§ 414.100 Purpose.

This subpart implements fee schedules for PEN items and services as authorized by section 1842(s) of the Act.

§ 414.102 General payment rules.

(a) General rule. For items and services furnished on or after January 1, 2002, Medicare pays for the items and services as described in paragraph (b) of this section on the basis of 80 percent of the lesser of—

(1) The actual charge for the item or service; or

(2) The fee schedule amount for the item or service, as determined in accordance with §414.104.

(b) Payment classification. (1) CMS or the carrier determines fee schedules for Parenteral and enteral nutrition (PEN) nutrients, equipment, and supplies, as specified in §414.104.

(2) CMS designates the specific items and services in each category through program instructions.

(c) Updating the fee schedule amounts. For each year subsequent to 2002, the fee schedule amounts of the preceding year are updated by the percentage increase in the CPI-U for the 12-month period ending with June of the preceding year.

§ 414.104 PEN Items and Services.

(a) Payment rules. Payment for PEN items and services is made in a lump sum for nutrients and supplies that are purchased and on a monthly basis for equipment that is rented.

(b) Fee schedule amount. The fee schedule amount for payment for an item or service furnished in 2002 is the lesser of—

(1) The reasonable charge from 1995; or

(2) The reasonable charge that would have been used in determining payment for 2002.