



CMS Delays Until April 5, 2010 Implementation of PECOS; CMS Announces 2010 Fee Schedule Update – November 30, 2009

CMS Announced Last Week the Delay in Implementation of PECOS Until April 5, 2010

CMS has announced that it is delaying implementation of phase two of the Provider Enrollment, Chain and Ownership System (PECOS) edits and claims rejections until April 5, 2010. CMS expects the delay in implementation will give physicians and non-physician practitioners who order items or services for Medicare beneficiaries or who refer Medicare beneficiaries to other Medicare providers or suppliers sufficient time to enroll in Medicare or take the action necessary to establish a current enrollment record in Medicare prior to Phase 2 implementation. A complete copy of the CMS communication is at:

https://www.noridianmedicare.com/cgi-bin/coranto/viewnews.cgi%3fid=EkVAEZEVFkQAKiUxYV&tmpl=dme_viewnews&style=part_ab_viewnews

CMS Announces CY 2010 Updates to DMEPOS Fee Schedule CY 2010 Fee Schedule Update Factor

The DMEPOS fee schedule amounts are being updated for 2010 by the percentage increase in the consumer price index for all urban consumers (United States city average) or CPI-U for the 12-month period ending with June of 2009. Since the percentage change in the CPI-U for the 12-month period ending with June of 2009 is negative (-1.41 percent), *the percentage increase in the CPI-U used to update the DMEPOS fee schedule amounts for 2010 is **0 percent**.*

2010 Update to the Labor Payment Rates

Since the percentage increase in the Consumer Price Index (CPI) for the 12 month period ending with June of the previous year is negative for 2010, a 0% change is applied to the labor payment amounts for 2010 for codes K0739, L4205, and L7520.

2010 National Monthly Payment Amounts for Stationary Oxygen Equipment

CMS will also implement the 2010 national monthly payment rates for stationary oxygen equipment (HCPCS codes E0424, E0439, E1390 and E1391), effective for claims with dates of service on or after January 1, 2010.

The fee schedule file is being revised to include the new national 2010 monthly payment rate of \$173.17 for stationary oxygen equipment. The payment rates are being adjusted for the new oxygen generating portable equipment (OGPE) class. The revised 2010 monthly payment rate of \$173.17 includes the 0% update due to the -1.41% CPI-U change. The budget neutrality adjustment for 2010 caused the 2010 rate to decrease from \$175.79 to \$173.17.

When updating the oxygen equipment fees, corresponding updates are made to the fee schedule amounts for HCPCS code E1405 and E1406 for oxygen and water vapor enriching systems. Since 1989, the fees for codes E1405 and E1406 have been established based on a combination of the Medicare payment amounts for stationary oxygen equipment and nebulizer codes E0585 and E0570, respectively.

The complete CMS MLN Matters article is available at:

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6720.pdf>.