If you have questions, please contact your Medicare FI, RHHI or DME MAC, at their toll-free number which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

For complete details regarding this Change Request (CR) please see the official instruction (CR5551) issued to your Medicare RHHI, FI, or DME MAC. This instruction may be viewed by going to <http://www.cms.hhs.gov/Transmittals/downloads/R1246CP.pdf> on the CMS website.

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