



Inexpensive or Routinely Purchased Durable Medical Equipment (DME) Payment Classification for Speech Generating Devices (SGD) and Accessories

MLN Matters Number: MM10604

Related Change Request (CR) Number: 10604

Related CR Release Date: April 27, 2018

Effective Date: October 1, 2018

Related CR Transmittal Number: R4027CP

Implementation Date: October 1, 2018

PROVIDER TYPES AFFECTED

This MLN Matters Article is intended for suppliers of Durable Medical Equipment, Prosthetics, Orthotics and Suppliers (DMEPOS) submitting claims to Medicare Administrative Contractors (MACs) for speech generating devices (SGDs) and accessories provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

Change Request (CR) 10604 ensures that the use of SGDs and accessories continue to be classified under the inexpensive or routinely purchased DME payment category. Please make sure your billing staffs are aware of this update, which relates to the Medicare Claims Processing Manual, Chapter 20, sections 30.1 and 130.2. The relevant sections of the manual are included at the end of CR10604.

BACKGROUND

Effective October 1, 2015, amendments to Section 1834(a)(2)(A) of the Social Security Act (the Act), the “Steve Gleason Enduring Voices Act of 2017,” changed the DME payment category for SGDs and accessories essential for the effective use of the SGD furnished between October 1, 2015 and September 30, 2018, from capped rental to inexpensive or routinely purchased.

CR 10604 provides instructions regarding the recent amendment of Section 1834(a)(2)(A) of the Act under the Bipartisan Budget Act of 2018 (BBA), which makes the inexpensive or routinely purchased payment category permanent for SGDs and SGD accessories by removing the end date, “and before October 1, 2018,” from the statute. Because of the amendment under Section 50411 of the BBA of 2018, SGDs and their accessories will continue to be classified as inexpensive or routinely purchased items and subject to the payment rules outlined in Section 1834(a)(2) of the Act on or after October 1, 2018.

Items in this payment category are paid on a purchased new, purchased used, or rental basis. Total payments for items in this payment category (sum of allowed charges for all claims for rental or purchase) may not exceed the fee schedule amount/single payment amount for the purchase of the equipment.

ADDITIONAL INFORMATION

The official instruction, CR 10604, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2018Downloads/R4027CP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

DOCUMENT HISTORY

Date of Change	Description
May 1, 2018	Initial article released.

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