
CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 319

Date: OCTOBER 22, 2004

CHANGE REQUEST 3468

SUBJECT: CORF/OPT Edit for Billing Inappropriate Supplies

I. SUMMARY OF CHANGES: This systems change instruction requires FISS to establish an edit when CORFs/OPTs bill for supplies with revenue code 270 without appropriate HCPCS codes.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: July 1, 2001

IMPLEMENTATION DATE: April 4, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, 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
R	5/Table of Contents
N	5/20.5 /CORF/OPT Edit for Billing Inappropriate Supplies

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

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

*Unless otherwise specified, the effective date is the date of service.

Attachment – Business Requirements

Pub. 100-04	Transmittal: 319	Date: October 22, 2004	Change Request 3468
-------------	------------------	------------------------	---------------------

SUBJECT: CORF/OPT Edit for Billing Inappropriate Supplies

I. GENERAL INFORMATION

A. Background: Recently, it has been brought to our attention that inappropriate payments have been made for supplies billed by CORFs. Although this appears to be an isolated problem limited to CORFs, creation of an edit in the shared system will assure that no further incorrect payments are made.

As a result, this instruction requires FISS to develop an edit to return claims to CORFs/OPTs when billing for supplies without an appropriate HCPCS. Supplies are considered part of the practice expense and are not separately payable under the Medicare Physician Fee Schedule (MPFS) except as noted in I.B. below relating to splints and casts. Payment under this fee schedule to CORFs/OPTs has been in place several years.

B. Policy: Supplies furnished by CORFs/OPTs are considered part of the practice expense. Under the MPFS these expenses are already taken into account in the practice expense relative values. Therefore, CORFs/OPTs should not bill for the supplies they furnish except for the splint and cast, level II HCPCS Q codes associated with the level I HCPCS in the 29000 series.

The appropriate Level II HCPCS “Q” codes to be used are Q4001 thru Q4049.

The appropriate Level I HCPCS codes associated with the Level II HCPCS “Q” codes are 29000 thru 29085; 29105 thru 29131; and 29305 thru 29515.

C. Provider Education: Medicare contractors need to educate providers.

A Medlearn Matters 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 1 week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.

II. BUSINESS REQUIREMENTS

“Shall” denotes a mandatory requirement

“Should” denotes an optional requirement

Requirement Number	Requirements	Responsibility (place an "X" in the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CFW	
3468.1	The standard system shall develop an edit for bill type 74X and 75X to return claims to the provider if they are received with a supply revenue code 270 without the splint and cast level II HCPCS Q codes and the related Level I applicable HCPCS codes in the 29000 series.					X				
3468.1a	The standard system shall allow revenue code 270 only after 07/01/01 with specific HCPCS, standard system edit shall also not allow 270 prior to 07/01/01.					X				
3468.1b	The standard system edit shall also check that if one of the "Q" codes is billed that it must be billed with revenue code 270.					X				
3468.2	The fiscal intermediary shall advise their CORFs/OPTs not to bill for supplies (revenue Code 270) unless billing a splint and cast level II HCPCS Q code along with the related Level I applicable HCPCS codes in the 29000 series.	X								
3468.3	The fiscal intermediary shall not search their files for claims already processed. However, they should adjust any claims brought to their attention.	X								

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

Effective Date*: July 1, 2001 Implementation Date: April 4, 2005 Pre-Implementation Contact(s): Linda Gregory, (410) 786-6138 Post-Implementation Contact(s): Linda Gregory, (410) 786-6138	Medicare contractors shall implement these instructions within their current operating budgets.
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------

***Unless otherwise specified, the effective date is the date of service.**

Medicare Claims Processing Manual

Chapter 5 - Part B Outpatient Rehabilitation and CORF/*OPT* Services

Table of Contents

(Rev. 319, 10-22-04)

20.5 - CORF/OPT Edit for Billing Inappropriate Supplies

20.5 – CORF/OPT Edit for Billing Inappropriate Supplies

(Rev. 319, Issued: 10-22-04, Effective: 07-01-01, Implementation: 04-04-05)

Supplies furnished by CORFs/OPTs are considered part of the practice expense. Under the Medicare Physician Fee Schedule (MPFS) these expenses are already taken into account in the practice expense relative values. Therefore, CORFs/OPTs should not bill for the supplies they furnish except for the splint and cast, level II HCPCS Q codes associated with the level I HCPCS in the 29000 series.

The shared system maintainer will return to CORFs/OPTs any claims that they receive that contain a supply revenue code 270 without the splint and cast Level II HCPCS Q codes and the related Level I applicable HCPCS codes in the 29000 series.

The appropriate Level II HCPCS “Q” codes to be used are Q4001 thru Q4049.

The appropriate Level I HCPCS codes associated with the Level II HCPCS “Q” codes are 29000 thru 29085; 29105 thru 29131; and 29305 thru 29515.