The Centers for Medicare and Medicaid Services (CMS) classifies durable medical equipment reimbursement rates based on the physical location where a beneficiary resides. These categories are divided into three categories: Competitive Bidding Areas (CBAs), Non-Rural and Rural. These areas are determined by a Zip Code’s geographic area being within a metropolitan area regardless of distances to other suppliers or proximity to a critical access hospital.

The number of DMEPOS suppliers has decreased in recent years, so CMS’s method in which suppliers are classified has become outdated. While sparsely populated areas have received a temporary, moderate increase in reimbursement, a significant number of patients in non-rural areas have been excluded from the relief.

|  |  |  |  |
| --- | --- | --- | --- |
| **Classification** | **Oxygen concentrator reimbursement rate in 2015** | **Oxygen concentrator reimbursement rate during PHE** | **Percentage change** |
| Rural | $180.92 | $136.22 | -24.7% |
| Non-rural | $180.92 | $103.86 | -42.8% |
| CBA | $180.92 | $73.78 | -59.2% |

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