

Related Change Request (CR) #: 3377

Medlearn Matters Number: MM3377

Related CR Release Date: August 10, 2004

Related CR Transmittal #: 272

Effective Date: January 1, 2004 for revised 2004 fee schedule amounts

Implementation Date: October 4, 2004

October Quarterly Update for 2004 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

Provider Types Affected

Physicians, providers, and suppliers

Provider Action Needed

This instruction provides information for updating and implementing the October Quarterly 2004 fee schedule amounts for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS). It implements fee schedule amounts for new codes and revises any fee schedule amounts for existing codes that were calculated in error.

Background

Payment on a fee schedule basis is required for Durable Medical Equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings (Social Security Act, Sections 1834(a), (h), and (i)). In addition, payment on a fee schedule basis is required for Parenteral and Enteral Nutrition (PEN) by regulations contained in 42 CFR 414.102.

This instruction implements fee schedule amounts for new codes, deletes certain codes, and revises any fee schedule amounts for existing codes that were calculated in error in prior updates. Specifically, the changes for this update are as follows:

- **Codes A4363, E1400 thru E1404, K0137 thru K0139, K0168 thru K0181, K0190 thru K0192, K0277 thru K0279, K0284, K0400, K0417, K0419 thru K0439, and K0530** were deleted from the Healthcare Common Procedure Coding System (HCPCS) effective 12/31/1999. These codes were inadvertently included in the 2004 fee schedule file, and they are **being removed with this update**.
- **Codes E1019 and E1021** are also being removed as they are not valid 2004 HCPCS codes.
- The 2004 Puerto Rico schedule amounts for **Codes A4351 and A4352** were based on incorrect pricing information. The Durable Medical Equipment Regional Carriers (DMERCs) must revise the base fee schedule amounts for these codes as part of the October quarterly update.

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- **Codes K0630 thru K0649, representing Lumbar Sacral Orthosis products** were added to the HCPCS effective April 1, 2004 and their fee schedule amounts were implemented on July 1, 2004. However, the Centers for Medicare & Medicaid Services has determined that the fee schedule amounts for codes K0630, K0631, K0632, K0634, K0635, K0636, K0637, K0639, K0640, K0642, K0644, K0645, and K0646 were based on incorrect pricing information and has recalculated those fee schedule amounts. The revised amounts will be implemented on October 4, 2004 as part of this update.
- **Codes K0650 thru K0669** were added to the HCPCS effective July 1, 2004. Because data is not yet available, implementation of the fee schedule amounts for these items will be delayed until the January 2005 update.

Implementation

The implementation date for this instruction is October 4, 2004.

Additional Information

To view the official instruction issued to your DMERC or intermediary on this issue, please see:

http://www.cms.hhs.gov/manuals/pm_trans/R272CP.pdf

Also, the quarterly update process for the DMEPOS fee schedule is located in Section 60 of Chapter 23 of the Medicare Claims Processing Manual, which may be found at:

http://www.cms.hhs.gov/manuals/104_claims/clm104index.asp

If you have any questions, please contact your DMERC or intermediary at their toll-free number, which may be found at:

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

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