

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 13160</b>	<b>Date: April 16, 2025</b>
	<b>Change Request 13990</b>

**Transmittal 13122 issued April 02, 2025, is being rescinded and replaced by Transmittal 13160, dated April 16, 2025, to remove the DME MACs and HCDC responsibility from Business Requirement (BR)13990.3 and to add BR13990.13 reflecting that the DME MACs and/or HCDC retrieve the rural ZIP code data via the cloud. All other information remains the same.**

**SUBJECT: April Quarterly Update for 2025 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to update on a quarterly basis the DMEPOS fee schedules, when necessary, in order to implement fee schedule amounts for new and existing codes, as applicable, and apply changes in payment policies. The update process for the DMEPOS fee schedule is located in publication 100-04, Medicare Claims Processing Manual, chapter 23, section 60.

**EFFECTIVE DATE: April 1, 2025**

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

**IMPLEMENTATION DATE: April 7, 2025**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**III. FUNDING:**

**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**

# Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 13160	Date: April 16, 2025	Change Request: 13990
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## **II. GENERAL INFORMATION**

**A. Background:** Payment on a fee schedule basis is required for certain Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by Subsection §1834(a), (h), and (i) of the Social Security Act (the Act). Also, payment on a fee schedule basis is a regulatory requirement at 42 Code of Federal Regulations (CFR) §414.102 for Parenteral and Enteral Nutrition (PEN), splints, casts and Intraocular Lenses (IOLs) inserted in a physician's office. Also, the DMEPOS fee schedule file includes national payment amounts for lymphedema compression treatment items established in accordance with §1834(z) of the Act and regulations at 42 CFR §414.1650.

Section 1834(a)(1)(F)(ii) of the Act mandates adjustments to the fee schedule amounts for DME items included in the DMEPOS Competitive Bidding Program (CBP) for payment of the items in areas that are not included in the CBP. Sections 1834(h)(1)(H)(ii), 1842(s)(3)(B) and 1834(z)(3) of the Act provide authority to adjust the fee schedule amounts for off-the-shelf orthotics, braces, and enteral nutrients, equipment, and supplies (enteral nutrition), based on information from the DMEPOS CBP and the national payment amounts for lymphedema compression treatment items. The methodologies for adjusting DMEPOS fee schedule and national payment amounts are established at 42 CFR §414.210(g). The DMEPOS and PEN fee schedule files contain Healthcare Common Procedure Coding System (HCPCS) codes that are subject to fee schedule adjustments using information on the payment determined for these items under the CBP, as well as codes that are not subject to the CBP or fee schedule adjustments.

### **1. Payment for Items Furnished in Former Competitive Bidding Areas**

Beginning January 1, 2024, there is a gap period in the DMEPOS CBP. All Medicare Round 2021 DMEPOS CBP contracts for Off-the-Shelf (OTS) back braces and OTS knee braces expired on December 31, 2023.

Additional information on the gap period is available at <https://www.cms.gov/medicare/payment/fee-schedules/dmepos-competitive-bidding>

During the gap period, payment for items and services that were included in the CBP are equal to 80 percent of the lesser of the supplier's charge or the fee schedule amount for the item. Pursuant to §414.210(g)(10), the fee schedules for items and services furnished in former Competitive Bidding Areas (CBAs) are based on the Single Payment Amounts (SPAs) in effect in the CBA on the last day before the CBP contract period of performance ended, increased by the projected percentage change in the Consumer Price Index Urban (CPI-U) for the 12-month period on the date after the contract periods ended. The fee schedule amounts are increased once every 12 months on the anniversary date of the first day after the contract period ended with the CPI-U.

For Calendar Year (CY) 2025, for items where contracts were awarded in Round 2021, the fee schedule amounts for items furnished in areas that were CBAs as of December 31, 2023, are adjusted based on the SPAs for each specific CBA, increased by the projected percentage change in the CPI-U of 2.9 percent for the 12-month period ending January 1, 2025. Also, for items that were included in Round 2021 but where contracts were not awarded in Round 2021 of the CBP, the 2024 adjusted fee schedule amounts are increased by the projected CPI-U of 2.9 percent for CY 2025.

A former CBA ZIP code file contains the CBA ZIP codes used in pricing a claim for an item furnished in a CBA and will be updated on a quarterly basis as necessary. Effective January 1, 2025, the former CBA ZIP code file will contain the ZIP codes for the CBAs included in Round 2021.

## **2. DMEPOS Rural Zip Codes**

The ZIP code associated with the address used for pricing a DMEPOS claim determines the rural fee schedule payment applicability for codes with rural and non-rural fee schedule amounts adjusted in accordance with §414.210(g). The DMEPOS Rural ZIP code file contains the ZIP codes designated as rural areas. ZIP codes for non-contiguous Metropolitan Statistical Areas (MSAs) are not included in the DMEPOS Rural ZIP code file. The DMEPOS Rural ZIP code file is updated on a quarterly basis as necessary. Regulations at §414.202 define a rural area to be a geographical area represented by a postal ZIP code where at least 50 percent of the total geographical area of the ZIP code is estimated to be outside any Metropolitan Statistical Area (MSA). A rural area also includes any low population density ZIP Code within an MSA that is excluded from a CBA established for that MSA.

**B. Policy:** Updates to the Medicare DMEPOS fee schedule files are available as Public Use Files (PUFs) for State Medicaid Agencies, managed care organizations, and other interested parties at

<https://www.cms.gov/medicare/payment/fee-schedules/dmepos>

### **Codes Added and Deleted**

New DMEPOS codes added to the Healthcare Common Procedure Coding System (HCPCS) file, effective April 1, 2025, are listed in the business requirements below.

No HCPCS codes are deleted from the DMEPOS fee schedule file, effective April 1, 2025.

No new HCPCS codes are added or deleted to the PEN fee schedule file, effective April 1, 2025.

### **2025 Labor Payment Amounts for Repairs & Service Codes**

As part of this update, HCPCS codes K0739, L4205 and L7520 and Medicare payment amounts are added to the DMEPOS fee schedule file for processing claims with dates of service on or after April 1, 2025. The codes are described as follows:

K0739 Repair or nonroutine service for durable medical equipment other than oxygen equipment requiring the skill of a technician, labor component, per 15 minutes

L4205 Repair of orthotic device, labor component, per 15 minutes

L7520 Repair prosthetic device, labor component, per 15 minutes

The new payment category indicator on the DMEPOS fee schedule file, effective January 1, 2025, that is associated with these codes is:

LT= labor rates

The fees for codes K0739, L4205 and L7520 were established by the Medicare administrative carrier contractors in accordance with 42 CFR 414.210(e) and are based on historic supplier charges. Ceiling and floors do not apply to the labor fees. The fees for codes K0739, L4205 and L7520 were updated in the January 2025 DMEPOS fee schedule update by the percentage increase in the consumer price index for all urban consumers for the 12-month period ending with June of the previous year. One labor fee per state for each code is established and the statewide fees appear in the non-rural state field on the DMEPOS fee schedule file. The rural state fields are populated with zeros. Additional information on the fees is available in Transmittal 12991, Change Request 13888 titled Calendar Year 2025 Update for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule available at

<https://www.cms.gov/medicare/regulations-guidance/transmittals/2024-transmittals>

### **New Fee Schedule Amounts**

Fee schedules amounts are added to the DMEPOS fee schedule file for the following new HCPCS codes established as a result of the CMS' Second Biannual 2024 Non-Drug and Non-Biological Items and Services HCPCS code application review cycle:

A4593

E0201

E1032

E1033

E1034

E1832

E3200

L0720

L1933

L1952

L5827

L6700

L7406

The fee schedule category listed in the DMEPOS file for some of these items may reflect revisions for benefit category determinations made using the procedures at 42 CFR §414.114 and §414.240.

Pursuant to regulations for DMEPOS items and services at 42 CFR §414.114 and §414.240, CMS obtained public consultation on national Medicare benefit category determinations and/or payment determinations for these codes during CMS' Second Biannual 2024 Non-Drug and Non-Biological Items and Services HCPCS code application review cycle. A narrative summary for the Medicare benefit category and/or payment determinations for these items is available at <https://www.cms.gov/medicare/coding-billing/healthcare-common-procedure-system/current-prior-years-level-ii-coding-decisions>

### **HCPCS Codes E1028, E1032, E1033, and E1034**

Payment on a purchase basis was established for capped rental wheelchair accessory codes furnished for use with complex rehabilitative power wheelchairs. These accessories are considered as part of the complex rehabilitative power wheelchair and associated lump sum purchase option set forth at 42 CFR §414.229(a)(5). In the CMS Second Biannual 2024 HCPCS coding cycle, HCPCS code E1028 was split into the following three additional HCPCS Level II codes beginning April 1, 2025: E1032, E1033 and E1034. Codes E1032 (Wheelchair accessory, manual swingaway, retractable or removable mounting hardware used with joystick or other drive control interface), E1033 (Wheelchair accessory, manual swingaway, retractable or removable mounting hardware for headrest, cushioned, any type), and E1034 (Wheelchair accessory, manual swingaway, retractable or removable mounting hardware for lateral trunk or hip support, any type) are eligible for payment on a purchase basis when furnished for use with a complex rehabilitative power wheelchair.

Fees for the 'KU' modifier when billed with E1032, E1033 and E1034 are included in the April 2025 file for billing when these items are furnished in connection with a Group 3 power wheelchair, complex rehabilitative manual wheelchair (identified by HCPCS codes K0005, E1161, E1231, E1232, E1233 and E1234), and certain manual wheelchairs described by HCPCS codes E1235, E1236, E1237, E1238, and K1008.

Also as discussed in the background section above, beginning January 1, 2024, there is a gap period in the DMEPOS CBP. The three new HCPCS codes will be added to the former CBA fee schedule file effective April 1, 2025. Because there is a pricing history, the previous payment amounts for the previous HCPCS Level II code E1028 are mapped to codes E1032, E1033 and E1034 in the former CBA fee schedule file to ensure continuity of pricing per regulations at 42 CFR 414.236(a).

### **New HCPCS for Lymphedema Compression Treatment Items**

The Calendar Year 2024 Home Health Prospective Payment System final rule (CMS-1780-F) established a new benefit category for standard and custom fitted compression garments and additional lymphedema compression treatment items under Medicare Part B in accordance with section 4133 of the Consolidated Appropriations Act (CAA), 2023. The lymphedema compression treatment items benefit category encompasses standard and custom fitted compression garments and additional lymphedema compression treatment items that are primarily and customarily used to serve a medical purpose, are for the treatment of lymphedema, and are prescribed by an authorized practitioner effective for items furnished on or after January 1, 2024.

The following new HCPCS Level II codes for lymphedema compression treatment items are included in the HCPCS file effective April 1, 2025: A6515, A6516, A6517, A6518, A6519, and A6611 and identify custom items. These codes are added to the claims processing instructions in Change Request 13286 titled "Implementation of New Benefit Category for Lymphedema Compression Treatment Items."

### III. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FIS	MC S	VM S	CW F	
13990.1	The DME MACs, A/B MACs Part B and/or Hybrid Cloud Data Center (HCDC) shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T250101.V0313). The file is available for download on or after March 13, 2025.		X		X					Hybrid Cloud Data Center (HCDC)
13990.1.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).		X		X					Hybrid Cloud Data Center (HCDC)
13990.2	The A/B MACs Part A, A/B MACs Part Home Health and Hospice (HHH) and/or HCDC shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T250101.V0313.FI). The file is available for download on or after March 13, 2025.	X		X						Hybrid Cloud Data Center (HCDC)
13990.2.1	Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).	X		X						Hybrid Cloud Data Center (HCDC)
13990.3	The A/B MACs Part B, A/B MACs Part A, A/B MACs Part HHH and/or HCDC shall retrieve the 2025 Rural ZIP code file (filename: MU00.@DMECBIC.RURZIP.C25Q02.V0313) on or after March 13, 2025	X	X	X						
13990.3.1	Contractors shall notify CMS of successful receipt via email to	X	X	X	X					Hybrid

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	price_file_receipt@cms.hhs.gov stating the name of the file received (e.g., DMEPOS) and the entity receiving the file (e.g., include states, contractor/carrier numbers, quarter, and if Part A, Part B, or both).									Cloud Data Center (HDC)
13990.4	<p>Contractors shall use the DMEPOS files in requirements 13990.1, 13990.2, and the Rural Zip code file in requirement 13990.3 to pay claims for items with dates of service beginning April 1, 2025.</p> <p>An April update to the 2025 PEN fee schedule files is not required.</p> <p>NOTE: Change request numbers will be added with final release.</p>	X	X	X	X					
13990.5	<p>Contractors shall be aware the HCPCS codes listed below are being added to the HCPCS effective April 1, 2025, and shall be added to the Common Working File (CWF) categories (category codes in parentheses) and systems where necessary as follows:</p> <p>A4593 (01) A6515 (77, 60) A6516 (77, 60) A6517 (77, 60) A6518 (77, 60) A6519 (77, 60) A6611 (77, 60) A9154 (67) E0201 (04,60)</p> <p>E1022 (60) E1023 (60) E1032 (01, 60) E1033 (01, 60) E1034 (01, 60) E1832 (01, 60) E3200 (01)</p>		X		X				X	CVM

Number	Requirement	Responsibility								
		A/B MAC			DM E  MA C	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	L0720 (03, 60) L1933 (03, 60) L1952 (03, 60) L5827 (03, 60) L6028 (60) L6029 (60) L6030 (60) L6031 (60) L6032 (60) L6033 (60) L6037 (60) L6700 (03, 60) L7406 (03, 60)									
13990.6	Contractors shall be aware the following HCPCS codes are revised effective April 1, 2025, and shall be added to the Common Working File (CWF) categories (category codes in parentheses) and systems where necessary as follows:  A4453 (3) A4459 (3)								X	CVM
13990.7	Contractors shall delete the following HCPCS codes from the Common Working File (CWF) categories in parentheses where necessary as follows, effective April 1, 2025:  A4459 (73)  A9155 (67)  L8010 (03,60)								X	CVM
13990.8	Effective for dates of service on or after April 1, 2025, contractors shall allow for payment on a lump sum purchase basis for HCPCS codes E1032, E1033 and E1034 when they are furnished for use with a complex rehabilitative power wheelchair.				X					
13990.9	Contractors shall establish HCPCS codes E1032, E1033 and E1034 with				X					



Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	the KU and KM proc option effective April 1, 2025.									
13990.10	Contractors shall add HCPCS codes E1032, E1033 and E1034 to the LIKE PROCEDURE CODE GROUPS screen within the mnemonic REHAB-WHEELCHAIR-ACCESSORIES effective April 1, 2025.				X					
13990.11	CWF shall modify consistency error code ‘68X5’ for DMEPOS to not set for the HCPCS codes E1032, E1033 and E1034 when the Category is ‘1’ for any incoming HUDC claims with dates of service on or after April 1, 2025.								X	CVM
13990.12	CWF shall modify consistency error code ‘59X7’ for DMEPOS to not set for HCPCS codes E1032, E1033 and E1034 when an HUDC claim is billed with TOS ‘A’ or ‘P’ and with dates of service on or after April 1, 2025.								X	CVM
13990.13	The DME MACs and/or HCDC shall retrieve the 2025 Rural ZIP code data from the cloud service on or after March 13, 2025.				X					Hybrid Cloud Data Center (HCDC)

#### IV. PROVIDER EDUCATION

Medicare Learning Network® (MLN): CMS will develop and release national provider education content and market it through the MLN Connects® newsletter shortly after we issue the CR. MACs shall link to relevant information on your website and follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1 for distributing the newsletter to providers. When you follow this manual section, you don't need to separately track and report MLN content releases. You may supplement with your local educational content after we release the newsletter.

**Impacted Contractors:** A/B MAC Part A, A/B MAC Part B, A/B MAC Part HHH, DME MAC

#### V. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements: N/A**

*"Should" denotes a recommendation.*

<b>X-Ref Requirement Number</b>	<b>Recommendations or other supporting information:</b>
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**Section B: All other recommendations and supporting information: N/A**

**VI. CONTACTS**

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

**VII. FUNDING**

**Section A: 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.

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