
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)
Date: OCTOBER 25, 2002

Transmittal AB-02-152

CHANGE REQUEST 2378

SUBJECT: Fee Schedule Update for 2003 for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

Scope

This Program Memorandum (PM) provides instructions for updating and implementing the 2003 fee schedule amounts for DMEPOS.

Background

2003 DMEPOS Fee Schedule File

The 2003 DMEPOS fee schedules have been calculated by the Division of Data Systems (DDS). The DDS will electronically release the 2003 DMEPOS Fee Schedule file (filename: [MU00.@BF12393.DMEPOS.T030101.V1105](#)) to the statistical analysis durable medical equipment regional carrier (SADMERC), DMERCs, and local Part B carriers via CMS's mainframe telecommunication system, formerly the Network Data Mover (NDM) on November 5, 2002. The DDS will release a separate 2003 DMEPOS Fee Schedule file (filename: [MU00.@BF12393.DMEPOS.T030101.V1210.FI](#)) to the intermediaries, regional home health intermediaries, Railroad Retirement Board (RRB), Indian Health Service, and United Mine Workers on December 10, 2002. The fee schedule file will be available through the CMS homepage by December 10, 2002, for interested parties like the State Medicaid agencies and managed care organizations. The fee schedule for parenteral and enteral nutrition (PEN) will be released to the SADMERC and DMERCs in a separate file (filename: [MU00.@BF12393.PEN.CY02.V1105](#)) on November 5, 2002. These fee schedules are to be implemented on January 1, 2003, for items furnished from January 1, 2003 through December 31, 2003.

Gap-filling Instructions

Below is a tentative list of new HCPCS codes that will be subject to the DMEPOS fee schedules in 2003 for which carriers must gap-fill base fee schedule amounts. Please note that these new codes are not yet final, are subject to change, and are not to be used for billing purposes until they are implemented on January 1, 2003.

The codes listed below fall into one of the following payment categories:

CR = Capped Rental DME
FS = Frequently Serviced DME
IN = Inexpensive or Routinely Purchased DME

CMS-Pub. 60AB

OS = Ostomy, Tracheostomy, or Urological Supply

PO = Prosthetics and Orthotics

SD = Surgical Dressings

SU = DME Supplies

<u>Code</u>	<u>Description of Item</u>	<u>Payment Category</u>
A4609	Tracheal suction catheter, closed system, for use less than 72 hours, each	IN
A4610	Tracheal suction catheter, closed system, for 72 or more hours of use, each	IN
A4632	Replacement battery for external infusion pump, any type, each	IN
A4633	Replacement bulb/lamp for ultraviolet light therapy system, each	IN
A4639	Replacement pad for infrared heating pad system	IN
A6011	Collagen based wound filler, gel/paste, per gram of collagen	SD
A6410	Eye pad, sterile, each	SD
A6411	Eye pad, non-sterile, each	SD
A6421	Padding bandage, non-elastic, non-woven/non-knitted, width greater than or equal to 3 inches and less than 5 inches, per roll (at least 3 yards, unstretched)	SD
A6422	Conforming bandage, non-elastic, knitted/woven, non-sterile, width greater than or equal to 3 inches and less than 5 inches, per roll (at least 3 yards, unstretched)	SD
A6424	Conforming bandage, non-elastic, knitted/woven, non-sterile, width greater than or equal to 5 inches, per roll (at least 3 yards, unstretched)	SD
A6426	Conforming bandage, non-elastic, knitted/woven, sterile, width greater than or equal to 3 inches and less than 5 inches, per roll (at least 3 yards, unstretched)	SD
A6428	Conforming bandage, non-elastic, knitted/woven, sterile, width greater than or equal to 5 inches, per roll (at least 3 yards, unstretched)	SD
A6430	Light compression bandage, elastic, knitted/woven, load resistance less than 1.25 foot pounds at 50% maximum stretch, width greater than or equal to 3 inches and less than 5 inches, per roll (at least 3 yards, unstretched)	SD
A6432	Light compression bandage, elastic, knitted/woven, load resistance less than 1.25 foot pounds at 50% maximum stretch, width greater than or equal to 5 inches, per roll (at least 3 yards, unstretched)	SD
A6434	Moderate compression bandage, elastic, knitted/woven, load resistance of 1.25 to 1.34 foot pounds at 50% maximum stretch, width greater than or equal to 3 inches and less than 5 inches, per roll (at least 3 yards, unstretched)	SD
A6436	High compression bandage, elastic, knitted/woven, load resistance greater than 1.35 foot pounds at 50% maximum stretch, width greater than or equal to 3 inches and less than 5 inches, per roll (at least 3 yards, unstretched)	SD

<u>Code</u>	<u>Description of Item</u>	<u>Payment Category</u>
A6438	Self-adherent bandage, elastic, non-knitted/non-woven, load resistance greater than or equal to 0.55 foot pounds at 50% maximum stretch, width greater than or equal to 3 inches and less than 5 inches, per roll (at least 5 yards, unstretched)	SD
A6440	Zinc paste impregnated bandage, non-elastic, knitted/woven, width greater than or equal to 3 inches and less than 5 inches, per roll (at least 10 yards, unstretched)	SD
A6501	Compression burn garment, bodysuit (head to foot), custom fabricated	SD
A6502	Compression burn garment, chin strap, custom fabricated	SD
A6503	Compression burn garment, facial hood, custom fabricated	SD
A6504	Compression burn garment, glove to wrist, custom fabricated	SD
A6505	Compression burn garment, glove to elbow, custom fabricated	SD
A6506	Compression burn garment, glove to axilla, custom fabricated	SD
A6507	Compression burn garment, foot to knee length, custom fabricated	SD
A6508	Compression burn garment, foot to thigh length, custom fabricated	SD
A6509	Compression burn garment, upper trunk to waist including arm openings (vest), custom fabricated	SD
A6510	Compression burn garment, trunk, including arms down to leg openings (leotard), custom fabricated	SD
A6511	Compression burn garment, lower trunk including leg openings (panty), custom fabricated	SD
A7025	High frequency chest wall oscillation system vest, replacement for use with patient owned equipment, each	IN
A7026	High frequency chest wall oscillation system hose, replacement for use with patient owned equipment, each	IN
A7030	Full face mask used with positive airway pressure device	IN
A7031	Face mask interface, replacement for full face mask	IN
A7032	Replacement cushion for nasal application device, each	IN
A7033	Replacement pillows for nasal application device, pair	IN
A7034	Nasal interface (mask or cannula type) used with positive airway pressure device, with or without head strap	IN
A7042	<i>Implanted pleural catheter, each</i>	PO
A7043	<i>Vacuum drainage bottle and tubing for use with implanted catheter</i>	PO
A7044	Oral interface used with positive airway pressure device, each	IN
E0117	Crutch, underarm, articulating, spring assisted, each	IN
E0454	Pressure ventilator with pressure control, pressure support and flow triggering features	FS
E0461	Volume ventilator, stationary or portable, with backup rate feature, used with non-invasive interface	FS
E0483	High frequency chest wall oscillation air-pulse generator system, (includes hoses and vest), each	CR
E0484	Oscillatory positive expiratory pressure device, non-electric, any type, each	IN
E0619	Apnea monitor, with recording feature	CR
E0636	Multipositional patient support system, with integrated lift, patient accessible controls	CR

<u>Code</u>	<u>Description of Item</u>	<u>Payment Category</u>
E0691	Ultraviolet light therapy system panel, includes bulbs/lamps, timer and eye protection, 2 square feet or less	IN
E0692	Ultraviolet light therapy system panel, includes bulbs/lamps, timer and eye protection, 4 foot panel	IN
E0693	Ultraviolet light therapy system panel, includes bulbs/lamps, timer and eye protection, 6 foot panel	IN
E0694	Ultraviolet multidirectional light therapy system in 6 foot cabinet, includes bulbs/lamps, timer and eye protection	IN
E0701	Helmet with face guard and soft interface material, prefabricated	IN
E1011	Modification to pediatric wheelchair, width adjustment package (not to be dispensed with initial chair)	IN
E1012	Integrated seating system, planar, for pediatric wheelchair	IN
E1013	Integrated seating system, contoured, for pediatric wheelchair	IN
E1014	Reclining back, addition to pediatric wheelchair	IN
E1015	Shock absorber for manual wheelchair, each	IN
E1016	Shock absorber for power wheelchair, each	IN
E1017	Heavy duty shock absorber for heavy duty or extra heavy duty manual wheelchair, each	IN
E1018	Heavy duty shock absorber for heavy duty or extra heavy duty power wheelchair, each	IN
E1020	Residual limb support system for wheelchair	IN
E1025	Lateral thoracic support, non-contoured, for pediatric wheelchair, each (includes hardware)	IN
E1026	Lateral thoracic support, contoured, for pediatric wheelchair, each (includes hardware)	IN
E1027	Lateral/anterior support, non-contoured, for pediatric wheelchair, each (includes hardware)	IN
E1037	Transport chair, pediatric size	CR
E1038	Transport chair, adult size	CR
E1161	Manual adult size wheelchair, includes tilt in space	CR
E1231	Wheelchair, pediatric size, tilt-in-space, rigid, adjustable, with seating system	CR
E1232	Wheelchair, pediatric size, tilt-in-space, folding, adjustable, with seating system	CR
E1233	Wheelchair, pediatric size, tilt-in-space, rigid, adjustable, without seating system	CR
E1234	Wheelchair, pediatric size, tilt-in-space, folding, adjustable, without seating system	CR
E1235	Wheelchair, pediatric size, rigid, adjustable, with seating system	CR
E1236	Wheelchair, pediatric size, folding, adjustable, with seating system	CR
E1237	Wheelchair, pediatric size, rigid, adjustable, without seating system	CR
E1238	Wheelchair, pediatric size, folding, adjustable, without seating system	CR
E1802	Dynamic adjustable forearm pronation/supination device, includes soft interface material	CR
K0581	Ostomy pouch, closed, with barrier attached, with filter (1 piece), each	OS

<u>Code</u>	<u>Description of Item</u>	<u>Payment Category</u>
K0582	Ostomy pouch, closed, with barrier attached, with built-in convexity, with filter (1 piece), each	OS
K0583	Ostomy pouch, closed; without barrier attached, with filter (1 piece), each	OS
K0584	Ostomy pouch, closed; for use on barrier with flange, with filter (2 piece), each	OS
K0585	Ostomy pouch, closed; for use on barrier with locking flange (2 piece), each	OS
K0586	Ostomy pouch, closed; for use on barrier with locking flange, with filter (2 piece), each	OS
K0587	Ostomy pouch, drainable, with barrier attached, with filter (1 piece), each	OS
K0588	Ostomy pouch, drainable; for use on barrier with flange, with filter (2 piece system), each	OS
K0589	Ostomy pouch, drainable; for use on barrier with locking flange (2 piece system), each	OS
K0590	Ostomy pouch, drainable; for use on barrier with locking flange, with filter (2 piece system), each	OS
K0591	Ostomy pouch, urinary, with extended wear barrier attached, with faucet-type tap with valve (1 piece), each	OS
K0592	Ostomy pouch, urinary, with barrier attached, with built-in convexity, with faucet-type tap with valve (1 piece), each	OS
K0593	Ostomy pouch, urinary, with extended wear barrier attached, with built-in convexity, with faucet-type tap with valve (1 piece), each	OS
K0594	Ostomy pouch, urinary; with barrier attached, with faucet-type tap with valve (1 piece), each	OS
K0595	Ostomy pouch, urinary; for use on barrier with flange, with faucet-type tap with valve (2 piece), each	OS
K0596	Ostomy pouch, urinary; for use on barrier with locking flange (2 piece), each	OS
K0597	Ostomy pouch, urinary; for use on barrier with locking flange, with faucet-type tap with valve (2 piece), each	OS
L1652	Hip orthosis, bilateral thigh cuffs with adjustable spreader bar, adult size, prefabricated, includes fitting and adjustment	PO
L1836	Knee orthosis, rigid, without joint(s), includes soft interface material, prefabricated, includes fitting and adjustment	PO
L1901	Ankle orthosis, elastic, prefabricated, includes fitting and adjustment (e.g. neoprene, lycra)	PO
L3651	Shoulder orthosis, single shoulder, elastic, prefabricated, includes fitting and adjustment (e.g., neoprene, lycra)	PO
L3652	Shoulder orthosis, double shoulder, elastic, prefabricated, includes fitting and adjustment (e.g., neoprene, lycra)	PO
L3701	Elbow orthosis, elastic, prefabricated, includes fitting and adjustment (e.g., neoprene, lycra)	PO
L3762	Elbow orthosis, rigid, without joints, includes soft interface material, prefabricated, includes fitting and adjustment	PO
L3909	Wrist orthosis, elastic, prefabricated, includes fitting and adjustment (e.g., neoprene, lycra)	PO

<u>Code</u>	<u>Description of Item</u>	<u>Payment Category</u>
L3911	Wrist hand finger orthosis, elastic, prefabricated, includes fitting and adjustment (e.g., neoprene, lycra)	PO
L4386	Non-pneumatic walking splint, with or without joints, prefabricated, includes fitting and adjustment	PO
L5781	Addition to lower limb prosthesis, vacuum pump, residual limb volume management and moisture evacuation system	PO
L5782	Addition to lower limb prosthesis, vacuum pump, residual limb volume management and moisture evacuation system, heavy duty	PO
L5848	Addition to endoskeletal, knee-shin system, hydraulic stance extension, dampening feature, adjustable	PO
L5995	Addition to lower extremity prostheses, heavy duty feature (for patient weight > 300 lbs)	PO
L6025	Transcarpal/metacarpal or partial hand disarticulation prosthesis, external power, self-suspended, inner socket with removable forearm section, electrodes and cables, two batteries, charger, myoelectric control of terminal device	PO
L6638	Upper extremity addition to prosthesis, electric locking feature, only for use with manually powered elbow	PO
L6646	Upper extremity prosthesis addition, shoulder joint, multipositional locking, flexion, adjustable abduction friction control, for use with body powered or external powered system	PO
L6647	Upper extremity prosthesis addition, shoulder lock mechanism, body powered actuator	PO
L6648	Upper extremity prosthesis addition, shoulder lock mechanism, external powered actuator	PO
L7367	Lithium ion battery, replacement	PO
L7368	Lithium ion battery charger	PO

The DMERCs are to gap-fill base fee schedule amounts for each State in their region for all of the codes listed above except A7042 and A7043 (in italics). The local carriers are to gap-fill base fee schedule amounts for each carrier service area for code A7042 (pleural catheter) and A7043 (vacuum drainage bottle). Claims for the pleural catheter, vacuum drainage bottle, dressings (codes A6259 and A6402) and all other accessories or supplies for the pleural catheter (code L9900) are to be processed by the local carrier that serves the area in which the supplier is located.

All base fee schedule amounts are to be gap-filled in accordance with instructions located in MCM §5102.2. However, base fee schedule amounts submitted to CMS central office may not be updated by any covered item update factors other than the 1.7 percent (1989) update factor for DME and prosthetics and orthotics. The 2002 deflation factors for gap-filling purposes are:

.613 for CR;
.614 for IN, FS, OS, and PO; and
.779 for SD

The carriers are to submit the base fees for these new codes to CMS central office by November 15, 2002. If carriers have already submitted base fees for any of the codes listed above, they do not have to resubmit those base fees. The fees are to be submitted in ASCII files via EMAIL to Mary Anne Stevenson (MSTEVENSON@CMS.HHS.GOV) and Joel Kaiser (JKAISER@CMS.HHS.GOV).

The 2003 gap-filled codes are contained in the 2003 DMEPOS Fee Schedule file and are identifiable by a gap-fill indicator of "1." These codes have associated pricing amounts of 0. After receiving the gap-filled base fees, DDS will develop national fee schedule floors and ceilings and 2003 fee schedule amounts for these codes and release an addendum file to contractors on December 13, 2002. Local Part B carriers should note that the DDS files will not contain fee schedule amounts for non-continental areas under local carrier jurisdiction. Local carriers must update their fee schedules using the appropriate covered item updates. The 2003 DMEPOS updates factor is 1.1 percent for all items except oxygen and oxygen equipment. The 2003 covered item update for oxygen is 0 percent. It is possible that the DMEPOS update factors could be changed through the legislative process.

The DDS will electronically release the 2003 DMEPOS Gap-fill Fee Schedule file (filename: [MU00.@BF12393.DMEPOS.T030101.GAP.V1213](#)) to the statistical analysis durable medical equipment regional carrier (SADMERC), DMERCs, and local Part B carriers via CMS's mainframe telecommunication system, formerly the Network Data Mover (NDM) on December 13, 2002. The DDS will release a separate 2003 DMEPOS Gap-fill Fee Schedule file (filename: [MU00.@BF12393.DMEPOS.T030101.GAP.V1213.FI](#)) to the intermediaries, regional home health intermediaries, Railroad Retirement Board (RRB), Indian Health Service, and United Mine Workers on December 13, 2002.

Upon successful receipt of the file(s), the contractors send notification of receipt via EMAIL to Mary Anne Stevenson (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).

CMS will be revising the fee schedules for codes K0558, K0559 and L2430 to correct errors that were made in the calculation of the fee schedule amounts for these codes. As a result, there will be a slight increase in the fee schedule amounts for these codes. The revised fees for these codes will be effective for items furnished on or after January 1, 2003. The fees will be included in the addendum file that will be released to contractors on December 13, 2002.

New HCPCS Modifiers

The following new modifiers are being added to the HCPCS to identify supplies and equipment that may be covered under more than one DMEPOS benefit category:

- AU Item furnished in conjunction with a urological, ostomy, or tracheostomy supply
- AV Item furnished in conjunction with a prosthetic device, prosthetic or orthotic
- AW Item furnished in conjunction with a surgical dressing
- BA Item furnished in conjunction with parenteral and enteral nutrition (PEN) services

At this point, modifier BA, which replaces the XA modifier, would only be used for claims for IV poles (code E0776) furnished in conjunction with parenteral and enteral nutrition (PEN) services. In addition, codes A4450 and A4452 for tape are the only codes that have been identified at this point that would require use of these modifiers, namely AU, AV, and AW. These modifiers are to be used on claims for items identified by codes A4450, A4452, and E0776 that are furnished on or after January 1, 2003; however, carriers should allow a 3-month grace period ending on March 31, 2003, to ensure an adequate amount of time for educating suppliers on the use of these modifiers. In the future other codes may be identified as codes that should be submitted with these modifiers, and

contractor instructions will be prepared to address the implementation of these modifiers for these codes at that time.

Billing and Payment for the Left Ventricular Assist System (LVAS)

The LVAS is only implanted in an inpatient setting; therefore, Medicare payment is made for the LVAS under Part A on the basis of the prospective payment system for hospital inpatient services. Payment for supplies and accessories for the LVAS provided in the inpatient setting are included in the Part A payment. This includes all the accessories necessary for the LVAS to function. If additional supplies are required or accessories need to be replaced after the patient is discharged from the hospital, Medicare payment, under Part B, can be made for the medically necessary supplies and replacement accessories. Claims for replacement of supplies and accessories used with the LVAS that are furnished by suppliers should be billed to the local carriers. Claims for replacement of supplies and accessories that are furnished by hospitals should be billed to the intermediary. It is the responsibility of the local carrier or intermediary to determine whether the replacement supplies and accessories can be covered and to provide instructions, as needed, on how often these items can be replaced.

Quarterly Update Schedule for 2003 DMEPOS Fee Schedule

The following are instructions for a scheduled process for making corrections to base-year amounts for the 2003 DMEPOS fee schedule.

The process is stated below:

1. The DMERCs and SADMERC will identify those instances where base year fees are incorrect and forward requests for revisions to their regional offices. The DMERCs will also identify those instances where fee schedule amounts are replaced by inherent reasonableness (IR) limits/payment amounts, should the authority for making IR adjustments be restored. Contractors must use the file layout in Attachment A to submit all revisions. Regional offices will review those requests and, upon concurrence, forward them to the DDS, Attention: Mary Anne Stevenson. (Those transmissions must occur within the dates provided in the schedule below.)

2. The requests for revisions must be accompanied by a narrative description. This narrative description must be forwarded via E-Mail to Mary Anne Stevenson (MSTEVENSON@CMS.HHS.GOV) in DDS and Joel Kaiser (JKAISER@CMS.HHS.GOV) in the Division of Community Post-Acute Care (DCPC) in the Center for Medicare Management.

3. For inherent reasonableness (IR) changes, the effective date of the revised payment amount must also be provided. Attachment A provides a field for those dates.

4. DDS will recalculate the current year fee schedule amounts as appropriate.

5. DDS will transmit the entire DMEPOS file to the DMERCs, SADMERC, and local carriers using the file layout described in Attachment B. An indicator in the record field will identify those instances where pricing amounts have changed. (These transmissions must occur within the dates provided in the schedule below. DCPC (Joel Kaiser) must also receive a copy of the corrected fees.

6. Concurrently, DCPC will issue instructions for implementing the revised fee schedule amounts.

7. The DMERCs and local carriers should give providers 30 days notification before revised payment amounts are implemented. Dates for implementation are provided in the schedule below.

8. In terms of handling adjustments, carriers should make adjustments on those claims that were processed incorrectly if brought to their attention. Adjustments may be made retroactively to January 1 of 2003 unless otherwise specified.

NOTE: This PM will apply in all instances unless the situation requires special consideration. In those instances, instructions on handling adjustments will be provided on a case-by-case basis.

9. Separate instructions will be issued describing the data exchange for intermediaries. In summary, intermediaries will receive the revised payment amounts 2 to 3 weeks after the carriers receive the data from DDS. Intermediaries may not implement the revised payment amounts prior to the carriers' implementation date.

10. DDS will furnish the revised payment amounts to RRB, Indian Health Service and United Mine Workers. DMERCs and local Part B carriers must provide the data to the State Medicaid Agencies.

11. Fee Schedule Disclaimer: Whenever the carriers publish the DMEPOS fee schedule in their bulletins/notices, a disclaimer must be added. The disclaimer is, "Inclusion or exclusion of a fee schedule amount for an item or service does not imply any health insurance coverage."

12. Schedule for changes for 2003 DMEPOS Fees:

<u>Changes to DDS*</u> (Mary Anne Stevenson)	<u>DDS Transmit Files</u>	<u>Carriers Implement</u>
January 29	February 12	April **
April 10	May 5	July **
July 17	August 11	October **
September 15	November 5	January 1, 2004

* DMERCs or local carriers will forward changes to the RO. ROs will forward requests to DDS/Mary Anne Stevenson.

** Carriers must implement by mid-month after providing 30 days notice. If necessary, adjustments may be made retroactive to January 1 of the current year.

2003 Jurisdiction List

The following is an updated list of the HCPCS codes for DMERC and local carrier jurisdictions. An indicator of “D” means that the DMERCs have primary jurisdiction over the codes, while an indicator of “L” means that the local carriers have jurisdiction over the codes. Some codes with a D indicator may also be billed to the local carriers if they are furnished incident to a physician’s service. An indicator of “J” means that the claims are processed and paid by both DMERCs and local carriers. Claims for immunosuppressive drugs, inhalation drugs, oral anticancer drugs, oral antiemetic drugs or drugs administered in the patient’s home through external infusion pumps should be submitted to the DMERCs. All other claims for drugs should be submitted to the local carriers. Claims for supplies (including dressings), accessories, and replacement parts for implanted DME or implanted prosthetic devices should be submitted to the local carriers. In addition, claims for repair of implanted DME or implanted prosthetic devices should be submitted to the local carriers. The DMERCs and local carriers must publish these lists in supplier manuals, bulletins, or on their Web sites to educate suppliers about where to submit their claims.

<u>LOCAL CARRIERS</u>		<u>DMERCs</u>		<u>JOINT</u>	
A0021-A0999	L	A4206-A4211	D		
A4212	L	A4213-A4215	D		
A4220	L	A4221-A4259	D		
A4260-A4263	L	A4265	D		
A4270	L	A4280	D		
A4290-A4301	L	A4305-A4465	D		
A4470-A4480	L	A4481-A4510	D		
A4550	L	A4554-A4558	D		
A4561-A4570	L	A4575	D		
A4580-A4590	L	A4595-A4640	D		
A4641-A4647	L	A4649-A6010	D	A6021-A6406*	J
		A7000-A7509	D		
A9150-A9170	L			A9190-A9270	J
		A9300	D		
A9500-A9700	L			A9900*	J
		A9901-B9999	D		
D0120-D9999	L	E0100-E0615	D		
E0616	L	E0617-E0745	D		
E0746	L	E0747-E0748	D		
E0749-E0754	L	E0755	D		
E0756-E0759	L	E0760-E0780	D	E0781**	J
E0782-E0783	L	E0784	D		
E0785-E0786	L	E0791-E1310	D	E1340*	J
		E1353-E1390	D	E1399*	J
		E1405-E2101	D		
G0001-G9016	L	K0001-L7499	D	L7500-L7520*	J
		L7900-L8490	D	L8499*	J
		L8500-L8510	D		
L8600-L8699	L			L9900*	J
M0064-Q0115	L			Q0136	J
		Q0163-Q0184	D		
Q0183-Q4051	L			Q9920-Q9940***	J

R0070-R0076	L	V2020-V2629	D
V2630-V2632	L	V2700-V2780	D
V2790	L	V2781	D
V2785	L	V2799	D
V5008-V5299	L	V5336	D
V5362-V5364	L		

* Local carrier has jurisdiction over claim if it is a supply or accessory for an implanted prosthetic device (e.g., pleural catheter or LVAS) or implanted DME (e.g., infusion pump) or repair of an implanted prosthetic device or implanted DME.

** Local carrier has jurisdiction over the claim if the infusion is performed in the physician's office or if the infusion is initiated and completed in the physician's office on the same day.

*** DMERC has jurisdiction over the claim when the item is self-administered or used by Method II ESRD patients.

Implementation

Contractors are to make payment based on the 2003 DMEPOS fee schedule amounts for all claims with dates of service from January 1, 2003 through December 31, 2003.

Education

Contractors must notify suppliers of these changes in their next regularly scheduled bulletin and immediately post this information on their Web sites.

The *effective date* for this PM is January 1, 2003.

The *implementation date* for this PM is January 1, 2003.

These instructions should be implemented within your current operating budget.

This PM may be discarded after July 1, 2003.

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

Attachments

PROCESS FOR SUBMITTING REVISIONS TO DMEPOS FEE SCHEDULE TO DDS
(Mary Anne Stevenson)

Revisions to DMEPOS fees should be contained in an ASCII file with the following file specifications:

DATA SET NAME: DMEREV1A.TXT -- First Quarter Submission
 DMEREV1B.TXT -- Second Quarter Submission
 DMEREV1C.TXT -- Third Quarter Submission
 DMEREV1D.TXT -- Fourth Quarter Submission

<u>FIELD NAME</u>	<u>PIC</u>	<u>POSITION</u>	<u>COMMENT</u>
HCPCS CODE	X(5)	1-5	
FILLER	X(1)	6-6	Set to Spaces
FIRST MODIFIER	X(2)	7-8	
FILLER	X(1)	9	Set to Spaces
SECOND MODIFIER	X(2)	10-11	
FILLER	X(2)	12-13	Set to Spaces
STATE	X(3)	14-16	
FILLER	X(1)	17	Set to Spaces
REVISED BASE FEE	S9(5).99	18-26	1992 level for surgical dressings; 1989 for all other categories
FILLER	X(1)	27	Set to Spaces
CAPPED RENTAL INHERENT REASONABLENESS (IR) INDICATOR	X(1)	28	For Capped Rental Services Only: 0--IR not applied to original base fee, base fee is subject to rebasing adjustment 1--IR applied to original base fee, base fee is exempted from rebasing adjustment
FILLER	X(1)	29	Set to Spaces
NATURE OF FEE REVISION	X(1)	30	0--Correction 1--IR Revision 2--Other--Please submit supporting documentation

FILLER	X(1)	31	Set to Spaces
IR-EFFECTIVE DATE	9(8)	32-39	Field is applicable only to those records where the fee has changed due to an inherent reasonableness decision and the previous field contains a value of "1". Format is YYYYMMDD

**PROCESS FOR SUBMITTING REVISIONS TO DMEPOS FEE SCHEDULE TO
DDS (Mary Anne Stevenson)**

These ASCII files must be forwarded to DDS. If sent electronically, send to Mary Anne Stevenson (MSTEVENSON or MSTEVENSON@CMS.HHS.GOV). If the files are mailed, please use the following address:

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REVISED RECORD LAYOUT FOR 2003 DMEPOS FEE SCHEDULE DATA

SORT SEQUENCE: Category, HCPCS, 1st Mod, 2nd Mod, State

<u>FIELD NAME</u>	<u>PIC</u>	<u>POSITION</u>	<u>COMMENT</u>
YEAR	X(4)	1-4	Applicable Update Year
HCPCS CODE	X(5)	5-9	All current year active and deleted codes subject to DMEPOS floors and ceilings
1ST MODIFIER	X(2)	10-11	
2ND MODIFIER	X(2)	12-13	
JURISDICTION	X	14	D--DMERC jurisdiction L--Local Part B Carrier jurisdiction J--Joint DMERC/Local Carrier jurisdiction
CATEGORY	X(2)	15-16	IN--Inexpensive/Routinely Purchased FS--Frequently Serviced CR--Capped Rental OX--Oxygen & Oxygen Equipment OS--Ostomy, Tracheostomy & Urologicals SD--Surgical Dressings PO--Prosthetics & Orthotics SU--Supplies TE--TENS
HCPCS ACTION	X	17	Indicates active/delete status in HCPCS file A--Active Code D--Deleted Code, price provided for grace period processing only
REGION	X(2)	18-19	This amount is not used for pricing claims. It is on file for informational purposes. 00--For all non Prosthetic and Orthotic Services 01-10--For Prosthetic and Orthotic Services Only. This field denotes the applicable regional fee schedule
STATE	X(2)	20-21	

ORIGINAL BASE FEE 9(5)V99 22-28

This amount is not used for pricing claims. It is on file for informational purposes. For capped rental services this amount represents the base fee after adjustments for rebasing and statewide conversions. The base year for E0607 and L8603 is 1995. Since pricing amounts for E1405 and E1406 are developed by summing pricing amounts from source codes, they do not have a true base fee. For these codes, this field will be filled with zeros.

REVISED RECORD LAYOUT FOR 2003 DMEPOS FEE SCHEDULE DATA

SORT SEQUENCE: Category, HCPCS, 1st Mod, 2nd Mod, State

<u>FIELD NAME</u>	<u>PIC</u>	<u>POSITION</u>	<u>COMMENT</u>
CEILING	9(5)V99	29-35	This amount is not used for pricing claims. It is on file for informational purposes, and could be integrated into other processes (i.e., IR review, validation, inquiries). Note that since E0607 is priced via national IR, it is not priced using floors and ceilings. For E0607, this field will be filled with zeros. Since pricing amounts for E1405 and E1406 are developed by summing pricing amounts from source codes, they are not subject to ceilings and floors. For these codes, this field will be filled with zeros.
FLOOR	9(5)V99	36-42	This amount is not used for pricing claims. It is on file for informational purposes, and could be integrated into other processes (i.e., IR review, validation, inquiries). Note that since E0607 is priced via national IR, it is not priced using floors and ceilings. For E0607, this field will be filled with zeros. Since pricing amounts for E1405 and E1406 are developed by summing pricing amounts from source codes, they are not subject to ceilings and floors. For these codes, this field will be filled with zeros.
UPDATED FEE SCHEDULE AMOUNT	9(5)V99	43-49	Amount used for pricing
GAP-FILL INDICATOR	X	50	0--No Gap-filling Required. 1--Carrier Needs to Gap-fill Original Base Year Amount.
PRICING CHANGE INDICATOR	X	51	0--No change to the updated fee schedule amount since previous release. 1--A change has occurred to the updated fee schedule amount since the previous release.
FILLER	X(9)	52-60	Set to Spaces