
Program Memorandum Carriers

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

Transmittal B-02-089

Date: DECEMBER 20, 2002

CHANGE REQUEST 2510

SUBJECT: Further Instructions Regarding the Reasonable Charge Update for 2003 for Splints and Casts

Scope

This Program Memorandum (PM) is a follow up to Transmittal AB-02-136, Change Request 2371, dated October 11, 2002, which provided specific instructions regarding the calculation of reasonable charges for payment of claims for splints, casts, dialysis supplies, dialysis equipment, therapeutic shoes, and intraocular lenses furnished in calendar year 2003. The purpose of this PM is to delay implementation of the 2003 reasonable charges for splints and casts due to problems associated with the charge data necessary for the reasonable charge calculations.

Background

The October 11, 2002, PM instructed carriers to compute 2003 customary and prevailing charges for the splint and cast codes identified below using actual charge data from July 1, 2001, through June 30, 2002.

A4565 Q4001 Q4002 Q4003 Q4004 Q4005 Q4006 Q4007 Q4008 Q4009 Q4010 Q4011
Q4012 Q4013 Q4014 Q4015 Q4016 Q4017 Q4018 Q4019 Q4020 Q4021 Q4022 Q4023
Q4024 Q4025 Q4026 Q4027 Q4028 Q4029 Q4030 Q4031 Q4032 Q4033 Q4034 Q4035
Q4036 Q4037 Q4038 Q4039 Q4040 Q4041 Q4042 Q4043 Q4044 Q4045 Q4046 Q4047
Q4048 Q4049

For 2001 and 2002, the Medicare payment amounts for splints and casts were based on retail price data. These gap-filled payment amounts were established due to the lack of charge data for the Q codes, which were added to the HCPCS on July 1, 2001.

Due to problems associated with the charge data necessary for the reasonable charge calculations, implementation of the 2003 reasonable charges for splints and casts will be delayed until further notice. In the meantime, carriers must gap-fill the payment amounts for 2003 using the gap-filled payment amounts for 2002, increased by 1.1 percent, the percentage change in the consumer price index for all urban consumers for the 12-month period ending June 30, 2002.

Implementation

You must gap-fill the payment amounts for 2003 using the gap-filled payment amounts for 2002, increased by 1.1 percent. Until further notice, the gap-filled reasonable charges for 2003 must be used to pay claims for items furnished on or after January 1, 2003.

Education

You must publish this information in their next scheduled bulletins and post it on their Web sites within 2 weeks to notify physicians of these changes.

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 October 1, 2003.

If you have any questions, contact Joel Kaiser at (410) 786-4499.