

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 13277	Date: June 20, 2025
	Change Request 14088

Transmittal 13257 issued June 06, 2025, is being rescinded and replaced by Transmittal 13277, dated June 20, 2025, to correct the alphanumeric HCPCS Level II code in the policy section from E0037 to K0037. All other information remains the same.

SUBJECT: July 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 the DMEPOS fee schedule on a quarterly basis, 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: July 1, 2025

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

IMPLEMENTATION DATE: July 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.

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
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

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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. In addition, 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 or national payment amounts for, respectively, off-the-shelf orthotics, enteral nutrients, equipment, and supplies (enteral nutrition), and lymphedema compression treatment items based on information from the DMEPOS CBP. The methodologies for adjusting DMEPOS fee schedule or 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.

On December 29, 2022, the Consolidated Appropriations Act (CAA), 2023, was signed into law. Section 4139 of the CAA, 2023 required that the fee schedule amounts for items and services furnished in non-rural contiguous non-Competitive Bidding Areas (CBAs) continue to be based on a blend of 75 percent of the adjusted fee schedule amounts and 25 percent of the unadjusted fee schedule amounts for claims with dates of service for the remainder of the Coronavirus Disease (COVID-19) public health emergency or December 31, 2023, whichever is later. The COVID-19 public health emergency ended on May 11, 2023. Therefore, effective January 1, 2024, the fee schedule amounts for items and services furnished in non-rural contiguous non-CBAs is based on 100 percent of the fee schedule amounts adjusted in accordance with §414.210(g). Additional details are available in the Home Health Prospective Payment System final rule (CMS-1780-F) published on November 13, 2023, in the Federal Register, which is available at <https://www.cms.gov/medicare/payment/fee-schedules/dmepos-fee-schedule/dmepos-laws-regulations>.

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 less any unmet Part B deductible. Pursuant to §414.210(g)(10), the fee schedule amounts for items and services furnished in former 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 ending 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 by the projected percentage change in the CPI-U for the 12-month period ending on the anniversary date. For the purpose of updating the adjusted fee schedule amounts for items furnished in former CBAs for Calendar Year (CY) 2025, the projected change in the CPI-U for the 12-month period ending January 1, 2025, is 2.9 percent. 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 contains the ZIP codes for the CBAs included in Round 2021.

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: This instruction provides updates for the following files:

1. DMEPOS fee schedule file for July 2025
2. DMEPOS PEN fee schedule file for 2025
3. DMEPOS Rural ZIP code file for July 2025 (Quarter 3)

These updates will be available as Public Use Files (PUFs) for State Medicaid Agencies, managed care organizations, and other interested parties on the CMS website at <https://www.cms.gov/medicare/payment/fee-schedules/dmepos/dmepos-fee-schedule>.

Codes Added and Deleted

No codes are added or deleted from the DMEPOS fee schedule file, effective July 1, 2025.

Corrections made to the 2025 Fee Schedule Amounts for Certain Items Furnished in Non-Contiguous areas (Alaska, Hawaii, Puerto Rico, and the U.S. Virgin Islands)

As part of this update, we are providing notice that some of the non-contiguous fee schedule amounts for 19 HCPCS Level II codes whose fees are adjusted based on prices established under the DMEPOS CBP were calculated incorrectly for CY 2024. In applying the adjusted fee schedule methodologies to these codes, the non-contiguous fee schedule amounts were not limited by the unadjusted fee schedule amounts in accordance with our regulations at 42 CFR 414.210(g). The identified errors were corrected in the January 2025 fee schedule update. Most of the corrections were minor with the percentage fee adjustments to correct the error ranging from -12.9% to 2.2%. The HCPCS Level II codes impacted by this change are as follows: A4636, E0776, E0779, E0780, E0791, E0982, E0995, E1029, E1030, E2324, E2326, E2329, E2351, E2373, K0020, K0037, K0042, K0044, and K0046.

CMS also identified errors in the 2025 DMEPOS fee schedule amounts for 99 HCPCS Level II codes in some of the non-contiguous areas of Alaska, Hawaii, Puerto Rico, and the Virgin Islands. In this instance, the fees were inappropriately adjusted by the CPI-U adjustment instead of a weighted average of the CPI-U and the covered item update. Most of the corrections to the fee schedule amounts were minor resulting in overpayments ranging from \$0.01 to \$14.25 per code. The median overpayment amount for these codes is \$0.17. CMS recalculated the 2025 fees and is incorporating the corrections in the July 2025 update to the DMEPOS and PEN fee schedule files. Attachment A contains a list of the HCPCS codes/modifier combinations impacted by the July 2025 corrections. The non-contiguous fee corrections are effective beginning July 1, 2025.

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	HH H		FIS S	MC S	VM S	CW F	
14088.1	The CMS shall notify the Medicare contractors and the Hybrid Cloud Data Center (HCDC) via e-mail when the revised payment files and data in the cloud are available for their retrieval.									CMS
14088.2	<p>The A/B MACs Part A and A/B MACs for Home Health and Hospice (HHH) shall retrieve the DMEPOS FI fee schedule data from the cloud service and implement it into their testing and production regions. The file will be available on or after June 5, 2025.</p> <p>Note: The Mainframe Files will be needed for comparison purposes. The FISS Mainframe Jobs that load the Fee Schedules will compare the Mainframe files with Cloud Data.</p> <p>Note: In the event of unexpected circumstances or issues, CMS shall provide further instruction to the MACs and Data Centers (DCs) via email to load the Mainframe Files instead of the Cloud data.</p>	X		X						Hybrid Cloud Data Center (HCDC)
14088.2.1	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	X		X						

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FIS	MC S	VM S	CW F	
	if Part A, Part B, or both).									
14088.3	<p>The DME MACs and A/B MACs Part B shall retrieve the DMEPOS fee schedule data from the cloud service and implement it into their testing and production regions. The file will be available on or after June 5, 2025.</p> <p>Note: In the event of unexpected circumstances or issues, CMS shall provide further instruction to the MACs and DCs via email to load the Mainframe Files instead of the Cloud data.</p>		X		X					Hybrid Cloud Data Center (HDC)
14088.3.1	<p>Upon email notification from CMS, Data Centers shall download the DMEPOS revised payment data from the cloud service and work with Part B MACs to implement it into their testing and production regions.</p> <p>Note: In the event of unexpected circumstances or issues, CMS shall provide further instruction to the MACs and DCs via email to load the Mainframe Files instead of the Cloud data.</p>		X							Hybrid Cloud Data Center (HDC)
14088.3.2	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					
14088.4	The A/B MACs Part A, A/B MACs for Home Health and Hospice (HHH) and/or HCDC shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T250101.	X		X						Hybrid Cloud Data Center

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HH H		FIS S	MC S	VM S	CW F	
	<p>V0605.FI). The file is available for download on or after June 5, 2025.</p> <p>Note: The Mainframe Files will be needed for comparison purposes. The FISS Mainframe Jobs that load the Fee Schedules will compare the Mainframe files with Cloud Data.</p> <p>Note: In the event of unexpected circumstances or issues, CMS shall provide further instruction to the MACs and DCs via email to load the Mainframe Files instead of the Cloud data.</p>									(HCD C)
14088.5	<p>If necessary the A/B MACs Part B shall retrieve the DMEPOS fee schedule file (file name:MU00.@BF12393.DMEPOS.T25 0101.V0605). The file is available for download on or after June 5, 2025.</p> <p>Note: In the event of unexpected circumstances or issues, CMS shall provide further instruction to the MACs and DCs via email to load the Mainframe Files instead of the Cloud data.</p>		X							
14088.6	<p>The DME MACs shall retrieve the PEN fee schedule file from the cloud service and implement it into their testing and production regions. The file will be available on or after June 5, 2025.</p> <p>Note: In the event of unexpected circumstances or issues, CMS shall provide further instruction to the MACs and DCs via email to load the Mainframe Files instead of the Cloud data.</p>				X					
14088.6.1	<p>Contractors shall notify CMS of successful receipt via email to price_file_receipt@cms.hhs.gov stating</p>				X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FIS S	MC S	VM S	CW F	
	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).									
14088.6.2	The DME MACs shall retrieve the PEN fee schedule file (filename: MU00.@BR12393.PEN.CY25.V0605). The file is available for download on or after June 5, 2025. Note: In the event of unexpected circumstances or issues, CMS shall provide further instruction to the MACs and DCs via email to load the Mainframe Files instead of the Cloud data.				X					
14088.7	The DME MACs and/or HCDC shall retrieve the 2025 Rural ZIP code data from the cloud service on or after June 5, 2025.				X					Hybrid Cloud Data Center (HCDC)
14088.7.1	The A/B MACs Part B, A/B MACs Part A, A/B MACs Part HHH, DME MACs and/or HCDC shall retrieve the 2025 Rural ZIP code file (filename: MU00.@DMECBIC.RURZIP.C25Q03.V0605) on or after June 5, 2025.	X	X	X	X					Hybrid Cloud Data Center (HCDC)
14088.7.2	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	X	X					
14088.8	Contractors shall use the DMEPOS files in business requirements 14088.2, 14088.3, 14088.6 and the Rural Zip code file in business requirements 14088.7	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FIS	MC S	VM S	CW F	
	and 14088.7.1 to pay claims for items with dates of service beginning July 1, 2025.									
14088.9	Contractors shall process claims for the HCPCS codes/modifier combinations on Attachment A with dates of service on or after July 1, 2025, using the corrected non-contiguous area fee schedule amounts in the July 2025 DMEPOS and PEN fee schedule files.				X					

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.

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

VI. CONTACTS

Pre-Implementation Contact(s): Hafsa Vahora, Hafsa.Vahora@cms.hhs.gov

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.

ATTACHMENTS: 1

Attachment A- HCPCS Codes/Modifiers Impacted by the July 2025 Fee Corrections in Non-Contiguous Areas

A4221	A4222	A4224	A4225	A4619NU	A4636NU	A4636NUKE	A4636RR	A4636UE
A4636UEKE	A4637NU	A4637NUKE	A4637UE	A4637UEKE	E0144RR	E0265RR	E0266RR	E0296RR
E0297RR	E0300RR	E0580NU	E0580RR	E0580UE	E0776NU	E0776RR	E0776UE	E0779RR
E0780NU	E0781RR	E0784RR	E0791RR	E0952NU	E0952NUKE	E0952RR	E0952RRKE	E0952UE
E0952UEKE	E0954NU	E0954NUKE	E0954RR	E0954RRKE	E0954UE	E0954UEKE	E0981NU	E0981NUKE
E0981RR	E0981RRKE	E0981UE	E0981UEKE	E0982NU	E0982NUKE	E0982RR	E0982RRKE	E0982UE
E0982UEKE	E0995NU	E0995NUKE	E0995RR	E0995RRKE	E0995UE	E0995UEKE	E1002RR	E1002RRKE
E1003RR	E1003RRKE	E1004RR	E1004RRKE	E1005RR	E1005RRKE	E1006RR	E1006RRKE	E1007RR
E1007RRKE	E1008RR	E1008RRKE	E1010RR	E1010RRKE	E1012RR	E1012RRKE	E1029RR	E1029RRKE
E1030RR	E1030RRKE	E2310RR	E2310RRKE	E2311RR	E2311RRKE	E2321RR	E2321RRKC	E2321RRKE
E2322RR	E2322RRKC	E2322RRKE	E2323NU	E2323NUKE	E2323RR	E2323RRKE	E2323UE	E2323UEKE
E2324NU	E2324NUKE	E2324RR	E2324RRKE	E2324UE	E2324UEKE	E2325RR	E2325RRKE	E2326RR
E2326RRKE	E2327RR	E2327RRKC	E2327RRKE	E2328RR	E2328RRKE	E2329RR	E2329RRKE	E2330RR
E2330RRKE	E2351NU	E2351NUKE	E2351RR	E2351RRKE	E2351UE	E2351UEKE	E2373RR	E2373RRKC
E2373RRKE	E2374RR	E2374RRKE	E2375RRKE	E2376RR	E2376RRKE	E2377RR	E2377RRKE	E2382NU
E2382NUKE	E2382RR	E2382RRKE	E2382UE	E2382UEKE	E2385NU	E2385NUKE	E2385RR	E2385RRKE
E2385UE	E2385UEKE	E2388NU	E2388NUKE	E2388RR	E2388RRKE	E2388UE	E2388UEKE	E2389NU
E2389NUKE	E2389RR	E2389RRKE	E2389UE	E2389UEKE	E2390NU	E2390NUKE	E2390RR	E2390RRKE
E2390UE	E2390UEKE	E2619NU	E2619NUKE	E2619RR	E2619RRKE	E2619UE	E2619UEKE	E2622NU

E2622NUKE	E2622RR	E2622RRKE	E2622UE	E2622UEKE	E2623NU	E2623NUKE	E2623RR	E2623RRKE
E2623UE	E2623UEKE	E2624NU	E2624NUKE	E2624RR	E2624RRKE	E2624UE	E2624UEKE	E2625NU
E2625NUKE	E2625RR	E2625RRKE	E2625UE	E2625UEKE	K0017NU	K0017NUKE	K0017RR	K0017RRKE
K0017UE	K0017UEKE	K0018NU	K0018NUKE	K0018RR	K0018RRKE	K0018UE	K0018UEKE	K0020NU
K0020NUKE	K0020RR	K0020RRKE	K0020UE	K0020UEKE	K0037NU	K0037NUKE	K0037RR	K0037RRKE
K0037UE	K0037UEKE	K0038NU	K0038NUKE	K0038RR	K0038RRKE	K0038UE	K0038UEKE	K0039NU
K0039NUKE	K0039RR	K0039RRKE	K0039UE	K0039UEKE	K0041NU	K0041NUKE	K0041RR	K0041RRKE
K0041UE	K0041UEKE	K0042NU	K0042NUKE	K0042RR	K0042RRKE	K0042UE	K0042UEKE	K0043NU
K0043NUKE	K0043RR	K0043RRKE	K0043UE	K0043UEKE	K0044NU	K0044NUKE	K0044RR	K0044RRKE
K0044UE	K0044UEKE	K0045NU	K0045NUKE	K0045RR	K0045RRKE	K0045UE	K0045UEKE	K0046NU
K0046NUKE	K0046RRKE	K0046UE	K0046UEKE	K0047NU	K0047NUKE	K0047RR	K0047RRKE	K0047UE
K0047UEKE	K0050NU	K0050NUKE	K0050RR	K0050RRKE	K0050UE	K0050UEKE	K0051NU	K0051NUKE
K0051RR	K0051RRKE	K0051UE	K0051UEKE	K0098NUKE	K0098RRKE	K0098UEKE	K0552	K0601NU
K0602NU	K0603NU	K0604NU	K0605NU	K0733NUKE	K0733RRKE	K0733UEKE	K0806NU	K0806RR
K0806UE	K0807NU	K0807RR	K0807UE	K0808NU	K0808RR	K0808UE	K0835RR	K0836RR
K0837RR	K0838RR	K0839RR	K0840RR	K0841RR	K0842RR	K0843RR	E0776NUKE	E0776RRKE
E0776UEKE								