

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



News Flash –

REVISED product from the Medicare Learning Network® (MLN)

- [“Contractor Entities At A Glance: Who May Contact You About Specific Centers for Medicare & Medicaid Services \(CMS\) Activities,”](#) Educational Tool, ICN 906983, Downloadable only.

MLN Matters® Number: MM8080

Related Change Request (CR) #: 8080

Related CR Release Date: November 1, 2012

Effective Date: July 1, 2013

Related CR Transmittal #: R11390TN

Implementation Date: July 1, 2013

Durable Medical Equipment (DME) National Competitive Bidding (NCB): National Mail Order (NMO) Program Implementation for Diabetic Supplies

Provider Types Affected

This MLN Matters® Article is intended for Medicare Durable Medical Equipment , Prosthetics, Orthotics, & Supplies (DMEPOS) suppliers that submit claims for Medicare payment to Durable Medical Equipment (DME) Medicare Administrative Contractors (DME MACs) for diabetic supplies delivered to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 8080 and reminds suppliers that, effective July 1, 2013, Medicare Part B payment for covered diabetic testing supplies delivered to a Medicare beneficiary's home by any method is subject to the NMO Competitive Bidding Program. This program applies throughout the United States with the exception of the Northern Mariana Islands.

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Once the program goes into effect, beneficiaries with Original Medicare who get diabetic testing supplies delivered to their homes will have to use a Medicare contract supplier in order for Medicare to make payment unless an exception applies. Suppliers that are awarded and accept an NMO contract will be required to furnish mail order diabetic testing supplies to beneficiaries with Original Medicare in all parts of the United States, including the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, and American Samoa. Beneficiaries residing in the Northern Mariana Islands are not included in the NMO program.

Key Points

- Beneficiaries may choose to pick up diabetic testing supplies in person from retail pharmacy locations or other local supplier storefronts or have them delivered to their homes. Once the program is implemented, only NMO contract suppliers will be reimbursed by Medicare Part B for providing diabetic testing supplies delivered to beneficiaries' residences. If the supplies are shipped or delivered by any means to the beneficiary's home, then the supplier that furnished the supplies must be a NMO contract supplier for Medicare to pay.
- The only diabetic testing supplies not included in the program are those that are obtained directly by a beneficiary or caregiver by physically going to an enrolled DMEPOS supplier storefront and leaving the store with the diabetic testing supplies.
- The only supplier that can bill for these non mail-order diabetic supplies is the supplier from which the beneficiary or caregiver physically picked up the supplies. Diabetic supplies furnished by any means other than mail-order or pickup are not payable by Medicare.
- The term "mail-order" means items shipped or delivered to the beneficiary's residence by any method.
- All suppliers are required to use the KL modifier on each claim for diabetic supplies furnished on a mail-order basis. Suppliers that furnish diabetic testing supplies on a mail-order basis that do not attach the mail-order modifier could be subject to significant penalties.
- Claim lines for items subject to the NMO program for diabetic supplies provided by a non-contract supplier on or after July 1, 2013 will be denied, For paid claim lines where the submitted charge exceeds the single payment amount in the contract, the remittance will be the single payment amount. Contract suppliers must accept assignment for items in their contracts.

Background

CR 8080 provides guidance for systems changes in preparation for NMO program implementation. Section 302 of the Medicare Modernization Act of 2003 (MMA) established requirements for a new competitive bidding program (CBP) for certain DMEPOS. Under the program, DMEPOS suppliers compete to become Medicare contract suppliers by submitting bids to furnish certain items in competitive bidding areas, and the Centers for Medicare & Medicaid Services (CMS) awards contracts to enough suppliers to meet beneficiary demand for the bid items. The new, lower payment amounts

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resulting from the competition replace the Medicare DMEPOS fee schedule amounts for the bid items in these areas. All contract suppliers must comply with Medicare enrollment rules, be licensed and accredited, and meet financial standards. The program sets more appropriate payment amounts for DMEPOS items while ensuring continued access to quality items and services, which will result in reduced beneficiary out-of-pocket expenses and savings to taxpayers and the Medicare program.

The Medicare Improvements for Patients and Providers Act (MIPPA) authorized competition for national mail order items and services after 2010.

Additional Information

The official instruction, CR 8080 issued to your DME MAC regarding this change, may be viewed at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R11390TN.pdf> on the CMS website.

If you have any questions, please contact your carrier or DME MAC at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

Providers may find more detailed information about the competitive bidding program at <http://www.cms.hhs.gov/DMEPOSCompetitiveBid/> on the CMS website.

News Flash - Diabetes and the Seasonal Flu - November is National Diabetes Awareness Month. Diabetes can weaken the immune system, which can put seniors and others with diabetes at greater risk for flu-related complications like pneumonia. Medicare provides coverage for one seasonal influenza virus vaccine per influenza season for all Medicare beneficiaries. Medicare generally provides coverage of pneumococcal vaccination and its administration once in a lifetime for all Medicare beneficiaries. Medicare may provide coverage of additional pneumococcal vaccinations based on risk or uncertainty of beneficiary pneumococcal vaccination status. Medicare provides coverage for the seasonal flu and pneumococcal vaccines and their administration for seniors and others with Medicare with no co-pay or deductible. And remember, seasonal flu vaccine is particularly important for health care workers, who may spread the flu to their patients. Don't forget to immunize yourself and your staff. Protect your patients. Protect your family. Protect yourself. *Know what to do about the flu.*

Remember – The influenza vaccine plus its administration and the pneumococcal vaccine plus its administration are covered Part B benefits. The influenza vaccine and pneumococcal vaccine are NOT Part D-covered drugs. CMS has posted the 2012-2013 [Seasonal Influenza Vaccines Pricing](#). You may also refer to the [MLN Matters® Article #MM8047](#), "Influenza Vaccine Payment Allowances - Annual Update for 2012-2013 Season."

For more information on coverage and billing of the flu vaccine and its administration, please visit the [CMS Medicare Learning Network® Preventive Services Educational Products](#) and [CMS Immunizations](#) web pages. And, while some providers may offer the flu vaccine, others can help their patients locate a vaccine provider within their local community. [HealthMap Vaccine Finder](#) is a free, online service where users can search for locations offering flu vaccines.

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