

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1535	Date: JUNE 13, 2008
	Change Request 6101

SUBJECT: July 2008 Quarterly Update for the DMEPOS Competitive Bidding Program

I. SUMMARY OF CHANGES: The DMEPOS Competitive Bidding Program files are updated on a quarterly basis in order to implement necessary changes to the HCPCS, Zip Code, Single Payment Amount and Supplier Files. This first recurring update notification provides specific instructions for implementing the 2008 DMEPOS competitive bidding program files. This RUN will be located in Chapter 23, Section 100 of the Medicare Claims Processing internet-only manual.

New / Revised Material

Effective Date: July 1, 2008

Implementation Date: July 7, 2008

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
R	Table of Contents
N	23/100/Competitive Bidding Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS) Single Payment Amounts
N	23/100.1/ Record Layout for Competitive Bidding HCPCS Category File
N	23/100.2/Record Layout for Competitive Bidding Pricing File
N	23/100.3/Record Layout for Competitive Bidding Zip Code File
N	23/100.4/Record Layout for Competitive Bidding Contract Supplier File
N	23/100.5/Adjustments to the Single Payment Amounts to Reflect Changes in HCPCS Codes

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: 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

Manual Instruction

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

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 1535	Date: June 13, 2008	Change Request: 6101
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SUBJECT: July 2008 Quarterly Update for the DMEPOS Competitive Bidding Program

Effective Date: July 1, 2008

Implementation Date: July 7, 2008

I. GENERAL INFORMATION

A. Background: The Medicare durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS) competitive bidding program was mandated by the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (“Medicare Modernization Act” or “MMA”). The new program’s objectives include:

- Assuring beneficiary access to quality DMEPOS;
- Reducing the amount Medicare pays for DMEPOS items;
- Reducing financial burden on beneficiaries by reducing the coinsurance they pay for DMEPOS items; and
- Contracting with suppliers who meet quality and financial standards.

The competitive bidding program changes the way that Medicare determines the payment amounts for these items and services under Part B of the Medicare program by replacing the current DMEPOS fee schedule payment amounts for selected items in certain areas with payment amounts based on bids submitted by DMEPOS suppliers.

The program will start in competitive bidding areas (CBAs) defined by zip codes within ten of the largest Metropolitan Statistical Areas (MSAs). The CBAs in Round I include Charlotte-Gastonia-Concord, NC-SC; Cincinnati-Middletown, OH-KY-IN; Cleveland-Elyria-Mentor, OH; Dallas-Fort Worth-Arlington, TX; Kansas City, MO-KS; Miami-Fort Lauderdale-Miami Beach, FL; Orlando, FL; Pittsburgh, PA; Riverside-San Bernardino-Ontario, CA; and San Juan-Caguas-Guaynabo, PR. The program will expand to 70 additional MSAs in 2009, and additional areas after 2009.

The Round I competitive bidding product categories are: Oxygen Supplies and Equipment; Standard Power Wheelchairs, Scooters and Related Accessories; Complex Rehabilitative Power Wheelchairs and Related Accessories; Mail-Order Diabetic Supplies; Enteral Nutrients, Equipment and Supplies; Continuous Positive Airway Pressure (CPAP) Devices, Respiratory Assist Devices (RADs), and Related Supplies and Accessories; Hospital Beds and Related Accessories; Negative Pressure Wound Therapy (NPWT) Pumps and Related Supplies and Accessories; Walkers and Related Accessories and Support Surfaces (Group 2 mattresses and overlays) in the Miami MSA only. Programs for the Oxygen Supplies and Equipment; Rehabilitative Power Wheelchairs and Related Accessories; Enteral Nutrients, Equipment and Supplies; and Hospital Beds and Related Accessories product categories will not be implemented in the San Juan-Caguas-Guaynabo, Puerto Rico CBA during Round I. The program will expand to additional product categories in future Rounds.

B. Policy: This recurring update notification provides specific instructions for implementing and updating the 2008 DMEPOS competitive bidding files. The single payment rates for Round I of the DMEPOS competitive bidding program will be implemented through this update notification and are effective July 1, 2008.

CB File Layouts

The DMEPOS competitive bidding files are provided to the DME MACs and RHHIs via CMS' mainframe telecommunication system. There are four competitive bidding files – a CBA zip code file, a HCPCS file, a CBA pricing file and a supplier record file. Unlike the separate parenteral and enteral (PEN) file provided under the DMEPOS fee schedule, the competitive bidding enteral nutrition files will be included as part of the competitive bidding HCPCS and CBA pricing files. The four competitive bidding record file layouts are detailed in a new section 100 of Chapter 23 of the Claims Processing Manual (Pub. 100-04).

For competitive bidding, zip codes designated as mail order only are assigned a separate CBA number from the standard. The competitive bidding CBA numbers and associated names are as follows:

16740 = Charlotte-Gastonia-Concord, NC-SC (non-mail order and mail order)
16741 = Charlotte-Gastonia-Concord NC-SC (mail order only)
17140 = Cincinnati-Middletown, OH-KY-IN (non-mail order and mail order)
17141 = Cincinnati-Middletown, OH-KY-IN (mail order only)
17460 = Cleveland-Elyria-Mentor, OH (non-mail order and mail order)
17461 = Cleveland-Elyria-Mentor, OH (mail order only)
19100 = Dallas-Fort Worth-Arlington, TX (non-mail order and mail order)
19101 = Dallas-Fort Worth-Arlington, TX (mail order only)
28140 = Kansas City, MO-KS (non-mail order and mail order)
28141 = Kansas City, MO-KS (mail order only)
33100 = Miami-Fort Lauderdale-Miami Beach, FL (non-mail order and mail order)
33101 = Miami-Fort Lauderdale-Miami Beach, FL (mail order only)
36740 = Orlando, FL (non-mail order and mail order)
36741 = Orlando, FL (mail order only)
38300 = Pittsburgh, PA (non-mail order and mail order)
38301 = Pittsburgh, PA (mail order only)
40140 = Riverside-San Bernardino-Ontario, CA (non-mail order and mail order)
40141 = Riverside-San Bernardino-Ontario, CA (mail order only)
41980 = San Juan-Caguas-Guaynabo, PR (non-mail order and mail order)

The DME MACS must manually enter the CBA numbers in the VMAP/4D CBA Pricing Period Table.

File Updates

In implementing the DMEPOS competitive bidding program, CMS will be issuing recurring update notifications on a quarterly basis. Instructions for updating the DMEPOS competitive bidding files will be included in these transmittals. The competitive bidding files will be provided to the DME MACs and the Statistical Analysis Durable Medical Equipment Carrier (SADMERC) via CMS' mainframe telecommunication system on a quarterly basis. At the start of a competitive bidding round, the DME MACs will load all four of the aforementioned files using a load request job. Manual entry of file additions, updates or deletions will be done on a quarterly basis by the DME MACs using files containing only that quarter's changes, for the following three files: the CBA zip code file, the HCPCS file, and the CBA pricing file. These quarterly change files will be provided by CMS through program instruction.

Following the start of a competitive bidding round, updates to the supplier record file will be accomplished on an as needed basis using an Excel file that is emailed directly from the Competitive Bidding Implementation Contractor (CBIC) to each of the DME MACs. As needed, the DME MACs will manually enter the additions or deletions found in the Excel file into the supplier record file. The DME MACs shall provide the names of two contacts and their email addresses for the receipt of the emailed supplier record Excel file by June 25, 2008. The names and addresses should be emailed to Karen Jacobs at Karen.jacobs@cms.hhs.gov. Upon successful

receipt of the Excel file, contractors shall send notification of receipt via e-mail stating their contractor name and the name of the file received to the following CBIC e-mail address:

CBIC.DMEMAC@PalmettoGBA.com

Public Use Files

The competitive bidding zip codes and single payment amounts per product category and CBA are also available on the Competitive Bidding Implementation Contractor (CBIC) website for interested parties like DMEPOS suppliers, State Medicaid agencies and managed care organizations. The Competitive Bidding Implementation Contractor (CBIC) website can be accessed at <http://www.dmecompetitivebid.com/palmetto/CBIC.nsf/DocsCat/Home> or by visiting the following website: http://www.cms.hhs.gov/CompetitiveAcqforDMEPOS/01_overview.asp. These files can be used to identify when a specific item furnished to a beneficiary is subject to the DMEPOS competitive bidding program.

Single Payment Amount

Currently, Medicare payment for most DMEPOS items is based on fee schedules. However, Section 1847 of the Act mandates that competitive bidding single payment amounts replace the current DMEPOS fee schedule payment amounts for competitive bidding items in CBAs. Under the program, the single payment amount will become the Medicare allowed payment amount for competitive bidding items for beneficiaries who reside in CBAs. Consistent with current CMS practice, Medicare will pay contract suppliers 80 percent of the single payment amount for each competitively bid item. The beneficiaries will be responsible for the remaining 20 percent of the single payment amount. Payment of all claims is on an assignment-related basis. In no case can a beneficiary be charged more than the 20 percent coinsurance payment for medically necessary items.

In the CBA pricing file and the single payment amount public use file, the recorded single payment amounts for capped rental DME and rented enteral nutrition equipment are 10 percent of the purchase single payment amount. This payment amount is for rental months one through three. The rental single payment amounts for months 4 through 13 for capped rental DME and for months 4 through 15 for rented enteral nutrition equipment are equal to 75 percent of the single payment amounts paid in the first three rental months.

For inexpensive and/or routinely purchased DME items, the recorded single payment amount for rental is 10 percent of the purchase single payment amount.

For all equipment furnished on a purchase basis, the recorded single payment amount for purchased used equipment is 75 percent of the purchase single payment amount.

Also included in the CBA pricing file and the single amount file is the maintenance and servicing single payment amounts for rented enteral nutrition infusion pumps described by HCPCS codes B9000 and B9002, made in accordance with section 40.3 of Chapter 20 of the Medicare Claims Processing Manual. The maintenance and servicing single payment amounts are equal to 5 percent of the single payment amount purchase price.

HCPCS code changes

In accordance with section 100.5 of chapter 23 of the Claims Processing Manual, as part of this update, we are adjusting the single payment amount for competitive bid HCPCS code B4086 *Gastrostomy/Jejunostomy Tube, Any Material, Any Type, (Standard or Low Profile), Each* to reflect changes made to the HCPCS. Effective December 31, 2007, HCPCS code B4086 was deleted from the HCPCS file and replaced with two new separate HCPCS codes for different but similar items— B4087 *Gastrostomy/Jejunostomy Tube, Standard, Any Material, Any Type, Each* and B4088 *Gastrostomy/Jejunostomy Tube, Low-Profile, Any Material, Any Type, Each*. In accordance with the methodology outlined in (b) above, the new single payment amounts for HCPCS codes B4087 and B4088 are equal to the single payment amount originally applied to code B4086. HCPCS code

B4086 has been removed from the competitive bidding HCPCS and CBA pricing files and replaced with the codes and new associated payment amounts for codes B4087 and B4088.

We are also revising the descriptor language of two competitive bid codes, as part of this update, to reflect changes made to the HCPCS, effective January 1, 2008. The descriptor language for HCPCS code E2373 has been revised in the competitive bidding files so that it will read, "Power Wheelchair Accessory, Hand or Chin Control Interface, Compact Remote Joystick, Proportional, Including Fixed Mounting Hardware," effective July 1, 2008. Likewise, the descriptor language for HCPCS code B4034 is also being revised in the competitive bidding files so that it will read, "Enteral Feeding Supply Kit; Syringe Fed, Per Day," effective July 1, 2008. The single payment amounts for these codes are unchanged.

The following code was deleted from the HCPCS effective December 31, 2007, and is therefore being removed from the competitive bidding files: E2618 *Wheelchair Accessory, Solid Seat Support Base (Replaces Sling Seat), For Use With Manual Wheelchair or Lightweight Power Wheelchair, Includes Any Type Mounting Hardware.*

Instructions for Competitive Bidding HCPCS Modifiers

New HCPCS modifiers were developed to facilitate implementation of various policies that apply to certain competitive bidding items. The new HCPCS modifiers used in conjunction with claims for items subject to competitive bidding, along with their corresponding effective dates, are defined below:

KG- DMEPOS Item Subject to DMEPOS Competitive Bidding Program Number 1; effective: 7/1/07

KK- DMEPOS Item Subject to DMEPOS Competitive Bidding Program Number 2; effective: 7/1/07

KU- DMEPOS Item Subject to DMEPOS Competitive Bidding Program Number 3; effective: 7/1/07

KW- DMEPOS Item Subject to DMEPOS Competitive Bidding Program Number 4; effective: 1/1/08

KY- DMEPOS Item Subject to DMEPOS Competitive Bidding Program Number 5; effective: 1/1/08

KL- DMEPOS Item Delivered Via Mail; effective: 7/1/07

KV- DMEPOS Item Subject to DMEPOS Competitive Bidding Program that is Furnished as Part of a Professional Service;
effective: 1/1/08

KT- Beneficiary Resides in a Competitive Bidding Area and Travels Outside that Competitive Bidding Area and Receives a
Competitive Bid Item; effective: 4/1/08

The KG, KK, KU, KW, and KY modifiers are pricing modifiers that suppliers must use to identify when the same supply or accessory HCPCS code is furnished in multiple competitive bidding product categories. For example, HCPCS code E0981 *Wheelchair Accessory, Seat Upholstery, Replacement Only, Each* is found in both the standard and complex rehabilitative power wheelchair competitive bidding product categories. Contract suppliers for the standard power wheelchair product category shall submit E0981 claims using the KG modifier, whereas contract suppliers for the complex rehabilitative power wheelchair product category shall use the KK modifier. All suppliers, including grandfathered suppliers, shall submit claims for competitive bid items using the aforementioned competitive bidding modifiers. The KG and KK modifiers are used in Round I of the competitive bidding program and the KU, KW and KY modifiers are reserved for future program use.

As indicated in transmittal 1263 (July Quarterly Update for 2007 DMEPOS Fee Schedule, change request 5641), suppliers began using the KL modifier as an informational modifier to identify diabetic supplies (HCPCS codes A4233-A4236, A4253, A4256, A4258, and A4259) furnished via mail order on or after July 1, 2007. On or after July 1, 2008, the DME MACs shall instruct contract suppliers under the DMEPOS Competitive Bidding Program that the KL modifier will serve as a pricing modifier for diabetic supplies that are furnished via mail order to beneficiaries with a permanent residence in a competitive bidding area. Contract suppliers must use the KL modifier on all claims for the diabetic supply codes identified above that are furnished via mail order.

The KV modifier shall be used to identify claims for items subject to the exceptions provided in regulations at 42 CFR 414.404(b) for certain competitive bid items that can be furnished by physicians and other practitioners who are not contract suppliers in a competitive bidding area. Physicians and treating practitioners who are not contract suppliers and who furnish walkers and related accessories to beneficiaries residing in a CBA must submit the informational KV modifier with claims for items/HCPCS codes in competitive bidding product category 9, that are appropriately furnished in accordance with this exception to receive payment for these items at the applicable single payment amount. Physicians and practitioners located outside a CBA who furnish walkers and/or related accessories as part of a professional service to traveling beneficiaries residing in a CBA must also affix the KV modifier to claims submitted for these items. The KV modifier shall not be used by contract suppliers for competitive bidding product category 9, Walkers & Related Accessories, when submitting competitive bidding claims for this category.

Suppliers shall be instructed to submit claims with the KT modifier for non-mail order DMEPOS competitive bidding items that are furnished to beneficiaries that have traveled outside of the CBA in which they reside. This travel modifier must be affixed to competitive bidding claims submitted by non contract suppliers for traveling beneficiaries residing in CBAs and by contract suppliers in CBAs that are different from the CBA where the traveling beneficiary resides. Physicians and treating practitioners that are located outside a CBA who furnish walkers and/or related accessories in competitive bidding product category 9 as part of a professional service to traveling beneficiaries must affix the KT modifier, in addition to the KV modifier, to claims submitted for these items. Non contract skilled nursing facilities (SNFs) and nursing facilities (NFs) that are not located in a CBA are also required to use the KT modifier on claims for residents with a permanent home address in a CBA. SNF or NF claims that meet the above requirement and are submitted without the KT modifier will be denied. Claims for mail order competitive bidding diabetic supplies submitted with the KT modifier will be denied. Contract suppliers shall be instructed to submit mail-order diabetic supply claims for traveling beneficiaries using the beneficiary’s permanent home address.

Suppliers shall be educated that claims for competitive bidding items are reported using the appropriate HCPCS code and corresponding competitive bidding modifier in effect during that contract period. The competitive bidding modifiers should be used with the specific, appropriate competitive bidding HCPCS code when one is available. The competitive bidding HCPCS codes and their corresponding competitive bidding modifiers are denoted in the single payment amount public use charts found under the supplier page on the CBIC website: <http://www.dmecompetitivebid.com/Palmetto/Cbic.nsf/DocsCat/Home>.

Dropping or inappropriate use of a competitive bidding modifier on a competitive bidding claim leads to claims denial. The use of a competitive bidding modifier does not supersede existing Medicare modifier use requirements for a particular code, but rather should be used in addition, as required.

II. BUSINESS REQUIREMENTS TABLE

Use “Shall” to denote a mandatory requirement

Number	Requirement	Responsibility (place an “X” in each applicable column)
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Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B	D M E	F I	C A R I E R	R H I	Shared-System Maintainers				O T H E R
							F I S S	M C S	V M S	C W F	
6101.3.2	The DME MACs shall provide the names of two contacts and their email addresses for the receipt of the emailed supplier record Excel file by June 25, 2008. The names and email addresses should be emailed to Karen Jacobs at Karen.jacobs@cms.hhs.gov .		X								
6101.4	DME MACs shall use all four DMEPOS Round I competitive bidding files to pay claims for competitive bid items furnished from July 1, 2008, through June 1, 2011 for the following competitive bidding product categories: 001, 002, 003, 005, 006, 007, 008, 009, and 010.		X								
6101.5	DME MACs shall use all four DMEPOS Round I competitive bidding files to pay claims for competitive bid items furnished from July 1, 2008, through March 1, 2010 for competitive bidding product category 004.		X								
6101.6	The DME MACs shall instruct all suppliers, including grandfathered suppliers, to submit claims for competitive bid items using the KG, KK, KU, KW and KY competitive bidding modifiers, as appropriate and as denoted in the public use file at http://www.dmecompetitivebid.com/Palmetto/Cbic.nsf/DocsCat/Home .		X								
6101.7	For diabetic supplies delivered through the mail on or after July 1, 2008, the DME MACs shall instruct contract suppliers to use the pricing KL modifier when billing the HCPCS codes identified below for beneficiaries with a permanent residence in a competitive bidding area: A4233, A4234, A4235, A4236, A4253, A4256, A4258 and A4259.		X								
6101.8	The DME MACs shall instruct contract suppliers that the KV modifier is not to be used when submitting competitive bidding claims for items in product category 9.		X								
6101.9	The DME MACs shall instruct suppliers to submit claims with the KT modifier for non mail order DMEPOS competitive bidding items that are furnished to beneficiaries that have traveled outside of the CBA in which they reside. The travel modifier must be affixed to competitive bidding claims submitted by non contract suppliers for traveling beneficiaries residing in CBAs and by contract suppliers in CBAs that are different from the CBA where the traveling beneficiary resides.		X								

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I M A C	C A R I E R	R H I I S S	Shared-System Maintainers				OTH ER
						F I S	M C S	V M S	C W F		
6101.10	<p>A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin.</p> <p>Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>		X			X					

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Karen Jacobs at 410-786-2173

Post-Implementation Contact(s): Karen Jacobs at 410-786-2173

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Carriers (RHHIs)* use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: For *Medicare Administrative Contractors (MACs)*, use the following statement:

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.

Medicare Claims Processing Manual

Chapter 23 - Fee Schedule Administration and Coding Requirements

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100.2 - Record Layout for Competitive Bidding Pricing File

100.3 - Record Layout for Competitive Bidding Zip Code File

100.4 - Record Layout for Competitive Bidding Contract Supplier File

100.5 - Adjustments to the Single Payment Amounts to Reflect Changes in HCPCS Codes

100 – Competitive Bidding Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS) Single Payment Amounts

(Rev. 1535, Issued: 06-13-08, Effective: 07-01-08, Implementation: 07-07-08)

Section 1847 (b)(5) of the Social Security Act mandates that a single payment amount be established for each item in each competitive bid area based on the bids submitted and accepted for that item. Section 1847(a)(6) of the Act requires that this payment basis be substituted for the fee schedule payment basis otherwise applied under section 1834(a) of the Act for DME, section 1834(h) of the Act for off-the-shelf orthotics, or section 1842(s) of the Act for enteral nutrients, equipment and supplies, as appropriate.

The DME MACs will make payment based on the new competitive bidding single payment amounts effective for claims with dates of service on or after July 1, 2008. The CMS issues instructions for implementing the single payment amounts and/or updating the payment amounts quarterly for competitive bidding items. The following files will be provided to the DME MACs and the Statistical Analysis Durable Medical Equipment Regional Carrier (SADMERC) via CMS' mainframe telecommunication system in order to implement a competitive bidding round: a Healthcare Common Procedure Coding System (HCPCS) category file, a bid pricing file, a zip code file, and a contract supplier file. All four files will contain data only for the current competitive bidding round.

The DME MACs will make manual updates to the competitive bidding files, as instructed through quarterly update change requests. The following files will be provided on a quarterly basis to the DME MACs and the Statistical Analysis Durable Medical Equipment Regional Carrier (SADMERC) via CMS' mainframe telecommunication system: HCPCS category file, bid pricing file, and zip code file. These files will only contain the changes for that quarter.

Upon successful receipt of the mainframe files, contractors will send notification of receipt via e-mail to price_file_receipt@cms.hhs.gov, stating the name of the files received and the entities for which they were received (e.g. contractor name).

Following program implementation and on an as needed basis, updates to the contract supplier file will be accomplished via an Excel file emailed directly from the Competitive Bidding Implementation Contractor (CBIC) to the DME MACs. Upon successful receipt of the files, the DME MACs will send notification of receipt via email stating the name of the file received and the entities for which they were received (e.g. contractor name) to the CBIC. E-mails should be sent to cbic.dmemac@palmettoGBA.com at the CBIC. The DME MACs shall manually update the contract supplier file with the changes by adding and/or end dating each supplier record.

Public use files containing the competitive bidding HCPCS categories, single payment amounts and zip codes are available on the CBIC website at <http://www.palmettogba.com/palmetto/CBIC.nsf>.

100.1 - Record Layout for Competitive Bidding HCPCS Category File
(Rev. 1535, Issued: 06-13-08, Effective: 07-01-08, Implementation: 07-07-08)

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
<i>CBA Bid Category Effective Date</i>	<i>X(8)</i>	<i>1 - 8</i>	
<i>Bid Product Category Effective Date- CC</i>	<i>9(2)</i>	<i>1 - 2</i>	
<i>Bid Product Category Effective Date-Year</i>	<i>9(2)</i>	<i>3 - 4</i>	
<i>Bid Product Category Effective Date -Month</i>	<i>9(2)</i>	<i>5 - 6</i>	
<i>Bid Product Category Effective-Day</i>	<i>9(2)</i>	<i>7 - 8</i>	
<i>Bid Category Expiration Date</i>	<i>X(8)</i>	<i>9 - 16</i>	
<i>Bid Product Category Expiration Date -CC</i>	<i>9(2)</i>	<i>9 - 10</i>	
<i>Bid Product Category Expiration Date - Year</i>	<i>9(2)</i>	<i>11 - 12</i>	
<i>Bid Product Category Expiration Date- Month</i>	<i>9(2)</i>	<i>13 - 14</i>	
<i>Bid Product Category Expiration Date - Day</i>	<i>9(2)</i>	<i>15 - 16</i>	
<i>HCPCS Procedure Codes</i>	<i>X(13)_</i>	<i>17 - 29</i>	
<i>HCPCS Procedure</i>	<i>X(5)</i>	<i>17 - 21</i>	<i>All Competitive Bidding Active Codes.</i>

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
<i>Code</i>			
<i>Modifier 1</i>	<i>X(2)</i>	<i>22 – 23</i>	
<i>Modifier 2</i>	<i>X(2)</i>	<i>24 – 25</i>	
<i>Modifier 3</i>	<i>X(2)</i>	<i>26 – 27</i>	
<i>Modifier 4</i>	<i>X(2)</i>	<i>28 – 29</i>	
<i>CBA Area</i>	<i>X(5)</i>	<i>30 – 34</i>	<i>16740 = Charlotte NC-SC</i> <i>16741 = Charlotte NC-SC Mail Order</i> <i>17140 = Cincinnati OH</i> <i>17141 = Cincinnati OH Mail Order</i> <i>17460 = Cleveland OH</i> <i>17461 = Cleveland OH Mail Order</i> <i>19100 = Dallas TX</i> <i>19101 = Dallas TX Mail Order</i> <i>28140 = Kansas MO-KS</i> <i>28141 = Kansas MO- KS Mail Order</i> <i>33100 = Miami FL</i> <i>33101 = Miami FL Mail Order</i> <i>36740 = Orlando FL</i> <i>36741 = Orlando FL Mail Order</i> <i>38300 = Pittsburgh PA</i> <i>38301 = Pittsburgh PA Mail Order</i> <i>40140 = Riverside CA</i> <i>40141 = Riverside CA Mail Order</i> <i>41980 = San Juan PR</i>
<i>Bid Product Category Number</i>	<i>X(3)</i>	<i>35 – 37</i>	<i>001 = Oxygen Supplies & Equipment</i> <i>002 = Standard Power Wheelchairs</i> <i>003 = Complex Rehab Power</i>

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
			<i>Wheelchairs</i>
			<i>004 = Mail Order Diabetic Supplies (Round I)</i>
			<i>005 = Enteral Nutrients, Equipment</i>
			<i>006 = CPAPs, RADs and Related Supplies</i>
			<i>007 = Hospital Beds & Related Supplies</i>
			<i>008 = NPWT Pumps & Related Supplies</i>
			<i>009 = Walkers & Related Supplies</i>
			<i>010 = Support Surfaces (Round I in San Juan, PR & Miami, FL)</i>
<i>Bid Business Rule</i>	<i>X(1)</i>	<i>38 – 38</i>	<i>When field contains “S”, permits non-contract physicians to bill selected CB items</i>
<i>Filler</i>	<i>X(12)</i>	<i>39 – 50</i>	

100.2 - Record Layout for Competitive Bidding Pricing File
(Rev. 1535, Issued: 06-13-08, Effective: 07-01-08, Implementation: 07-07-08)

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
<i>CBA Bid Round Effective Date</i>	<i>X(8)</i>	<i>1-8</i>	
<i>Bid Round Effective Date – CC</i>	<i>9(2)</i>	<i>1 –2</i>	
<i>Bid Round Effective Date -Year</i>	<i>9(2)</i>	<i>3-4</i>	
<i>Bid Round Effective Date - Month</i>	<i>9(2)</i>	<i>5 – 6</i>	
<i>Bid Round Effective Date - Day</i>	<i>9(2)</i>	<i>7 – 8</i>	
<i>Bid Round Expiration</i>	<i>X(8)</i>	<i>9-16</i>	<i>.</i>

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
<i>Date</i>			
<i>Bid Round Expiration Date –CC</i>	9(2)	9 – 10	
<i>Bid Round Expiration Date - Year</i>	9(2)	11 – 12	
<i>Bid Round Expiration Date- Month</i>	9(2)	13 – 14	
<i>Bid Round Expiration Date – Day</i>	9(2)	15 – 16	
<i>HCPCS Procedure Code</i>	X(5)	17 – 21	
<i>Modifier 1</i>	X(2)	22 – 23	
<i>Modifier 2</i>	X(2)	24 – 25	
<i>Modifier 3</i>	X(2)	26 – 27	
<i>Modifier 4</i>	X(2)	28 – 29	
<i>DMEPOS Category</i>	X(2)	30 – 31	<i>IN = Inexpensive/Routinely Purchased</i> <i>FS = Frequently Serviced</i> <i>CR = Capped Rental</i> <i>OX = Oxygen & Oxygen Equipment</i> <i>OS = Ostomy, Tracheostomy & Urologicals</i> <i>SD = Surgical Dressings</i> <i>PO = Prosthetics & Orthotics</i> <i>SU = Supplies</i> <i>TE = TENS</i>
<i>CBA Area</i>	X(5)	32 – 36	<i>16740 = Charlotte NC-SC</i> <i>16741 = Charlotte NC-SC Mail Order</i>

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
			<i>17140 = Cincinnati OH</i>
			<i>17141 = Cincinnati OH Mail Order</i>
			<i>17460 = Cleveland OH</i>
			<i>17461 = Cleveland OH Mail Order</i>
			<i>19100 = Dallas TX</i>
			<i>19101 = Dallas TX Mail Order</i>
			<i>28140 = Kansas MO-KS</i>
			<i>28141 = Kansas MO- KS Mail Order</i>
			<i>33100 = Miami FL</i>
			<i>33101 = Miami FL Mail Order</i>
			<i>36740 = Orlando FL</i>
			<i>36741 = Orlando FL Mail Order</i>
			<i>38300 = Pittsburgh PA</i>
			<i>38301 = Pittsburgh PA Mail Order</i>
			<i>40140 = Riverside CA</i>
			<i>40141 = Riverside CA Mail Order</i>
			<i>41980 = San Juan PR</i>
<i>Bid Price</i>	<i>9(6)V99.</i>	<i>37 – 44</i>	<i>Competitive Bidding Single Payment Amount for HCPCS code</i>
<i>Bid Price Effective Date</i>	<i>X(8)</i>	<i>45-52</i>	
<i>Bid Price Effective Date – CC</i>	<i>9(2)</i>	<i>45 – 46</i>	
<i>Bid Price Effective Date -Year</i>	<i>9(2)</i>	<i>47 – 48</i>	
<i>Bid Price Effective Date - Month</i>	<i>9(2)</i>	<i>49 – 50</i>	
<i>Bid Price Effective Date - Day</i>	<i>9(2)</i>	<i>51 – 52</i>	
<i>Bid Price Expiration Date</i>	<i>X(8)</i>	<i>53-60</i>	

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
<i>Bid Price Expiration Date –CC</i>	<i>9(2)</i>	<i>53 – 54</i>	
<i>Bid Price Expiration Date - Year</i>	<i>9(2)</i>	<i>55 – 56</i>	
<i>Bid Price Expiration Date- Month</i>	<i>9(2)</i>	<i>57 – 58</i>	
<i>Bid Price Expiration Date - Day</i>	<i>9(2)</i>	<i>59 – 60</i>	
<i>Price Change Indicator</i>	<i>X(1)</i>	<i>61 – 61</i>	
<i>Bid Product Category</i>	<i>X(3)</i>	<i>62 – 64</i>	<i>001 = Oxygen Supplies & Equipment</i> <i>002 = Standard Power Wheelchairs</i> <i>003 = Complex Rehab Power Wheelchairs</i> <i>004 = Mail Order Diabetic Supplies (Round I)</i> <i>005 = Enteral Nutrients, Equipment</i> <i>006 = CPAPs, RADs and Related Supplies</i> <i>007 = Hospital Beds & Related Supplies</i> <i>008 = NPWT Pumps & Related Supplies</i> <i>009 = Walkers & Related Supplies</i> <i>010 = Support Surfaces (Round I in San Juan, PR & Miami, FL)</i>
<i>Filler</i>	<i>X(12)</i>	<i>65 – 76</i>	

100.3 - Record Layout for Competitive Bidding Zip Code File

(Rev. 1535, Issued: 06-13-08, Effective: 07-01-08, Implementation: 07-07-08)

Field Name	Pic	Position	Comment
<i>CBA Zip Code Effective Date</i>	<i>X(8)</i>	<i>1-8</i>	
<i>Bid Zip Code Effective Date- CC</i>	<i>9(2)</i>	<i>1 - 2</i>	
<i>Bid Zip Code Effective Date-Year</i>	<i>9(2)</i>	<i>3-4</i>	
<i>Bid Zip Code Effective Date –Month</i>	<i>9(2)</i>	<i>5 – 6</i>	
<i>Bid Zip Code Effective-Day</i>	<i>9(2)</i>	<i>7– 8</i>	
<i>Bid Zip Code Expiration Date</i>	<i>X(8)</i>	<i>9-16</i>	
<i>Bid Zip Code Expiration Date -CC</i>	<i>9(2)</i>	<i>9 – 10</i>	
<i>Bid Zip Code Expiration Date – Year</i>	<i>9(2)</i>	<i>11 – 12</i>	
<i>Bid Zip Code Expiration Date- Month</i>	<i>9(2)</i>	<i>13 – 14</i>	
<i>Bid Zip Code Expiration Date - Day</i>	<i>9(2)</i>	<i>15 – 16</i>	
<i>CBA Zip Code</i>	<i>X(5)</i>	<i>17 – 21</i>	<i>Zip Code for the CBA</i>
<i>CBA State</i>	<i>X(2)</i>	<i>22 – 23</i>	
<i>CBA Area</i>	<i>X(5)</i>	<i>24- 28</i>	<i>16740 = Charlotte NC-SC 16741 = Charlotte NC-SC Mail Order 17140 = Cincinnati OH 17141 = Cincinnati OH Mail Order</i>

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
			17460 = Cleveland OH
			17461 = Cleveland OH Mail Order
			19100 = Dallas TX
			19101 = Dallas TX Mail Order
			28140 = Kansas MO-KS
			28141 = Kansas MO- KS Mail Order
			33100 = Miami FL
			33101 = Miami FL Mail Order
			36740 = Orlando FL
			36741 = Orlando FL Mail Order
			38300 = Pittsburgh PA
			38301 = Pittsburgh PA Mail Order
			40140 = Riverside CA
			40141 = Riverside CA Mail Order
			41980 = San Juan PR
<i>Filler</i>	<i>X(12)</i>	<i>29 - 40</i>	

100.4 - Record Layout for Competitive Bidding Contract Supplier File
 (Rev. 1535, Issued: 06-13-08, Effective: 07-01-08, Implementation: 07-07-08)

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
<i>Supplier NSC Number</i>	<i>X(10)</i>	<i>1 - 10</i>	
<i>Supplier NPI Number</i>	<i>X(10)</i>	<i>11 - 20</i>	
<i>CBA Area</i>	<i>X(5)</i>	<i>21 - 25</i>	16740 = Charlotte NC-SC
			16741 = Charlotte NC-SC Mail Order
			17140 = Cincinnati OH
			17141 = Cincinnati OH Mail Order
			17460 = Cleveland OH

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
			<i>17461 = Cleveland OH Mail Order</i>
			<i>19100 = Dallas TX</i>
			<i>19101 = Dallas TX Mail Order</i>
			<i>28140 = Kansas MO-KS</i>
			<i>28141 = Kansas MO- KS Mail Order</i>
			<i>33100 = Miami FL</i>
			<i>33101 = Miami FL Mail Order</i>
			<i>36740 = Orlando FL</i>
			<i>36741 = Orlando FL Mail Order</i>
			<i>38300 = Pittsburgh PA</i>
			<i>38301 = Pittsburgh PA Mail Order</i>
			<i>40140 = Riverside CA</i>
			<i>40141 = Riverside CA Mail Order</i>
			<i>41980 = San Juan PR</i>
<i>Bid Effective Date</i>	<i>X(8)</i>	<i>26 - 33</i>	
<i>Bid Effective Date- CC</i>	<i>9(2)</i>	<i>26 - 27</i>	
<i>Bid Effective Date- Year</i>	<i>9(2)</i>	<i>28 - 29</i>	
<i>Bid Effective Date - Month</i>	<i>9(2)</i>	<i>30 - 31</i>	
<i>Bid Effective-Day</i>	<i>9(2)</i>	<i>32 - 33</i>	
<i>Bid Expiration Date</i>	<i>X(8)</i>	<i>34 - 41</i>	
<i>Bid Expiration Date - CC</i>	<i>9(2)</i>	<i>34 - 35</i>	
<i>Bid Expiration Date - Year</i>	<i>9(2)</i>	<i>36 - 37</i>	
<i>Bid Expiration Date- Month</i>	<i>9(2)</i>	<i>38 - 39</i>	
<i>Bid Expiration Date -</i>	<i>9(2)</i>	<i>40 - 41</i>	

<i>Field Name</i>	<i>Pic</i>	<i>Position</i>	<i>Comment</i>
<i>Day</i>			
<i>Bid Switches Occurs 500 Times</i>	<i>X(500)</i>	<i>42-541</i>	<i>The switch occurrence equates to the Bid category; i.e. Bid Switch (1) denotes the supplier contract for category 001</i>
<i>Bid Switch (1)</i>	<i>X(1)</i>	<i>42 – 42</i>	
<i>Bid Switch (2)</i>	<i>X(1)</i>	<i>43 – 43</i>	
↓			
<i>Filler</i>	<i>X(59)</i>	<i>542 - 600</i>	

100.5 – Adjustments to the Single Payment Amounts to Reflect Changes in HCPCS Codes

(Rev. 1535, Issued: 06-13-08, Effective: 07-01-08, Implementation: 07-07-08)

If new HCPCS codes are established following the start of a competitive bidding contract period that describe new technology items that did not previously fall under HCPCS codes for competitive bidding items, they will not be added to the competitive bidding HCPCS, CBA pricing and public use files.

If a HCPCS code descriptor for a competitive bidding item is revised to clarify the item described by that code after the competitive bidding contract period begins, a corresponding code descriptor change will be made in the competitive bidding HCPCS, CBA pricing and public use files.

Should a HCPCS code be deleted from the HCPCS after the competitive bidding contract period begins, the deleted code will be considered invalid for claims submission under the competitive bidding program and will be removed from the competitive bidding HCPCS, CBA pricing and public use files. Although the code is discontinued, as explained below, the items that previously fell under the code may continue to be subject to the competitive bidding program.

If a HCPCS code for a competitive bidding item is revised after the contract period for a competitive bidding program begins, CMS will adjust the single payment amount(s) for the item(s) on the CBA pricing file for that Round using one of the following methods:

- (a) If a single HCPCS code for an item is divided into two or more HCPCS codes for the components of that item, the sum of the single payment amounts for the new HCPCS codes will equal the single payment amount for the original item. In accordance with instructions provided in future recurring update notifications, the payment amounts for the HCPCS codes for the components will be established based on the corresponding fee schedule amounts for these codes that are established in accordance with section 60.3 of chapter 23 of the Claims Processing Manual. These amounts for the components of the item will then be adjusted by the same percentage to the level where the sum of the payment amounts for the HCPCS codes for the components equals the single payment amount for the item.
- (b) If a single HCPCS code is divided into two or more separate HCPCS codes for different but similar items, the single payment amount for each of the new separate HCPCS codes is equal to the single payment amount applied to the original, single HCPCS code.
- (c) If the HCPCS codes for components of an item are merged into a single HCPCS code for the item, the single payment amount for the new HCPCS code is equal to the total of the separate single payment amounts for the components.
- (d) If multiple HCPCS codes for different but similar items are merged into a single HCPCS code, the items to which the new HCPCS codes apply may be furnished by any supplier that has a valid Medicare billing number. Payment for the new code will be based on the fee schedule methodology, even if single payment amounts were established for the discontinued multiple HCPCS codes. The old codes will be considered invalid and no longer included in the competitive bidding program for the remainder of the contract term.

Contract suppliers must furnish the item(s) described by the new HCPCS code(s) in scenarios (a) through (c) above and submit claims using the new codes. Notification of a competitive bidding HCPCS code change will occur through program instruction.