
42 C.F.R. § 414.234

Prior authorization for items frequently subject to unnecessary utilization.

(a) *Definitions.* For the purpose of this section, the following definitions apply:

Prior authorization is a process through which a request for provisional affirmation of coverage is submitted to CMS or its contractors for review before the item is furnished to the beneficiary and before the claim is submitted for processing.

Provisional affirmation is a preliminary finding that a future claim meets Medicare's coverage, coding, and payment rules.

Required Prior Authorization List is a list of DMEPOS items selected from the Master List and subject to the requirements of prior authorization as a condition of payment.

Unnecessary utilization means the furnishing of items that do not comply with one or more of Medicare's coverage, coding, and payment rules.

(b) *Master List of Items Potentially Subject to Face-To-Face Encounter and Written Order Prior to Delivery and/or Prior Authorization Requirements.* (1) Master List Inclusion Criteria are as follows:

(i) Any DMEPOS items included in the DMEPOS Fee Schedule that have an average purchase fee of \$500 (adjusted annually for inflation using consumer price index for all urban consumers (CPI-U), and reduced by the 10-year moving average of changes in annual economy-wide private nonfarm business multifactor productivity (MFP) (as projected by the Secretary for the 10-year period ending with the applicable FY, year, cost reporting period, or other annual period)) or greater, or an average monthly rental fee schedule of \$50 (adjusted annually for inflation using consumer price index for all urban consumers (CPI-U), and reduced by the 10-year moving average of changes in annual economy-wide private nonfarm business multifactor productivity (MFP) (as projected by the Secretary for the 10-year period ending with the applicable FY, year, cost reporting period, or other annual period)) or greater, or are identified as accounting for at least 1.5 percent of Medicare expenditures for all DMEPOS items over a 12-month period that are:

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