
Program Memorandum

Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)
Date: JULY 3, 2003

Transmittal AB-03-096

CHANGE REQUEST 2776

SUBJECT: Quarterly Update of Healthcare Common Procedure Coding System (HCPCS) Codes Used for Home Health Consolidated Billing Enforcement

I. GENERAL INFORMATION

A. Background:

In April 2001, CMS established via Program Memorandum (PM) the process of periodically updating the lists of HCPCS codes that are subject to the consolidated billing provision of the Home Health Prospective Payment System (HH PPS). Services appearing on this list submitted on claims to both Medicare fiscal intermediaries (FIs) and carriers, including Durable Medical Equipment Regional Carriers (DMERCs), will not be paid on dates when a beneficiary for whom such a service is being billed is in a home health episode (i.e., under a home health plan of care administered by a home health agency). Medicare will only directly reimburse the primary home health agencies that have opened such episodes during the episode periods. Note that therapies performed by physicians, supplies incidental to physician services and supplies used in institutional settings are not subject to HH consolidated billing.

A subsequent PM, AB-02-092 published July 2, 2002, established that updates of the HH consolidated billing code list would occur as frequently as quarterly in order to reflect the creation of temporary HCPCS codes (e.g., 'K' codes). These temporary codes may describe services subject to consolidated billing in addition to the permanent list of HCPCS codes that is updated annually.

This PM is the third quarterly HH consolidated billing update for calendar year 2003. The second update occurred in April 2003. There was no update in July 2003. This update adds three non-routine supply codes to the list of codes subject to consolidated billing. It also removes two codes that are no longer valid for Medicare billing. The next update to the list of codes subject to consolidated billing will be the calendar year 2004 annual update.

The new codes to be added are: K0614 chem/antiseptic solution, 8oz
K0620 tubular elastic dressing
K0621 gauze, non-impreg pack strip

The codes to be deleted are: A4421 Ostomy Supply misc
97014 Electric stimulation therapy

The new coding identified in each update describes the same services that were used to determine the applicable HH PPS payment rates. No additional services will be added by these updates; that is, new updates are required by changes to the coding system, not because the services subject to HH consolidated billing are being redefined.

B. Policy:

Section 1895 of the Social Security Act codifies the HH PPS.

II. BUSINESS REQUIREMENTS

Req. #	Requirements	Resp.
2776.1	Medicare claims processing systems shall modify the list of codes used to enforce consolidated billing.	CWF
2776.1.1	Medicare claims processing systems shall add HCPCS codes K0614, K0620 and K0621 to the list of codes used to enforce existing HH consolidated billing edits on claims with dates of service on or after October 1, 2003.	CWF
2776.1.2	Medicare claims processing systems shall delete HCPCS code A4421 and 97014 from the list of codes used to enforce existing HH consolidated billing edits on claims with dates of service on or after October 1, 2003.	CWF
2776.2	Medicare FIs and carriers, including DMERCs, shall publish notification of the changes to the codes subject to HH consolidated billing as soon as possible after publication of this PM (i.e., next available provider bulletin, Web site posting).	FIs and Carriers
2776.3	Medicare FIs and carriers, including DMERCs, shall direct providers and suppliers interested in an updated complete list of codes subject to HH consolidated billing to the HH consolidated billing master code list available at cms.hhs.gov/medlearn/refhha.asp .	FIs and Carriers

III. – SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A – Other Instructions: N/A

B – Design Considerations: N/A

C - Interfaces: N/A

D - Contractor Financial Reporting /Workload Impact: N/A

E - Dependencies: N/A

F - Testing Considerations: N/A

IV – ATTACHMENT(S) None

<p>Final Version: June 6, 2003</p> <p>Implementation Date: Systems Changes: October 1, 2003; Provider and supplier notification: Beginning 14 days after receipt</p> <p>Discard Date: October 1, 2004</p> <p>Post-Implementation Contact: Regional Office</p>	<p>Effective Date: October 1, 2003</p> <p>Funding: Within current operating budget</p> <p>Pre-Implementation Contact: Wil Gehne, (410) 786-6184, wgehne@cms.hhs.gov; Elizabeth Carmody (410) 786-7533, ecarmody@cms.hhs.gov and Kelly Buchanan, (410) 786-6132, kbuchanan@cms.hhs.gov;</p>
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