
Program Memorandum Intermediaries/Carriers

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

Transmittal AB-02-044

Date: APRIL 5, 2002

CHANGE REQUEST 2090

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

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

The durable medical equipment regional carriers (DMERCs) must gap-fill base fee schedule amounts for each State for Healthcare Common Procedure Coding System (HCPCS) codes K0561 through K0580 in accordance with instructions located in 5102.2 of the Medicare Carriers Manual. These codes were new for April and are located in the payment category for ostomy supplies. In addition, the local carrier for South Carolina must correct their base fee for HCPCS code E0786 so that it is based on pricing information for the programmable equipment. Finally, the DMERCs must correct the base fees for HCPCS codes E0188 and E0189 for the U.S. Virgin Islands only. The carriers must submit the base fees for codes E0188, E0189, E0786 and K0561 through K0580 to central office no later than April 10, 2002. The base fees must not be updated by any covered item update factors other than the 1.7 percent (1989) update factor for base fees. Update factors that are applicable subsequent to 1989 will be added by central office as part of the fee schedule calculation process.

Contractors must adjust previously processed claims for codes E0188, E0189, E0786 and K0561 through K0580 with dates of service on or after January 1, 2002, if they are resubmitted.

The effective date for this PM is July 1, 2002, for claims with dates of service on or after January 1, 2002.

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