ROGRAM MEMORANDUM
INTERMEDIARIES/CARRIERS

Department of Health and Human Services

Health Care Financing Administration

Transmittal No. AB-00-67 **Date JULY 20, 2000**

This Program Memorandum re-issues Program Memorandum AB-99-30, Change Request 606 dated May 1999. The only change is the discard date; all other material remains the same.

This Program Memorandum re-issues Program Memorandum AB-98-51, Change Request 606 dated September 1998. The only change is the discard date; all other material remains the same.

Change Request #606

SUBJECT: Implementation of §4105 of the Balanced Budget Act Regarding Coverage of Diabetes Outpatient Self-Management Training Services--ACTION

Program Memorandum (PM) AB-98-36, dated July 1998 for Intermediaries and Carriers was recently released regarding the Medicare coverage of diabetes outpatient self-management training services. This Balanced Budget Act provision was effective July 1, 1998. Diabetic training sessions must be ordered by the physician who is managing the beneficiary's diabetic condition. The physician must certify that such services are needed under a comprehensive plan of care related to the beneficiary's diabetic condition.

This memorandum provides additional information for contractors to facilitate implementation of this provision. The two new Physician's Current Procedural Terminology (CPT) codes, G0108 and G0109, will be added to the next Medicare Physician Fee Schedule Database Update (MPFSDB) PM which will be released shortly for October 1 implementation. Additional instructions on the MPFSDB update will be forthcoming. The two new CPT codes will be accepted by the Common Working File (CWF) on October 1, 1998 for dates of service July 1, 1998 and after.

This new provision must be implemented by October 1, 1998, retroactive to July 1, 1998. Any claims for dates of service on or after July 1, 1998 that are received prior to October 1, should be held until systems and MPFSDB changes that will allow claims to be processed for payment are installed. Payment should be made for any applicable interest. Interest is payable for "clean" claims not paid timely in accordance with the claims processing timeliness guidelines in §5240 of the Medicare Carriers Manual, Part 2. Part B Advance Payment Procedures (outlined in an ARA Memorandum, dated May 4, 1993) should be followed if a provider submits documentation as to a hardship during this 90-day period.

PM AB-98-36 informs you that an Education Recognition Program (ERP) certificate from the American Diabetes Association (ADA) needs to be attached to the initial claim for diabetes self-management training services. This PM is instructing you to publish a notice to the provider community that these certificates must be sent to you before the provider submits a claim. These certificates should then be used to flag the provider file with an indicator to run claims against, to ensure the provider submitting the claims has been certified. For claims that have already been submitted with a certificate, the provider file should be flagged.

Individuals or entities interested in recognition from the ERP should contact ADA's National Office at 1-888-232-0822. Recognition from the ERP does ensure that a recognized education program is meeting the National Diabetes Advisory Board Standards.

Carrier and Intermediary Payment and Billing Information**:**

The definition of the new procedure codes are:

G0108--Diabetes outpatient self-management training services, individual session, per 60 minutes of training.

G0109--Diabetes outpatient self-management training services, group session, per individual, per 60 minutes of training.

These services would normally be provided in group sessions. However individual training sessions can be provided for a beneficiary if their physician decides that it is medically necessary, for example, because of language or physical challenges, such as severely impaired hearing or sight.

Diabetic training sessions should be billed in 1 hour increments only, (e.g., 1 hour, 2 hours). Do not round up or down. If the training session lasts 1.5 hours, only 1 hour can be billed for that session. The extra 30 minutes for this day could count toward future sessions. Generally, as a basic guideline, it would not be medically necessary for a beneficiary to receive more than 10 hours of services for the initial training.

Certified Diabetic Educators (CDE) and dieticians that are employed by physicians or entities that meet the ADA standards may furnish outpatient diabetes self-management training; however, since they are not "certified providers", payment may be made only to their employer, (e.g., a hospital), under the "incident to" provisions.

The following is the operational policy that should be implemented as systems limitations permit.

As stated earlier, providers are to submit copies of their certification to you so that the provider file can be flagged. As claims come in, they should be run against the provider file and if no indicator is set, the claim should be denied. You can use Medicare Summary Notice (MSN) #21.18 "This item or service is not covered when performed or ordered by this provider." For those contractors who have not yet transitioned to the MSN, use the Explanation of Your Medicare Part B Benefits (EOMB) notice #21.9, "Medicare does not pay for this service when performed, referred, or ordered by this provider of care."

Claim adjustment reason code B7, "This provider was not certified for this procedure/service on this date of service" should be used for reporting on a provider's remittance advice. Any claims for these services that you are currently holding and have not received a certification from the provider should be denied once you begin processing claims on October 1.

Carrier Guidelines:

For carrier purposes, the type of service for G0108 and G0109 is 1.

The billing of an Evaluation and Management code is not mandatory before the billing of the diabetes education codes. When billing for code G0109, providers do not need to identify the number of patients in a group. We will address more specific issues after a final rule is published early next year. We will notify you of specific editing requirements for this provision in early 1999.

These services (G0108/G0109) are within the scope of services covered under the Federally Qualified Health Center (FQHC) or a Rural Health Center (RHC) benefits. The payment made to RHCs or FQHCs under the all-inclusive rate specifically accounts for the services of practitioners furnished in the RHC or FQHC setting. The facility payment rate reflects the costs of these services.

Any separate claims from FQHCs or RHCs for these services should, therefore, be denied. Use EOMB message 17.18, "The payment for this service is made under Part A of Medicare. The provider must submit this bill to the Part A intermediary." Carriers that are using MSN messages should use MSN #17.9, "Medicare (Part A) pays for this service. The provider must bill the correct Medicare contractor." Use remittance advice: claim adjust denial code 97, "Payment is included in the allowance for the basic service/procedure," along with line level remark code M97, "Not paid to practitioner when provided in this place of service. Payment included in the reimbursement issued to the facility."

Intermediary Guidelines:

Hospital outpatient departments can be certified providers for these services. For intermediary purposes, the two new procedure codes will be accepted by the CWF on October 1, 1998 and should be used in the outpatient hospital setting. Hospitals will continue to be paid on a reasonable cost basis until further regulations are published. Bill type 11X is not appropriate as listed in PM AB-98-36 and the appropriate revenue code is 942 (not 51X). This benefit is not payable for inpatients in a hospital or a skilled nursing facility because disease management is included in their care.

For those hospital outpatient diabetic self-management programs that do not have ADA Education Recognition and had billed the Medicare program prior to July 1, 1998, we will allow them to continue to bill on a reasonable cost basis, without obtaining ADA recognition until the final outpatient diabetes self-management rule is published. These providers must present proof to you that they have been billing the Medicare program for outpatient diabetes self-management training prior to July 1, 1998. Once this proof is presented, flag your provider file with an indicator that can be distinguished from a certified provider. Any new hospital outpatient diabetes self-management training programs, (e.g., those that provide and bill for services on or after July 1, 1998) must have an ADA certificate that shows they meet the educational standards.

Provider and Beneficiary Education:

Provider education must be done through newsletters and any other means, such as seminars, to emphasize to providers the importance of being certified by the ADA and the need to submit copies of the certifications to you as soon as possible. The limitation of liability does not apply to this benefit. The beneficiary is liable for payment if a claim is denied because no certification is on file. Beneficiaries should be educated to obtain this service only from an ADA recognized provider.

Funding is available through the regular budget process for costs required for implementation.

Contractors should direct any questions to the appropriate regional office. Regional office staff can direct carrier operational questions to Patricia Gill on (410) 786-1297 and fiscal intermediary operational questions to Doris Barham on (410) 786-6146. Coverage policy questions should be directed to Betty Burrier on (410) 786-4649. Payment policy questions should be directed to Carole Benner on (410) 786-4513.

This Program Memorandum may be discarded after May 31, 2001.