

<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 3129</b>	<b>Date: November 21, 2014</b>
	<b>Change Request 8999</b>

**SUBJECT: CY 2015 Update for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule**

**I. SUMMARY OF CHANGES:** This recurring update notification (RUN) provides instructions on the CY 2015 Update for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule. This recurring update notification applies to Pub.100-04, Medicare Claims Processing Manual, chapter 23, section 60.

**EFFECTIVE DATE: January 1, 2015**

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

**IMPLEMENTATION DATE: January 5, 2015**

*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>
R	23/60.3 Gap-filling DMEPOS Fees

**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 obliged 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: 3129	Date: November 21, 2014	Change Request: 8999
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**SUBJECT: CY 2015 Update for Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule**

**EFFECTIVE DATE: January 1, 2015**

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

**IMPLEMENTATION DATE: January 5, 2015**

## **I. GENERAL INFORMATION**

**A. Background:** This recurring update notification provides instructions regarding the 2015 annual update for the DMEPOS fee schedule. The DMEPOS fee schedules are updated on an annual basis in accordance with the statute and regulations. The update process for the DMEPOS fee schedule is located in Pub.100-04, Medicare Claims Processing Manual, chapter 23, section 60.

Payment on a fee schedule basis is required for certain durable medical equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by §1834(a), (h), and (i) of the Social Security Act. Also, payment on a fee schedule basis is a regulatory requirement at 42 CFR §414.102 for parenteral and enteral nutrition (PEN), splints, casts and intraocular lenses (IOLs) inserted in a physician's office.

## **B. Policy: Fee Schedule Files**

- The CMS Division of Data Systems (DDS) is scheduled to electronically release the 2015 DMEPOS Fee Schedule Part B file (filename: MU00.@BF12393.DMEPOS.T150101.V1120) to the Pricing, Data Analysis and Coding (PDAC) Contractor, DME MACs and Part B MACs via CMS's mainframe telecommunication system on November 17, 2014.
- The DDS is scheduled to release a separate 2015 DMEPOS Fee Schedule file (filename: MU00.@BF12393.DMEPOS.T150101.V1120.FI) to the Part A MACs, Home Health and Hospice (HH+H) MACs, Railroad Retirement Board (RRB), Indian Health Service, and United Mine Workers on November 17, 2014.
- The DMEPOS fee schedule file will also be available for State Medicaid Agencies, managed care organizations, and other interested parties on the CMS Website at [www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched)
- The 2015 fee schedule for PEN is scheduled to be released to the PDAC and DME MACs in a separate file (filename: MU00.@BF12393.PEN.CY15.V01120) on November 17, 2014.

## **New Codes Added**

New DMEPOS codes added to the Healthcare Common Procedure Coding System (HCPCS) file, effective January 1, 2015, where applicable, are listed in Business Requirement (BR) # 6 of this Change Request (CR). The new codes are not to be used for billing purposes until they are effective on January 1, 2015.

For gap-filling pricing purposes, the 2014 deflation factors by payment category are: 0.459 for Oxygen, 0.462 for Capped Rental, 0.464 for Prosthetics and Orthotics, 0.588 for Surgical Dressings, 0.640 for Parental and Enteral Nutrition, 0.980 for Splints and Casts and 0.963 for Intraocular Lenses.

## **Codes Deleted**

The following codes will be deleted from the DMEPOS fee schedule files effective January 1, 2015:

A7042 A7043 L6025 L7260 L7261

## **Specific Coding and Pricing Issues**

As part of this update, fee schedule amounts for the following codes will be added to the DMEPOS fee schedule file effective January 1, 2015:

A7048 L6026 L3981 L7259 L8696

CMS is also adjusting the fee schedule amounts for shoe modification codes A5503 through A5507 as part of this update in order to reflect more current allowed service data. Section 1833(o)(2)(C) of the Act required that the payment amounts for shoe modification codes A5503 through A5507 be established in a manner that prevented a net increase in expenditures when substituting these items for therapeutic shoe insert codes (A5512 or A5513). To establish the fee schedule amounts for the shoe modification codes, the base fees for codes A5512 and A5513 were weighted based on the approximated total allowed services for each code for items furnished during the second quarter of calendar year 2004. For 2015, CMS is updating the weighted average insert fees used to establish the fee schedule amounts for the shoe modification codes with more current allowed service data for each insert code. The base fees for A5512 and A5513 will be weighted based on the approximated total allowed services for each code for items furnished during the calendar year 2013. The fee schedule amounts for shoe modification codes A5503 through A5507 are being revised to reflect this change, effective January 1, 2015.

## **Diabetic Testing Supplies**

The fee schedule amounts for non-mail order diabetic testing supplies (without KL modifier) for codes A4233, A4234, A4235, A4236, A4253, A4256, A4258, A4259 are not updated by the covered item update for CY 2014. In accordance with section 636(a) of the American Taxpayer Relief Act of 2012, the fee schedule amounts for these codes were adjusted in CY 2013 so that they are equal to the single payment amounts for mail order diabetic testing supplies (DTS) established in implementing the national mail order competitive bidding program (CBP) under section 1847 of the Act. The non-mail order payment amounts on the fee schedule file will be updated each time the single payment amounts are updated. This can happen no less often than every three years as CBP contracts are recompeteted. The national competitive bidding program for mail order diabetic supplies is effective July 1, 2013 to June 30, 2016. The program instructions reviewing these changes are Transmittal 2709, Change Request (CR) 8325, dated May 17, 2013 and Transmittal 2661, Change Request (CR) 8204, dated February 22, 2013.

Although for payment purposes the single payment amounts replace the fee schedule amounts for mail order DTS (KL modifier), the fee schedule amounts remain on the DMEPOS fee schedule file as reference data only for establishing bid limits for future rounds of competitive bidding programs. The mail order DTS fee schedule amounts shall be updated annually by the covered item update, adjusted for multi-factor productivity (MFP), which results in update of 1.5% for CY 2015. The mail order DTS fee schedule

amounts are not used in determining the Medicare allowed payment amounts for mail order DTS. The single payment amount public use file for the national mail order competitive bidding program is available at the website

<http://www.dmecompetitivebid.com/palmetto/cbicrd2.nsf/DocsCat/Single%20Payment%20Amounts>

## **2015 Fee Schedule Update Factor of 1.5 Percent**

For CY 2015, the update factor of 1.5 percent is applied to the applicable CY 2014 DMEPOS fee schedule amounts.

In accordance with the statutory sections 1834(a)(14) and 1886(b)(3)(B)(xi)(II) of the Act, the DMEPOS fee schedule amounts are to be updated for 2015 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 2014, adjusted by the change in the economy-wide productivity equal to the 10-year moving average of changes in annual economy-wide private non-farm business multi-factor productivity (MFP). The MFP adjustment is 0.6 percent and the CPI-U percentage increase is 2.1 percent. Thus, the 2.1 percentage increase in the CPI-U is reduced by the 0.6 percentage increase in the MFP resulting in a net increase of 1.5 percent for the update factor.

## **2015 Update to the Labor Payment Rates**

Included in Attachment A are the CY 2015 allowed payment amounts for HCPCS labor payment codes K0739, L4205 and L7520. Since the percentage increase in the Consumer Price Index for all urban consumers (CPI- U) for the twelve month period ending with June 30, 2014 is 2.1%, this change is applied to the 2014 labor payment amounts to update the rates for CY 2015. The 2015 labor payment amounts in Attachment A are effective for claims submitted using HCPCS codes K0739, L4205 and L7520 with dates of service from January 1, 2015 through December 31, 2015.

## **2015 National Monthly Payment Amounts for Stationary Oxygen Equipment**

As part of this update, we are implementing the 2015 national monthly payment amount for stationary oxygen equipment (HCPCS codes E0424, E0439, E1390 and E1391), effective for claims with dates of service on or after January 1, 2015. We include the updated national 2015 monthly payment amount of \$180.92 for stationary oxygen equipment codes in the DMEPOS fee schedule. As required by statute, the payment amount must be adjusted on an annual basis, as necessary, to ensure budget neutrality of the new payment class for oxygen generating portable equipment (OGPE). Also, the updated 2015 monthly payment amount of \$180.92 includes the 1.5 percent update factor for the 2015 DMEPOS fee schedule. Thus, the 2014 rate changed from \$178.24 to the 2015 rate of \$180.92.

When updating the stationary oxygen equipment fees, corresponding updates are made to the fee schedule amounts for HCPCS codes 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.

## 2015 Maintenance and Servicing Payment Amount for Certain Oxygen Equipment

Also updated for 2015 is the payment amount for maintenance and servicing for certain oxygen equipment. Payment for claims for maintenance and servicing of oxygen equipment was instructed in Transmittal 635, Change Request (CR) 6792, dated February 5, 2010 and Transmittal 717, Change Request (CR) 6990, dated June 8, 2010. To summarize, payment for maintenance and servicing of certain oxygen equipment can occur every 6 months beginning 6 months after the end of the 36th month of continuous use or end of the supplier's or manufacturer's warranty, whichever is later for either HCPCS code E1390, E1391, E0433 or K0738, billed with the "MS" modifier. Payment cannot occur more than once per beneficiary, regardless of the combination of oxygen concentrator equipment and/or transfilling equipment used by the beneficiary, for any 6-month period.

Per 42 CFR §414.210(5)(iii), the 2010 maintenance and servicing fee for certain oxygen equipment was based on 10 percent of the average price of an oxygen concentrator. For CY 2011 and subsequent years, the maintenance and servicing fee is adjusted by the covered item update for DME as set forth in §1834(a)(14) of the Act. Thus, the 2014 maintenance and servicing fee is adjusted by the 1.5 percent MFP-adjusted covered item update factor to yield a CY 2015 maintenance and servicing fee of \$69.76 for oxygen concentrators and transfilling equipment.

### Update to Change Request 8566

Effective April 1, 2014, payment on a purchase basis was established for capped rental wheelchair accessory codes furnished for use with complex rehabilitative power wheelchairs. Such 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). These changes were implemented in Transmittal 1332, Change Request (CR) 8566, dated January 2, 2014.

It has recently come to CMS' attention that code E2378 Power Wheelchair Component, Actuator, Replacement Only, in the table of Attachment A of CR 8566, is missing a caret denoting that this is an item which can be billable with complex rehabilitative wheelchair codes K0835 – K0864. As part of this update, contractors are instructed to add code E2378 in the list of codes that are eligible for payment on a purchase basis when furnished for use with a complex rehabilitative power wheelchair. A forthcoming correction to CR 8566 will update Attachment A.

## II. BUSINESS REQUIREMENTS TABLE

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

Number	Requirement	Responsibility								
		A/B MAC			D M E  M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
8999.1	The DME MACs, Part B MACs and/or VDCs shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T150101.V1120). The file is available for download on or after November 17, 2014.		X		X					VDC

Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
8999.1.1	Notification of successful receipt shall be sent notification via email to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity receiving the file (e.g., contractor name and number).		X		X					VDC
8999.2	The Part A MACs, HHH MACs and/or VDCs shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T150101.V1120.FI). The file is available for download on or after November 17, 2014.	X		X						VDC
8999.2.1	Notification of successful receipt shall be sent notification via email to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity receiving the file (e.g., contractor name and number).	X		X						VDC
8999.3	The DME MACs and/or VDCs shall retrieve the PEN fee schedule file (filename: MU00.@BF12393.PEN.CY15.V01120). The file is available for download on or after November 17, 2014				X					VDC
8999.3.1	Notification of successful receipt shall be sent notification via email to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity receiving the file (e.g., contractor name and number).				X					VDC
8999.4	Contractors shall use the 2015 DMEPOS fee schedule payment amounts from the DMEPOS fee schedule file(s) of business requirements 1-2 to pay claims for items with dates of service from January 1, 2015 through December 31, 2015.	X	X	X	X					
8999.5	The DME MACs shall use the 2015 PEN fee schedule payment amounts from the DMEPOS fee schedule file of business requirement 3 to pay claims for items with dates of service from January 1, 2015 through December 31, 2015.				X					

Number	Requirement	Responsibility								
		A/B MAC			D M E  M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
8999.6	<p>The HCPCS codes listed below are being added to the HCPCS effective January 1, 2015 and shall be added to the CWF categories (in parentheses) and payment category as follows:</p> <p>1. A4459 (60) N/A</p> <p>2. A4602 (04, 60) IN</p> <p>3. A7048 (03, 67) PO</p> <p>4. L3981 (03, 60) PO</p> <p>5. L6026 (03, 67) PO</p> <p>6. L7259 (03, 67) PO</p> <p>7. L8696 (03, 67) PO</p>							X	X	
8999.7	Contractors shall establish local fee schedule amounts, when applicable, to pay claims for the codes listed in business requirement 8 from January 1, 2015 through June 30, 2015.				X					
8999.7.1	If pricing information is not readily available for one or more codes, and the DME MACs are not able to establish base local fees for the codes listed in business requirement 8, the DME MACs shall consult with CMS central office to determine how pricing should be established for the code(s).				X					
8999.8	<p>In accordance with the schedule noted below, base fees for the following codes shall be submitted to DDS/CMS by April 3, 2015 for inclusion in the July 2015 DMEPOS fee schedule update:</p> <p><u>Inexpensive or Routinely Purchased DME (IN)</u></p> <p>1. A4602</p>				X					
8999.9	Contractors shall use 2015 allowed payment amounts for code K0739 in Attachment A to pay claims for DME items with dates of service from January 1, 2015, through December 31, 2015.	X	X	X	X					
8999.10	Contractors shall use the 2015 allowed payment	X	X	X	X					

Number	Requirement	Responsibility								
		A/B MAC			D M E  M A C	Shared- System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
	amounts for codes L4205 and L7520 in Attachment A to pay claims for orthotic and prosthetic items with dates of service from January 1, 2015, through December 31, 2015.									
8999.11	The maintenance and servicing fee for certain oxygen equipment shall be \$69.76 for claims with dates of service January 1, 2015 thru December 31, 2015. Payment is based on the lower of the supplier’s actual charge or the maintenance and servicing fee.			X	X	X				
8999.12	Effective for dates of service on or after April 1, 2014, contractors shall consider code E2378, found on the table of Attachment A of CR 8566, as eligible for payment on a purchase basis with complex rehabilitative power wheelchairs K0835 – K0864.			X	X			X	X	
8999.13	Contractors shall implement changes to the 2015 DMEPOS fee schedules in accordance with the schedule outlined below.*  <b>Changes to DDS*:</b> April 3, 2015; Sept 1, 2015  <b>DDS Transmit Files:</b> May 13, 2015; Nov 18, 2015  <b>Implement:</b> July 1, 2015; Jan 1, 2016  *DME MACs or Part B MACs will forward changes to CMS/Division Data Systems: price_file_receipt@cms.hhs.gov.				X					

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility		
		A/B MAC	D M E	C E D



		A	B	H H H	M A C	I
8999.14	MLN Article : A provider education article related to this instruction will be available at <a href="http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/">http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	X	X	

#### IV. SUPPORTING INFORMATION

##### Section A: Recommendations and supporting information associated with listed requirements:

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
	As noted
8	Base fees for gap-filling should be submitted using the record format described in Chapter 23, Section 60.4 of the Medicare Claims Processing Manual (Pub. 100-04). Base fee schedule amounts submitted to CMS shall not be updated by any update factors other than the 1.7% (1989) update factor for DME and prosthetics and orthotics.
7-8	Instructions for gap-filling DMEPOS fees are located in Chapter 23, Section 60.3 of the Medicare Claims Processing Manual (Pub. 100-04).
11	Instructions on payment for maintenance and servicing of certain oxygen equipment are located in CRs 6792 and 6990.
12	Prior program instructions are found in business requirement 8566.4 of Transmittal 1332, Change Request 8566, dated January 2, 2014.

##### Section B: All other recommendations and supporting information: N/A

#### V. CONTACTS

**Pre-Implementation Contact(s):** Anita Greenberg, [Anita.Greenberg@cms.hhs.gov](mailto:Anita.Greenberg@cms.hhs.gov) , Karen Jacobs, [Karen.Jacobs@cms.hhs.gov](mailto:Karen.Jacobs@cms.hhs.gov)

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

#### VI. 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

2015 Fees for Codes K0739, L4205, L7520

STATE	K0739	L4205	L7520
AK	\$27.98	\$31.88	\$37.50
AL	14.86	22.14	30.05
AR	14.86	22.14	30.05
AZ	18.37	22.11	36.97
CA	22.79	36.34	42.35
CO	14.86	22.14	30.05
CT	24.81	22.63	30.05
DC	14.86	22.11	30.05
DE	27.35	22.11	30.05
FL	14.86	22.14	30.05
GA	14.86	22.14	30.05
HI	18.37	31.88	37.50
IA	14.86	22.11	35.97
ID	14.86	22.11	30.05
IL	14.86	22.11	30.05
IN	14.86	22.11	30.05
KS	14.86	22.11	37.50
KY	14.86	28.34	38.43
LA	14.86	22.14	30.05
MA	24.81	22.11	30.05
MD	14.86	22.11	30.05
ME	24.81	22.11	30.05
MI	14.86	22.11	30.05
MN	14.86	22.11	30.05
MO	14.86	22.11	30.05
MS	14.86	22.14	30.05
MT	14.86	22.11	37.50
NC	14.86	22.14	30.05
ND	18.51	31.81	37.50
NE	14.86	22.11	41.90
NH	15.95	22.11	30.05
NJ	20.04	22.11	30.05
NM	14.86	22.14	30.05
NV	23.67	22.11	40.96
NY	27.35	22.14	30.05
OH	14.86	22.11	30.05
OK	14.86	22.14	30.05
OR	14.86	22.11	43.21
PA	15.95	22.77	30.05
PR	14.86	22.14	30.05
RI	17.70	22.79	30.05

STATE	K0739	L4205	L7520
SC	\$14.86	\$22.14	\$30.05
SD	16.60	22.11	40.18
TN	14.86	22.14	30.05
TX	14.86	22.14	30.05
UT	14.90	22.11	46.79
VA	14.86	22.11	30.05
VI	14.86	22.14	30.05
VT	15.95	22.11	30.05
WA	23.67	32.44	38.53
WI	14.86	22.11	30.05
WV	14.86	22.11	30.05
WY	20.71	29.50	41.90

# Medicare Claims Processing Manual

## Chapter 23 - Fee Schedule Administration and Coding Requirements

### 60.3 - Gap-filling DMEPOS Fees

*(Rev.3129, Issued: 11-21-14, Effective: 01-01-15, Implementation: 01-05-15)*

The DME MACs and Part B MACs must gap-fill the DMEPOS fee schedule for items for which charge data were unavailable during the fee schedule data base year using the fee schedule amounts for comparable equipment, using properly calculated fee schedule amounts from a neighboring *DME MAC or Part B MAC area*, or using supplier price lists with prices in effect during the fee schedule data base year. Data base “year” refers to the time period mandated by the statute and/or regulations from which Medicare allowed charge data is to be extracted in order to compute the fee schedule amounts for the various DMEPOS payment categories. For example, the fee schedule base year for inexpensive or routinely purchased durable medical equipment is the 12 month period ending June 30, 1987. Mail order catalogs are particularly suitable sources of price information for items such as urological and ostomy supplies which require constant replacement. DME MACs will gap-fill based on current instructions released each year for implementing and updating the new year’s payment amounts.

If the only available price information is from a period other than the base period, apply the deflation factors that are included in the current year implementation instructions against current pricing in order to approximate the base year price for gap-filling purposes.

The deflation factors for gap-filling purposes are:

Year*	OX	CR	PO	SD	PE	SC	IL
1987	0.965	0.971	0.974	n/a	n/a	n/a	n/a
1988	0.928	0.934	0.936	n/a	n/a	n/a	n/a
1989	0.882	0.888	0.890	n/a	n/a	n/a	n/a
1990	0.843	0.848	0.851	n/a	n/a	n/a	n/a
1991	0.805	0.810	0.813	n/a	n/a	n/a	n/a
1992	0.781	0.786	0.788	n/a	n/a	n/a	n/a
1993	0.758	0.763	0.765	0.971	n/a	n/a	n/a
1994	0.740	0.745	0.747	0.947	n/a	n/a	n/a
1995	0.718	0.723	0.725	0.919	n/a	n/a	n/a
1996	0.699	0.703	0.705	0.895	0.973	n/a	n/a
1997	0.683	0.687	0.689	0.875	0.951	n/a	n/a
1998	0.672	0.676	0.678	0.860	0.936	n/a	n/a
1999	0.659	0.663	0.665	0.844	0.918	n/a	n/a
2000	0.635	0.639	0.641	0.813	0.885	n/a	n/a
2001	0.615	0.619	0.621	0.788	0.857	n/a	n/a
2002	0.609	0.613	0.614	0.779	0.848	n/a	n/a
2003	0.596	0.600	0.602	0.763	0.830	n/a	n/a
2004	0.577	0.581	0.582	0.739	0.804	n/a	n/a
2005	0.563	0.567	0.568	0.721	0.784	n/a	n/a
2006	0.540	0.543	0.545	0.691	0.752	n/a	n/a
2007	0.525	0.529	0.530	0.673	0.732	n/a	n/a
2008	0.500	0.504	0.505	0.641	0.697	n/a	n/a
2009	0.508	0.511	0.512	0.650	0.707	n/a	n/a
2010	0.502	0.506	0.507	0.643	0.700	n/a	n/a

2011	0.485	0.488	0.490	0.621	0.676	n/a	n/a
2012	0.477	0.480	0.482	0.611	0.665	n/a	n/a
2013	0.469	0.472	0.473	0.600	0.653	n/a	0.983
<i>2014</i>	<i>0.459</i>	<i>0.462</i>	<i>0.464</i>	<i>0.588</i>	<i>0.640</i>	<i>0.980</i>	<i>0.963</i>

\* Year price in effect

Payment Category Key:

OX	Oxygen & oxygen equipment (DME)
CR	Capped rental (DME)
IN	Inexpensive/routinely purchased (DME)
FS	Frequently serviced (DME)
SU	DME supplies
PO	Prosthetics & orthotics
SD	Surgical dressings
OS	Ostomy, tracheostomy, and urological supplies
PE	Parental and enteral nutrition
TS	Therapeutic Shoes
SC	Splints and Casts
IL	Intraocular Lenses inserted in a physician's office

IN, FS, OS and SU category deflation factors=PO deflation factors

After deflation, the result must be increased by 1.7 percent and by the cumulative covered item update to complete the gap-filling (e.g., an additional .6 percent for a 2002 DME fee).

Note that when gap-filling for capped rental items, it is necessary to first gap-fill the purchase price then compute the base period fee schedule at 10 percent of the base period purchase price.

For used equipment, establish fee schedule amounts at 75 percent of the fee schedule amount for new equipment.

When gap-filling, for those *DME MAC or Part B MAC* areas where a sales tax was imposed in the base period, add the applicable sales tax, e.g., five percent, to the gap-filled amount where the gap-filled amount does not take into account the sales tax, e.g., where the gap-filled amount is computed from pre-tax price lists or from another *DME MAC or Part B MAC* area without a sales tax. Likewise, if the gap-filled amount is calculated from another *DME MAC's or Part B MAC's* fees where a sales tax is imposed, adjust the gap-filled amount to reflect the applicable local sales tax circumstances.

Contractors send their gap-fill information to CMS. After receiving the gap-filled base fees each year, CMS develops national fee schedule floors and ceilings and new fee schedule amounts for these codes and releases them as part of the July update file each year and during the quarterly updates.