

Related Change Request (CR) #: 3253

Medlearn Matters Number: MM3253

Related CR Release Date: May 7, 2004

Related CR Transmittal #: 171

Effective Date: January 1, 2004 for revised 2004 fee schedule amounts and April 1, 2004 for fee schedule amounts for codes K0630 through K0649

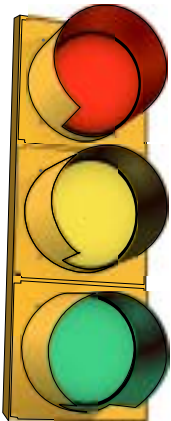
Implementation Date: July 6, 2004

July Quarterly Update for 2004 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Fee Schedule

Provider Types Affected

Physicians, suppliers, and providers

Provider Action Needed



STOP – Impact to You

This instruction provides details regarding the July 2004 Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedules.

CAUTION – What You Need to Know

The 2004 fee schedule amounts for selected Healthcare Common Procedure Coding System (HCPCS) codes are being revised to correct calculation errors.

GO – What You Need to Do

Refer to the *Background* and *Additional Information* sections of this instruction for further details regarding these changes.

Background

The DMEPOS fee schedules are updated on a quarterly basis in order to implement fee schedule amounts for new codes and to revise any fee schedule amounts for existing codes that were calculated in error.

Payment on a fee schedule basis is required for durable medical equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by the Social Security Act (Section 1834(a), (h), and (i)), and payment on a fee schedule basis is required for parenteral and enteral nutrition (PEN) by regulations contained in the Code of Federal Regulations (42 CFR 414.102).

This instruction provides specific details regarding the July quarterly update for the 2004 DMEPOS fee schedule.

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Codes **K0630 through K0649** were added to the HCPCS effective April 1, 2004. The fee schedule amounts for these codes were not computed in time to be implemented as part of the April quarterly update and will be implemented as part of the July quarterly update. The Durable Medical Equipment Regional Carriers (DMERCs) have calculated local fee schedule amounts for purposes of paying claims for codes K0630 through K0649 received prior to July 1, 2004.

Codes **K0650 through K0669** are being added to the HCPCS effective July 1, 2004. The fee schedule amounts for these codes will not be computed in time to be implemented as part of the July quarterly update because the products that fall under these codes have not yet been identified. DMERCs and Regional Home Health Intermediaries (RHHIs) will determine the payment amounts for K0650 through K0669 when such claims are received for services on or after July 1, 2004 through September 30, 2004. The fee schedule amounts for codes K0650 through K0669 will be implemented as part of the October quarterly update.

Codes **A4216, A4217, A4217AU, L5782, and L8511 through L8514** have been paid on an individual consideration basis by the DMERCs and Fiscal Intermediaries (FIs). Fee schedule amounts are being established for these codes as part of the July quarterly update. For service in 2004, FIs will use the fee schedule amount for A4217 without the AU modifier.

Code **A4290** was added to the fee schedule under the prosthetic device category. It does not qualify, however, for separate payment under the prosthetic device benefit. This code is being removed from the DMEPOS fee schedule file as part of the July quarterly update.

Also, please note that codes **E0973, E0990, E1225, and E1226** have been added to the list of codes requiring a Certificate of Medical Necessity, while code E0300 has been removed from that list.

Implementation

The implementation date for this instruction is July 6, 2004.

Related Instructions

The quarterly updates process for the DMEPOS fee schedule is located in the *Medicare Claims Processing Manual, Pub. 100-04, Chapter 23 (Fee Schedule Administration and Coding Requirements), Section 60 (Durable Medical Equipment Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule)*, which can be reviewed at the following CMS Website:

http://www.cms.hhs.gov/manuals/104_claims/clm104c23.pdf

Additional Information

The official instruction issued to your carrier regarding this change may be found by going to:

http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp

From that web page, look for CR3253 in the CR NUM column on the right, and click on the file for that CR. If you have any questions, please contact your carrier/intermediary at their toll-free number, which may be found at:

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<http://www.cms.hhs.gov/medlearn/tollnums.asp>

In addition, a comprehensive overview of the HCPCS can be found at the following CMS Website:

<http://www.cms.hhs.gov/medicare/hcpcs/codpayproc.asp>

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