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# Program Memorandum Intermediaries/Carriers

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Department of Health &  
Human Services (DHHS)

Centers for Medicare &  
Medicaid Services (CMS)

Transmittal AB-03-100

Date: JULY 18, 2003

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## CHANGE REQUEST 2802

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

### I. GENERAL INFORMATION

This Program Memorandum (PM) provides specific instructions regarding the October quarterly update for the 2003 DMEPOS fee schedule.

#### A. Background:

The DMEPOS fee schedules are updated on a quarterly basis in order to implement fee schedule amounts for new codes and to revise any fee schedule amounts for existing codes that were calculated in error.

The fee schedule amounts that were implemented for code L0462 on July 1, 2003, were based on incorrect pricing information. Code L0462 is a thoracic-lumbar-sacral-orthosis (TLSO). The base fee schedule amounts for this code must be revised by the durable medical equipment regional carriers (DMERCs) as part of the October quarterly update for the 2003 DMEPOS fee schedule.

#### B. Policy:

Effective for items furnished on or after October 1, 2003, gradient compression stockings falling under the following codes may be covered under the surgical dressing benefit when the beneficiary has an open venous stasis ulcer that has been treated by a physician or other healthcare professional requiring medically necessary debridement, and when the gradient stocking can be proven to deliver compression greater than 30 mm Hg. and less than 50 mm Hg:

L8110 GRADIENT COMPRESSION STOCKING, BELOW KNEE, 30-40 MMHG, EACH  
AW - ITEM FURNISHED IN CONJUNCTION WITH A SURGICAL DRESSING should follow this code

L8120 GRADIENT COMPRESSION STOCKING, BELOW KNEE, 40-50MMHG, EACH  
AW - ITEM FURNISHED IN CONJUNCTION WITH A SURGICAL DRESSING should follow this code

Additional instructions regarding coverage of compression garments were transmitted in PM AB-03-090, dated June 20, 2003, Change Request 2739.

Effective for items furnished on or after October 1, 2003, the following codes were added to the Healthcare Common Procedure Coding System (HCPCS):

K0622 Conforming bandage, non-elastic, knitted/woven, non-sterile width less than three inches,  
per roll

Short Descriptor: Confrm band non sterl<3in/rol

K0623 Conforming bandage, non-elastic, knitted/woven, sterile width less than three inches, per  
roll

Short Descriptor: Confrm band sterile<3in/roll

K0624 Light compression bandage, elastic, knitted/woven width less than 3 inches, per roll (at least 3 yards unstretched)

Short Descriptor: Lite compress wdth<3in/3yrd

K0625 Self adherent bandage, elastic, non-knitted/non-woven, load resistance greater than or equal to 0.55 foot pounds at 50% maximum stretch, width less than 3 inches, per roll.

Short Descriptor: Self adher wdth<3in/roll

K0626 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 5 inches, per roll

Short Descriptor: Self adher wdth>/=5in/roll

Claims for items billed under codes K0622 thru K0626, L0462, L8110 and L8120 that are furnished by outpatient hospital departments or skilled nursing facilities are processed by intermediaries. All other claims for items billed under codes K0622 thru K0626, L0462, L8110 and L8120 are processed by the DMERCs.

The October DMEPOS Fee Schedule files will be made available to carriers by August 11, 2003, and to intermediaries by August 18, 2003. The names of the files are:

Carriers - MU00.@BF12393.DMEPOS.T030101.Q3.V0811

Intermediaries - MU00.@BF12393.DMEPOS.T030101.Q3.V0818.FI

No fee schedules for items/HCPSC codes submitted to local carriers are affected by this update; therefore, local carriers do not need to make any changes to their DME or prosthetic device fee schedule pricing files as a result of this quarterly update.

## II. BUSINESS REQUIREMENTS

Requirement #	Requirements	Responsibility
1.1	K0622 thru K0626 must be added to the systems for processing.	DMERCs, FIs, CWF
1.2	The type of service for codes K0622 thru K0626 is "S".	DMERCs, FIs, CWF
1.3	The place of service for codes K0622 thru K0626 are 4, 12, 13, 14, 31, 32, 33, 54, 55, and 56.	DMERCs, FIs, CWF
1.4	The BETOS for codes K0622 thru K0626 is D1A.	DMERCs, FIs, CWF
1.5	The pricing category for codes K0622 thru K0626 is 35.	DMERCs, FIs, CWF
1.6	The CWF categories for codes K0622 thru K0626 are 21 and 60.	DMERCs, FIs, CWF
1.7	L8110AW and L8120AW must be added to the systems for processing.	DMERCs, FIs
1.8	The type of service for codes L8110 and L8120 are "P" and "S".	DMERCs, FIs, CWF
1.9	The place of service for codes L8110 and L8120 are 4, 12, 13, 14, 31, 32, 33, 54, 55, and 56.	DMERCs, FIs, CWF
1.10	Codes L8110 and L8120 must be added to CWF categories 3, 21, 60, and 62.	CWF

1.11	The gap-filled base fee schedule amounts for code L0462 must be revised and submitted to CMS central office by July 17, 2003.	DMERCs
1.12	Base fee schedule amounts must be gap-filled for codes K0622 thru K0626, L8110 and L8120 in accordance with instructions located in §5102.2 of the Medicare Carriers Manual (MCM) and submitted to CMS central office by July 17, 2003.	DMERCs
1.13	The fee schedule amounts that have changed as a result of this quarterly update must be downloaded and implemented by October 1, 2003.	DMERCs, FIs
1.14	For codes K0622 thru K0626, L8110 and L8120, payment must be based on the 2003 DMEPOS fee schedule amounts for all claims with dates of service on or after October 1, 2003. For all other codes, payment must be based on the 2003 DMEPOS fee schedule amounts for all claims with dates of service on or after January 1, 2003.	DMERCs, FIs
1.15	Previously processed claims for code L0462 with dates of service on or after January 1, 2003, must be adjusted if they are resubmitted.	DMERCs, FIs
1.16	Suppliers and providers must be notified of these changes through contractor Web sites within four weeks of the issuance date of this PM, and these changes must be published in the next regularly scheduled contractor bulletin. In addition, subscribers of any available contractor listservs that target the affected provider communities must be notified that information about the "October 2003 Update for the DMEPOS Fee Schedule" is available on the contractor Web sites. Once the fee schedule is available, the new fee schedule information must immediately be posted on the contractor Web sites and appropriate listservs.	DMERCs, FIs

<p><b>Implementation Date: July 17, 2003, for calculation of gap-filled base fee schedule amounts. October 1, 2003, for implementation of new codes and new or revised fee schedule amounts.</b></p> <p><b>Discard Date: October 1, 2004.</b></p> <p><b>Pre-Implementation Contact: 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.</b></p>	<p><b>Effective Date: For codes K0622 thru K0626, L8110 and L8120, this PM is effective for claims with dates of service on or after October 1, 2003. For all other DMEPOS codes, this PM is effective for claims with dates of service on or after January 1, 2003.</b></p> <p><b>Funding: These instructions should be implemented within your current operating budget.</b></p> <p><b>Post-Implementation Contact: Appropriate Regional Office</b></p>
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