

10.12 – Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS)

(Rev. 120, Issued: 01-16-15, Effective: 01-01-15, Implementation: 01-01-15)

MA plans are required to “provide coverage of, by furnishing, arranging for, or making payment for, all services that are covered by Medicare Part A and Part B” (see 42 CFR 422.101(a)), which includes coverage of durable medical equipment, prosthetics and supplies. The MAO is responsible for maintaining continuity of care for its enrollee by ensuring uninterrupted access to the medically necessary covered DME item, including when the item needs to be repaired or replaced. If necessary, the MAO must purchase or rent a replacement item for the beneficiary to use.

10.12.1 – Designation of DME Providers/Suppliers

(Rev. 121, Issued: 04-22-16, Effective: 04-22-16, Implementation: 04-22-16)

During the application process, MA plans identify specific DME suppliers with whom they have *a contract* to provide enrollees with all medically necessary DME items and supplies. *MA plans are also expected to update provider/supplier directory information any time they become aware of changes. All updates to the online directory are expected to be done in real-time. For more information about provider directory requirements, see section 110.2 below.*

The plan may disclose information on the suppliers contracted to provide DME to enrollees as an attachment to the Annual Notice of Change (ANOC) and the Evidence of Coverage (EOC) and plans that limit the DME brands and manufacturers it will cover are instructed to attach to the EOC or ANOC, as appropriate, a list of those brands and manufacturers.

10.12.2 – Specifying Brands or Manufacturers of DME

(Rev. 120, Issued: 01-16-15, Effective: 01-01-15, Implementation: 01-01-15)

MA plans may specify brands and manufacturers as preferred and charge lower cost-sharing for the preferred brands or may limit the DME to only those preferred brands and manufacturers, as long as the following conditions are met (42 CFR 422.100(l)):

- The MA plan provides all categories of DME covered under original Medicare Part B;
- The MA plan ensures that enrollees have access to all medically necessary (including non-preferred) DME products or brands;
- The MA plan's contracted suppliers provide access to all preferred DME brands;
- During an enrollee's first year of enrollment in an MA plan, if the enrollee requests, the plan will provide a 90-day transition period (commencing with the initial time of enrollment) during which the plan provides (and repairs, as applicable) non-preferred DME brands furnished in the previous year;
- Although the MA plan may add brands to its preferred formulary during the year, it may not remove any brands mid-year;
- The MA plan treats denials of non-preferred DME products or brands as organization determinations;
- The MA plan discloses DME coverage limitations and appeal rights in the case of a denial of a non-preferred DME product or brand with the EOC and ANOC and on its website; and
- The MA plan provides full coverage, without limitation on brand and manufacturer, to DME categories or subcategories annually determined by CMS to require full coverage.

10.12.3 – Brands/Manufacturers of DME not Subject to Limitation

(Rev. 120, Issued: 01-16-15, Effective: 01-01-15, Implementation: 01-01-15)

Some DME items are not interchangeable, that is, they must be tailored to fit individual enrollees. As a result, such items, as designated by CMS annually, will not be subject to

limitation based on brand or manufacturer or may not be limited under certain circumstances. Up-to-date information is published annually in the Call Letter.

10.12.4 – Prosthetics and Orthotics

(Rev. 120, Issued: 01-16-15, Effective: 01-01-15, Implementation: 01-01-15)

The MA plan must provide all brands and manufacturers of Prosthetics and Orthotics without limitation.

10.12.5 – DMEPOS Competitive Bid Program

(Rev. 121, Issued: 04-22-16, Effective: 04-22-16, Implementation: 04-22-16)

On January 1, 2011, the original Medicare payment amount for DMEPOS competitive bid items furnished in Competitive Bidding Areas (CBAs) was reduced below the fee schedule payment. The program only affects certain geographic areas and certain categories of DMEPOS; exceptions may apply. For the latest guidance refer to information at <http://www.cms.gov/DMEPOSCompetitiveBid/>. The program affects MA payments in those situations when an MA plan is only required to pay at least the original Medicare rate, for example, when reimbursing suppliers that are not under contract with the MA plan. MAOs must disclose information on the new program to their plan enrollees. MAOs should inform enrollees how the DMEPOS competitive bidding program will affect them and what they should do if they need to change suppliers, for example, in cases where *an enrollee's* current supplier is not one of the “Medicare contract suppliers” under the DMEPOS competitive bidding program and they cannot be grandfathered under the DMEPOS competitive bidding program.