
CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 50

Date: DECEMBER 19, 2003

CHANGE REQUEST 2967

I. SUMMARY OF CHANGES: To provide a clarification in the manual that the Medicare contractors will be receiving subsequent quarterly updates for temporary HCPCS codes.

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

***IMPLEMENTATION DATE:** April 5, 2004

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

II. CHANGES IN MANUAL INSTRUCTIONS:

(R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	23/20 – Description of Healthcare Common Procedure Coding System

*III. FUNDING:

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
X	Recurring Update Notification

*Medicare contractors only

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 50	Date: December 19, 2003	Change Request 2967
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I. GENERAL INFORMATION

A. Background: Temporary HCPCS Codes – FIs and Carriers (including DMERCs)

Level II HCPCS codes may be issued quarterly to provide for new or changed Medicare coverage policy for services normally described in Level II. These codes may be temporary and be replaced by a Level I or Level II code in the related HCPCS code section, or may remain for a considerable time as “temporary” codes (See IOM chapter 23, Section 20).

Temporary codes that are approved during the year are communicated through CMS instructions. **Medicare contractors will be receiving a recurring update notification instruction on a quarterly basis for newly approved temporary codes.**

B. Policy: Effective April 1, 2004, the following new “K” codes will be established for billing spinal orthotics and added to the system.

K0630 Sacroiliac orthosis, flexible, provides pelvic-sacral support, reduces motion about the sacroiliac joint, includes straps, closures, may include pendulous abdomen design, prefabricated, includes fitting and adjustment

K0631 Sacroiliac orthosis, flexible, provides pelvic-sacral support, reduces motion about the sacroiliac joint, includes straps, closures, may include pendulous abdomen design, custom fabricated

K0632 Sacroiliac orthosis, provides pelvic-sacral support, with rigid or semi-rigid panels over the sacrum and abdomen, reduces motion about the sacroiliac joint, includes straps, closures, may include pendulous abdomen design, prefabricated, includes fitting and adjustment

K0633 Sacroiliac orthosis, provides pelvic-sacral support, with rigid or semi-rigid panels placed over the sacrum and abdomen, reduces motion about the sacroiliac joint, includes straps, closures, may include pendulous abdomen design, custom fabricated

K0634 Lumbar orthosis, flexible, provides lumbar support, posterior extends from L-1 to below L-5 vertebra, produces intracavitary pressure to reduce load on the intervertebral discs, includes straps, closures, may include pendulous abdomen design, shoulder straps, stays, prefabricated, includes fitting and adjustment

K0635 Lumbar orthosis, sagittal control, with rigid posterior panel(s), posterior extends from L-1 to below L-5 vertebrae, produces intracavitary pressure to reduce load on the

intervertebral discs, includes straps, closures, may include padding, stays, shoulder straps, pendulous abdomen design, prefabricated, includes fitting and adjustment

K0636 Lumbar orthosis, sagittal control, with rigid anterior and posterior panels, posterior extends from L-1 to below L-5 vertebra, produces intracavitary pressure to reduce load on the intervertebral discs, includes straps, closures, may include padding, shoulder straps, pendulous abdomen design, prefabricated, includes fitting and adjustment

K0637 Lumbar-sacral orthosis, flexible, provides lumbo-sacral support, posterior extends from sacrococcygeal junction to T-9 vertebra, produces intracavitary pressure to reduce load on the intervertebral discs, includes straps, closures, may include stays, shoulder straps, pendulous abdomen design, prefabricated, includes fitting and adjustment

K0638 Lumbar-sacral orthosis, flexible, provides lumbo-sacral support, posterior extends from sacrococcygeal junction to T-9 vertebra, produces intracavitary pressure to reduce load on the intervertebral discs, includes straps, closures, may include stays, shoulder straps, pendulous abdomen design, custom fabricated

K0639 Lumbar-sacral orthosis, sagittal control, with rigid posterior panel(s), posterior extends from sacrococcygeal junction to T-9 vertebra, produces intracavitary pressure to reduce load on the intervertebral discs, includes straps, closures, may include padding, stays, shoulder straps, pendulous abdomen design, prefabricated, includes fitting and adjustment

K0640 Lumbar-sacral orthosis, sagittal control, with rigid anterior and posterior panels, posterior extends from sacrococcygeal junction to T-9 vertebra, produces intracavitary pressure to reduce load on the intervertebral disks, includes straps, closures, may include padding, shoulder straps, pendulous abdomen design, prefabricated, includes fitting and adjustment

K0641 Lumbar-sacral orthosis, sagittal control, with rigid anterior and posterior panels, posterior extends from sacrococcygeal junction to T-9 vertebra, produces intracavitary pressure to reduce load on the intervertebral discs, includes straps, closures, may include padding, shoulder straps, pendulous abdomen design, custom fabricated

K0642 Lumbar-sacral orthosis, sagittal-coronal control, with rigid posterior frame/panel(s), posterior extends from sacrococcygeal junction to T-9 vertebra, lateral strength provided by rigid lateral frame/panels, produces intracavitary pressure to reduce load on intervertebral discs, includes straps, closures, may include padding, stays, shoulder straps, pendulous abdomen design, prefabricated, includes fitting and adjustment

K0643 Lumbar-sacral orthosis, sagittal-coronal control, with rigid posterior frame/panel(s), posterior extends from sacrococcygeal junction to T-9 vertebra, lateral strength provided by rigid lateral frame/panels, produces intracavitary pressure to reduce

load on intervertebral discs, includes straps, closures, may include padding, stays, shoulder straps, pendulous abdomen design, custom fabricated

K0644 Lumbar-sacral orthosis, sagittal-coronal control, lumbar flexion, rigid posterior frame/panels, lateral articulating design to flex the lumbar spine, posterior extends from sacrococcygeal junction to T-9 vertebra, lateral strength provided by rigid lateral frame/panels, produces intracavitary pressure to reduce load on intervertebral discs, includes straps, closures, may include padding, anterior panel, pendulous abdomen design, prefabricated, includes fitting and adjustment

K0645 Lumbar-sacral orthosis, sagittal-coronal control, lumbar flexion, rigid posterior frame/panels, lateral articulating design to flex the lumbar spine, posterior extends from sacrococcygeal junction to T-9 vertebra, lateral strength provided by rigid lateral frame/panels, produces intracavitary pressure to reduce load on intervertebral discs, includes straps, closures, may include padding, anterior panel, pendulous abdomen design, custom fabricated

K0646 Lumbar-sacral orthosis, sagittal-coronal control, with rigid anterior and posterior frame/panels, posterior extends from sacrococcygeal junction to T-9 vertebra, lateral strength provided by rigid lateral frame/panels, produces intracavitary pressure to reduce load on intervertebral discs, includes straps, closures, may include padding, shoulder straps, pendulous abdomen design, prefabricated, includes fitting and adjustment

K0647 Lumbar-sacral orthosis, sagittal-coronal control, with rigid anterior and posterior frame/panels, posterior extends from sacrococcygeal junction to T-9 vertebra, lateral strength provided by rigid lateral frame/panels, produces intracavitary pressure to reduce load on intervertebral discs, includes straps, closures, may include padding, shoulder straps, pendulous abdomen design, custom fabricated

K0648 Lumbar-sacral orthosis, sagittal-coronal control, rigid shell(s)/panel(s), posterior extends from sacrococcygeal junction to T-9 vertebra, anterior extends from symphysis pubis to xiphoid, produces intracavitary pressure to reduce load on the intervertebral discs, overall strength is provided by overlapping rigid plastic and stabilizing closures, includes straps, closures, may include soft interface, pendulous abdomen design, prefabricated, includes fitting and adjustment

K0649 Lumbar-sacral orthosis, sagittal-coronal control, rigid shell(s)/panel(s), posterior extends from sacrococcygeal junction to T-9 vertebra, anterior extends from symphysis pubis to xiphoid, produces intracavitary pressure to reduce load on the intervertebral discs, overall strength is provided by overlapping rigid plastic and stabilizing closures, includes straps, closures, may include soft interface, pendulous abdomen design, custom fabricated

C. Provider Education: Intermediaries and carriers shall inform affected providers by posting either a summary or relevant portions of this document on their Web site within four weeks. Also, intermediaries 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 “K” codes for spinal orthotics is available on their Web site.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement #	Requirements	Responsibility
2967.1	The codes listed above shall be added to the systems for processing.	VIPS, CWF, FIs
2967.2	The type of service for these codes is “P”.	VIPS, CWF, FIs
2967.3	The place of service for these codes is 04, 12, 13, 14, 31, 32, 33, 54, 55, and 56.	VIPS, CWF, FIs
2967.4	The pricing category for these codes is 38.	VIPS, CWF, FIs
2967.5	The CWF categories are 3 and 60.	CWF
2967.6	Codes L0476, L0478, L0500, L0510, L0520, L0530, L0540, L0550, L0560, L0561, L0565, L0600, L0610, L0620, and L0960 will be invalid for submission on or after April 1, 2004. These codes will be deleted January 1, 2005.	VIPS, CWF, FIs

III. SUPPORTING INFORMATION AND 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: April 1, 2004</p> <p>Implementation Date: April 5, 2004</p> <p>Pre-Implementation Contact(s): Angie Costello at acostello@cms.gov.</p> <p>Post-Implementation Contact(s): Appropriate Regional Office</p>	<p>These instructions shall be implemented within your current operating budget</p>
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20 - Description of Healthcare Common Procedure Coding System (HCPCS)

(Rev. 50, 12-19-03)

B3-4501, A3-3627, B3-4540, AB-01-127, AB-01-162, HO-442, CMS HCPCS Code Web site

Background

HCPCS has been selected as the approved coding set for entities covered under the Health Insurance Portability and Accountability Act (HIPAA), for reporting outpatient procedures.

HCPCS is based upon the American Medical Association's (AMA) "Physicians' Current Procedural Terminology, Fourth Edition" (CPT-4). It includes three levels of codes and modifiers. Level I contains only the AMA's CPT-4 codes. This level consists of all numeric codes. Level II contains alpha-numeric codes primarily for items and nonphysician services not included in CPT-4, e.g., ambulance, DME, orthotics, and prosthetics. These are alpha-numeric codes maintained jointly by CMS, the Blue Cross and Blue Shield Association (BCBSA), and the Health Insurance Association of America (HIAA).

Normally Level I and Level II codes are updated annually, issued in October for January implementation. However, Level II codes also may be issued quarterly to provide for new or changed Medicare coverage policy for physicians' services as well as services normally described in Level II. These codes may be temporary and be replaced by a Level I or Level II code in the related CPT or HCPCS code section, or may remain for a considerable time as "temporary" codes. Designation as temporary does not affect the coverage status of the service identified by the code. *New temporary codes that have been approved will be issued in a Recurring Update Notification instruction quarterly.*

The CMS monitors the system to ensure uniformity.

Local Codes

Level III now contains local codes needed by contractors or Medicaid State agencies to process Medicare and Medicaid claims. They are used for services that are not contained in either Level I or Level II. Level III codes (procedure codes and modifiers) are scheduled for discontinuance by December 31, 2003.

The local codes are also alpha-numeric, but are restricted to the series beginning with W, X, Y, and Z. Local codes and other Level III codes are to be phased out in connection with implementation of HCPCS as a standard identifier under HIPAA (e.g., a Level I or Level II codes, as appropriate, will be assigned what was formerly coded as a Level III code).

Nonspecific or Nonclassified Codes

In addition to codes for specific services, there are codes for each type of service that may be used for claims processing where there is not a code that specifically describes the service. These codes are defined as “not otherwise classified” or “not otherwise specified” codes. Processing systems cannot make coverage and/or payment determinations automatically for these, but claims can be billed and paid for covered services with these codes where there is no currently available code to describe the service.

Tracking Codes for New and Emerging Technologies

Effective January 1, 2002, the AMA established a new category of CPT codes, called CPT Category III Tracking Codes. The CPT tracking codes were developed by the AMA to track new and emerging technologies. These codes consist of four numeric digits and one alpha character at the end, e.g., 0001T. Some of these codes are carrier priced and others may be noncovered. The Medicare Physician Fee Schedule Data Base for January 1, 2002, and thereafter contains the correct status indicators.

For laboratory tests, the new Category III Tracking Codes represent emerging technologies that may not be performed by many laboratories and may not yet have been approved by the Food and Drug Administration. Review of emerging technology codes will be made by the CPT Editorial Panel as part of its procedures to annually update CPT codes. The CPT Editorial Panel will determine if a temporary emerging technology code should be converted to a permanent existing technology Category I CPT code or if a new emerging technology code should be established. These codes are not included in the 2002 laboratory fee schedule data file because they can be covered and priced only at carrier discretion. More information on the use of emerging technology codes can be accessed at the AMA’s Web page <http://www.ama-assn.org>.

Modifiers

HCPCS also contains Levels I, II, and III modifiers. Modifiers in the WA through ZZ range, with the exception of YY (second opinion) and ZZ (third opinion), are reserved for local assignment. Modifiers Q, K, and G modifiers are reserved for CMS. The remainder of the alpha-numeric and numeric series is reserved for national modifiers and AMA modifiers, respectively.

Noncovered Codes

There are certain HCPCS codes that are not used by Medicare. These may be codes that describe services that are not covered or may be codes that describe both covered and noncovered services. In the latter case, the Level I codes are not used by Medicare, but Medicare makes payment using Level II codes instead. This is because the definition of the Level I code can be broader than CMS coverage policy, which is based on law and regulation pertaining to specific services, not on code assignment. These codes are identified in files that CMS makes available to contractors in connection with code updates.

If unacceptable codes are reported, carriers and intermediaries deny the line item as noncovered. The appropriate denial message must be identified on the Remittance Advice to the provider and to the crossover record sent to any subsequent payer.

If intermediaries receive HCPCS codes not used by Medicare on a claim with other services that are covered, they also move the charges to noncovered.

Intermediaries do not return to the provider (RTP) the claim unless the provider has failed to also include covered codes. If covered and unacceptable codes are submitted, the intermediary notifies the provider to correct the unacceptable codes in order to obtain payment.

Buying Codebooks

Level I (CPT-4) codes/modifiers can be purchased in hardcopy form or electronic medium from:

American Medical Association
P.O. Box 10946
Chicago, IL 60610-0946
AMA Customer Service Telephone 1-800-621-8335

<http://www.amapress.org>

Level II (non-CPT-4) codes/modifiers can be purchased in hardcopy form from:

Superintendent of Documents
U.S. Government Printing Office
Washington, DC 20402
Telephone (202) 783-3238
FAX: (202) 512-2250

Level II codes/modifiers are also available on computer tape from the National Technical Information Services (NTIS). Their address is:

National Technical Information Service
5285 Port Royal Road
Springfield, VA 22161
Sales Desk: (703) 487-4650,
Subscriptions: (703) 487-4630,
TDD (hearing impaired only): (703) 487-4639,
RUSH Service (available for an additional fee):
1-800-553-NTIS, Fax: (703) 321-8547, and

E-Mail: orders@ntis.fedworld.gov

HCPCS code information is also published on CMS Web site at <http://cms.hhs.gov/medicare/hcpcs/> under the Plans and Providers page. Alpha-numeric codes are also available at: <http://cms.hhs.gov/providers/pufdownload/anhpcdl.asp>.

Contractors are to supply physicians, suppliers, and providers current HCPCS local code/modifiers (alpha-numeric W-Z). It is important for physicians, practitioners, suppliers, and providers to note that code/modifier recognition does not imply that a service is covered by Medicare. In addition, a separate code does not mean that the payment level will be different from similar services identified by different codes.

For information on making suggestions for the establishment of new HCPCS codes, see the document titled "HCPCS Level II Code Modification Process" at <http://cms.hhs.gov/medicare/hcpcs/>. There are separate processes for Level I, Level II, and Medicaid. All three processes are available on this HCPCS Code Web site.