
CMS Manual System

Pub. 100-04 Medicare Claims Processing

**Department of Health & Human Services (DHHS)
Centers for Medicare & Medicaid Services (CMS)**

Transmittal 62

Date: FEBRUARY 16, 2004

CHANGE REQUEST 3024

I. SUMMARY OF CHANGES: This is correction to the January 2004 annual update of HCPCS codes used for home health consolidated billing enforcement.

NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2004

***IMPLEMENTATION DATE: February 16, 2004**

Disclaimer: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged.

II. SCHEDULE OF CHANGES (R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

III. FUNDING: *Medicare contractors only:

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Special Notification

One-Time Notification

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SUBJECT: Correction to January 2004 Annual Update of HCPCS Codes Used for Home Health Consolidated Billing Enforcement

I. GENERAL INFORMATION

A. Background:

The CMS periodically updates the lists of Healthcare Common Procedure Coding System (HCPCS) codes that are subject to the consolidated billing provision of the Home Health Prospective Payment System (HH PPS). With the exception of therapies performed by physicians, supplies incidental to physician services and supplies used in institutional settings, services appearing on this list which are submitted on claims to Medicare contractors will not be paid separately 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. Therapies performed by physicians, supplies incidental to physician services and supplies used in institutional settings are not subject to HH consolidated billing. Medicare contractors include fiscal intermediaries (FIs), carriers, and durable medical equipment regional carriers (DMERCs).

The HH consolidated billing code lists are updated annually, to reflect the annual changes to the HCPCS code set itself. Additional updates may occur as frequently as quarterly in order to reflect the creation of temporary HCPCS codes (e.g., 'K' codes) throughout the calendar year. The new coding identified in each update describes the same services that were used to determine the applicable HH PPS payment rates. These updates do not add services or redefine categories of services subject to home health consolidated billing.

This one-time notification provides a correction to the annual HH consolidated billing update for calendar year 2004. The annual update was published on October 17, 2003 as Transmittal 8 to the Medicare Claims Processing Manual. Among other changes, this update added HCPCS codes A7525 and A7526 to the list of supply codes subject to home health consolidated billing. These codes were added in error.

This instruction is to notify providers that the following codes will not be added to home health consolidated billing enforcement:

- A7525 Tracheostomy mask, each
- A7526 Tracheostomy tube collar/holder, each

B. Policy:

Section 1842(b)(6) of the Social Security Act requires that payment for home health services provided under a home health plan of care is made to the home health agency. This requirement is found in Medicare regulations at 42 CFR 409.100.

C. Provider Education: FIs and carriers shall inform affected providers by posting either a summary or relevant portions of this document on their Web site within 2 weeks. Also, FIs and carriers shall publish this same information in their next regularly scheduled bulletin. If they have a listserv that targets affected providers, they shall use it to notify subscribers that information about "Annual Update of HCPCS Codes Used for

Home Health Consolidated Billing Enforcement” is available on their Web site. All bulletins and notifications shall inform providers and suppliers that this correction is reflected in the HH consolidated billing master code list, which is available at the following Internet address: cms.hhs.gov/providers/hhapps/#billing.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement #	Requirements	Responsibility
3024.1	Medicare claims processing systems shall modify the list of codes used to enforce consolidated billing.	CWF
3024.1.1	Medicare claims processing systems shall remove HCPCS code A7525 and A7526 from the list of codes used to enforce existing HH consolidated billing edits on claims with dates of service on or after January 1, 2004.	CWF

III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

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

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date: January 1, 2004</p> <p>Implementation Date: February 16, 2004</p> <p>Pre-Implementation Contact(s): Wil Gehne, (410) 786-6148, wgehne@cms.hhs.gov Kelly Buchanan (410) 786-6132, kbuchanan@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Regional offices</p>	<p>These instructions should be implemented within your current operating budget</p>
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