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# Program Memorandum Intermediaries/Carriers

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)  
Date: JULY 31, 2002

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Transmittal AB-02-104

## CHANGE REQUEST 2245

**SUBJECT: October Quarterly Update for 2002 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule**

### Scope

This Program Memorandum (PM) provides specific instructions regarding the October quarterly update for the 2002 DMEPOS fee schedule.

### Background

#### The October DMEPOS Fee Schedule Files

The following codes listed below are being added to the Healthcare Common Procedure Coding System (HCPCS) effective October 1, 2002. These codes fall under the fee schedule category for prosthetics and orthotics. The fee schedule amounts for these codes will be calculated by CMS central office. These codes replace codes L5660, L5662, L5663, and L5664, which are invalid for Medicare use effective October 1, 2002.

<u>Code</u>	<u>Descriptor</u>
K0556	Addition to lower extremity, below knee/above knee, custom fabricated from existing mold or prefabricated, socket insert, silicone gel, elastomeric or equal, for use with locking mechanism
K0557	Addition to lower extremity, below knee/above knee, custom fabricated from existing mold or prefabricated, socket insert, silicone gel, elastomeric or equal, not for use with locking mechanism
K0558	Addition to lower extremity, below knee/above knee, custom fabricated socket insert for congenital or atypical traumatic amputee, silicone gel, elastomeric or equal, for use with or without locking mechanism, initial only (for other than initial, use code K0556 or K0557)
K0559	Addition to lower extremity, below knee/above knee, custom fabricated socket insert for other than congenital or atypical traumatic amputee, silicone gel, elastomeric or equal, for use with or without locking mechanism, initial only (for other than initial, use code K0556 or K0557)

TOS = P

BETOS = D1F

Coverage = D

Pricing = 38

CWF Category = 03, 60

DMEPOS Category = 3

POS = 12, 31, 32, 33, 54, 55, 56

**CMS-Pub. 60AB**

In addition, the base fee schedule amounts for ostomy supply codes K0563, K0564, K0567, and K0570, added April 1, 2002, have been revised by the durable medical equipment regional carriers (DMERCs). The revised fee schedule amounts for these codes will be included in the October quarterly update to the DMEPOS fee schedule files.

The October DMEPOS Fee Schedule files will be made available to carriers by August 9, 2002, and to intermediaries by August 23, 2002. The fee schedules for K0556 thru K0559 are effective for claims with dates of service on or after October 1, 2002. The fee schedules for K0563, K0564, K0567, and K0570 are effective for claims with dates of service on or after April 1, 2002. All other fee schedules in the October DMEPOS fee schedule files are effective for claims with dates of service on or after January 1, 2002. The names of the October DMEPOS fee schedule files are:

Carriers – MU00.@BF12393.DMEPOS.T020101.Q4.V0809

Intermediaries - MU00.@BF12393.DMEPOS.T020101.Q4.V0823.FI

### SADMERC Data Analysis

In addition, it has come to our attention that suppliers may be inappropriately billing socket design codes L5647 (for a below knee prosthesis) and L5652 (for an above knee prosthesis) each time a replacement socket insert (codes L5660, L5662, L5663, or L5664) is furnished. The socket design code (L5647 or L5652) should be billed only at the time that the initial prosthesis is furnished to the patient, and not every time a replacement socket insert is furnished. Suppliers billing in such a manner must be informed to stop this practice immediately.

### Implementation

The DMERCs and intermediaries must download the October DMEPOS fee schedule files for use in paying DMEPOS claims. Upon successful receipt of the file(s), the DMERCs and intermediaries must send notification of receipt via email to Mary Anne Stevenson ([mstevenson@cms.hhs.gov](mailto:mstevenson@cms.hhs.gov)). This notification must state the name of the file received and the entities for which they were received (e.g., contractor name and FI/RHHI number). The changes made during this quarterly update do not affect codes under the local carriers' jurisdiction; therefore, the local carriers do not need to retrieve the file.

The statistical analysis durable medical equipment regional carrier (SADMERC) must perform a data analysis to determine to what degree suppliers are billing socket design codes L5647 or L5652 concurrently with socket insert codes L5660, L5662, L5663, or L5664. The analysis must be based on claims received from January 1, 2002, through June 30, 2002. For the analysis, concurrent billing is defined by a socket design code and socket insert code billed on the same date of service (DOS) for a health insurance claim number (HICN). The SADMERC must determine:

1. The total number of HICNs with a socket design code billed,
2. The number of HICNs with a socket design code and socket insert code billed on the same DOS, and
3. The percent of HICNs with a socket design code and socket insert code billed on the same DOS.

### Education

The DMERCs and SADMERC must publish this information in their next scheduled bulletins and/or post it on their web sites.

**The effective date for this PM is October 1, 2002.**

**The implementation date for this PM is October 1, 2002.**

**Any questions regarding these instructions should be directed to Joel Kaiser on (410) 786-4499. Questions regarding the transmission of the file, the file layout, and submission of base fees to central office should be directed to Mary Anne Stevenson on (410) 786-1818.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded July 1, 2003.**