
CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 171

Date: MAY 7, 2004

CHANGE REQUEST 3253

I. SUMMARY OF CHANGES: This transmittal provides instructions for implementing the July 2004 Quarterly Update for the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedules.

NEW/REVISED MATERIAL - EFFECTIVE DATE: January 1, 2004 for revised 2004 fee schedule amounts and April 1, 2004 for fee schedule amounts for codes K0630 thru K0649

***IMPLEMENTATION DATE:** July 6, 2004

Disclaimer for manual changes only: The revision date and transmittal number apply only to the red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will only receive the new/revised information, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS:
(R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

***III. FUNDING:** These instructions shall be implemented within your current operating budget.

IV. ATTACHMENTS:

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

***Medicare contractors only**

Attachment – Recurring Update Notification

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SUBJECT: July Quarterly Update for 2004 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

I. GENERAL INFORMATION

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 quarterly updates process for the DMEPOS Fee Schedule is located in section 60 of Chapter 23 of the Medicare Claims Processing Manual (Pub 100-04).

B. Policy:

This update notification provides specific instructions regarding the July quarterly update for the 2004 DMEPOS Fee Schedule. Payment on a fee schedule basis is required for durable medical equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by sections 1834(a), (h), and (i) of the Social Security Act. Payment on a fee schedule basis is required for parenteral and enteral nutrition (PEN) by regulations contained in 42 CFR 414.102.

Codes K0630 thru K0649 were added to the HCPCS effective April 1, 2004. The fee schedule amounts for these codes were not computed in time to be implemented as part of the April quarterly update and will be implemented as part of the July quarterly update. The DMERCs have calculated local fee schedule amounts for purposes of paying claims for codes K0630 thru K0649 received prior to July 1, 2004.

Codes K0650 thru K0669 are being added to the HCPCS effective July 1, 2004. The fee schedule amounts for these codes will not be computed in time to be implemented as part of the July quarterly update because the products that fall under these codes have not yet been identified. The fee schedule amounts for codes K0650 thru K0669 will be implemented as part of the October quarterly update.

Codes A4216, A4217, A4217AU, L5782, and L8511 thru L8514 have been paid on an individual consideration basis by the DMERCs and FIs. Fee schedule amounts are being established for these codes as part of the July quarterly update. FIs will not be able to process the A4217AU claims until their systems are updated on January 1, 2005. Instructions for updating the FI systems will be furnished in a separate change request.

Code A4290 was added to the fee schedule under the prosthetic device category; however, it does not qualify for separate payment under the prosthetic device benefit. This code is being removed from the DMEPOS Fee Schedule file as part of the July quarterly update.

C. Provider Education: A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3253.1	DMERCs shall compute local fee schedule amounts for codes K0630 thru K0649 and shall use these amounts to pay claims for codes K0630 thru K0649 received prior to July 1, 2004.	DMERCs
3253.2	FIs shall contact the DMERCs to obtain the local fee schedule amounts for paying claims for codes K0630 thru K0649 received prior to July 1, 2004.	FIs
3253.3	DMERCs and RHHIs shall determine the payment amount for claims for codes K0650 thru K0669 received on or after July 1, 2004, and prior to October 1, 2004, based on their individual consideration of each claim.	DMERCs, RHHIs
3253.4	FIs shall use the fee schedule amounts for code A4217 without the AU modifier to all claims for A4217 for states of service from January 1, 2004 through December 31, 2004.	FIs
3253.5	DMERCs shall submit the base fees for codes A4216, A4217, A4217AU, L5782, and L8511 thru L8514 to CMS central office by April 19, 2004.	DMERCs
3253.6	Carriers shall retrieve the DMEPOS Fee Schedule file (filename: MU00.@BF12393.DMEPOS.T040101.V0505) by May 5, 2004.	Carriers, DMERCs
3253.7	FIs shall retrieve the DMEPOS Fee Schedule file (filename: MU00.@BF12393.DMEPOS.T040101.V0512.FI) by May 12, 2004.	FIs
3253.8	Carriers, DMERCs, and FIs shall use the 2004 DMEPOS Fee Schedule amounts from the	DMERCs, FIs

	DMEPOS Fee Schedule file to pay for claims for codes K0630 thru K0649 for dates of service on or after April 1, 2004.	
3253.9	Carriers, DMERCs, and FIs shall use the 2004 DMEPOS Fee Schedule amounts from the DMEPOS Fee Schedule file to pay for claims for all codes other than K0630 thru K0649 for dates of service on or after January 1, 2004.	DMERCs, FIs
3253.10	Codes E0973, E0984, E0990, and E1226 shall be added to CWF category 59 (CMN required)	CWF
3253.11	Code E0300 shall be removed from CWF category 59 (CMN required)	CWF

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: January 1, 2004 for revised 2004 fee schedule amounts and April 1, 2004 for fee schedule amounts for codes K0630 thru K0649</p> <p>Implementation Date: July 6, 2004</p> <p>Pre-Implementation and Post-Implementation Contact(s): Joel Kaiser 410-786-4499</p>	<p>These instructions shall be implemented within your current operating budget.</p>
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