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# Program Memorandum Carriers

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

Transmittal B-02-041

Date: JULY 22, 2002

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CHANGE REQUEST 2227

**SUBJECT: Billing for Implanted Durable Medical Equipment (DME), Prosthetic Devices, Replacement Parts, Accessories and Supplies**

## Scope

This instruction clarifies an operational policy on the proper billing for implanted DME, implanted prosthetic devices, replacement parts, accessories and supplies.

## Background

Providers are currently experiencing problems with billing for replacement parts, accessories, and supplies for implanted DME.

## Policy

Bills for implanted DME, implanted prosthetic devices, replacement parts (external or internal), accessories and supplies for the implanted DME must be billed to the local carriers.

## Implementation

Carriers must adjudicate claims for these items.

DMERCs must return claims submitted for these items to the supplier under current operating procedures.

## Education

Carriers must publish this information in their next scheduled bulletins and post it on their web sites.

**The *effective date* for this Program Memorandum (PM) is July 26, 2002.**

**The *implementation date* for this PM is July 26, 2002.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after July 26, 2003.**

**If you have any questions, contact Angie Costello at (410) 786-1554 or [acostello@cms.gov](mailto:acostello@cms.gov).**