

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 928

Department of Health &
Human Services (DHHS)

Centers for Medicare &
Medicaid Services (CMS)

Date: APRIL 28, 2006

Change Request 5017

SUBJECT: July Quarterly Update for 2006 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

I. SUMMARY OF CHANGES: This Recurring Update Notification provides specific instructions regarding the July quarterly update for the 2006 DMEPOS fee schedule.

NEW/REVISED MATERIAL

EFFECTIVE DATE: July 1, 2006

IMPLEMENTATION DATE: July 3, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. 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: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – *Only One Per Row.*

R/N/D	Chapter / Section / SubSection / Title
N/A	

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Recurring Update Notification

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

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 928	Date: April 28, 2006	Change Request 5017
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SUBJECT: July Quarterly Update for 2006 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 §60, Chapter 23, of the Medicare Claims Processing Manual (Pub. 100-04).

B. Policy: This Recurring Update Notification provides specific instructions regarding the July quarterly update for the 2006 DMEPOS fee schedule. Payment on a fee schedule basis is required for durable medical equipment (DME), prosthetic devices, orthotics, and surgical dressings by §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.

The fee schedule amounts for the following HCPCS codes are added to the fee schedule file as part of this update and are effective for claims with dates of service on or after January 1, 2006:

L0624, L0629, L0632, L0634, L2034, L2387, L3671, L3672, L3673, L3702, L3763, L3764, L3765, L3766, L3905, L3913, L3919, L3921, L3933, L3935, L3961, L3967, L3971, L3973, L3975, L3976, L3977, L3978, L5703, L5858, L5971, L6621, L6677, L6883, L6884, L6885, L7400, L7401, L7402, L7403, L7404, L7405, E1812, E2291, E2292, E2293, E2294

The following code is being added to the HCPCS on July 1, 2006, and is effective for claims with dates of service on or after July 1, 2006:

K0733 – Power wheelchair accessory, 12 to 24 amp hour sealed lead acid battery, each. (e.g. gel cell, absorbed glassmat)

The fee schedule amounts for the above code are added to the fee schedule file as part of this update.

The fee schedule amounts for HCPCS code E0762 (Transcutaneous electrical joint stimulation device system, includes all accessories) are added to the fee schedule file on July 1, 2006, and are effective for claims submitted with dates of service on or after January 1, 2006. Additionally, the payment category for code E0762 is being revised to move the joint stimulation device from the DME payment category for capped rental items to the DME payment category for inexpensive and routinely purchased items, effective July 1, 2006.

The fee schedule amounts for HCPCS codes L6694 and L6698 are added to the fee schedule file on July 1, 2006, and are effective for claims with dates of service on or after January 1, 2005.

The fee schedules for HCPCS code L2232 (Addition to lower extremity orthosis, rocker bottom for total contact ankle foot orthosis, for custom fabricated orthosis only) are added to the fee schedule file on July 1, 2006, and are effective for claims with dates of service on or after January 1, 2005.

Code E0705 (Transfer Board or Device, Any Type, Each) was added to the HCPCS effective January 1, 2006. As part of this quarterly update, the payment category for E0705 is revised to CWF category 04, inexpensive and routinely purchased. Accordingly, the administrative fields for E0705 in the HCPCS are revised. The fee schedule amounts for previous code E0972 shall be crosswalked to code E0705 for use in paying claims with dates of service on or after January 1, 2006.

The fee schedules for HCPCS code K0606 (Automatic External Defibrillator, With Integrated Electrocardiogram Analysis, Garment Type) are added to the fee schedule file on July 1, 2006, and are effective for claims submitted with dates of service on or after January 1, 2006.

Per Change Request 4267, the following four adjustable wheelchair cushions codes are added to the HCPCS, effective July 1, 2006:

- K0734 Skin Protection Wheelchair Seat Cushion, Adjustable, Width Less Than 22 Inches, Any Depth
- K0735 Skin Protection Wheelchair Seat Cushion, Adjustable, Width 22 Inches or Greater, Any Depth
- K0736 Skin Protection and Positioning Wheelchair Seat Cushion, Adjustable, Width less than 22 Inches, Any Depth.
- K0737 Skin Protection and Positioning Wheelchair Seat Cushion, Adjustable, Width 22 Inches or Greater, Any Depth.

As part of this update, the fee schedule amounts for HCPCS codes K0734, K0735, K0736 and K0737 are added to the fee schedule file and are effective for claims with dates of service on or after July 1, 2006.

The fee schedule amounts for HCPCS code E1812 (Dynamic Knee, Extension/Flexion Device with Active Resistance Control) are added to the fee schedule file on July 1, 2006, and are effective for claims submitted with dates of service on or after January 1, 2006.

As part of this update, the common working file category for HCPCS code B4185 will be switched from CWF category 9 to CWF category 20, effective January 1, 2006. B4185 was added to the HCPCS on January 1, 2006, to replace codes B4184 and B4186 and describes parenteral nutrients (CWF category 20) as opposed to enteral nutrients (CSF category 9).

HCPCS codes A6531 and A6532 were added to the HCPCS 1/1/06 to replace L8110 and L8120; therefore, all billing and payment requirements for HCPCS codes L8110 and L8120 crosswalk directly to A6531 and A6532, including the requirement to bill modifier AW when items are furnished for use as surgical dressings (see transmittal AB-03-100).

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5017.1	DMERC and local carriers shall retrieve the DMEPOS fee schedule file (filename: <u>MU00.@BF12393.DMEPOS.T060101.V0505</u>) on or after May 5, 2006.			X	X					
5017.1.1	Notification of successful receipt shall be sent via e-mail to <u>price_file_receipt@cms.hhs.gov</u> stating the name of the file received and the entity for which they were received (e.g., carrier name and number).			X	X					
5017.2	FIs and RHHIs shall retrieve the DMEPOS fee schedule file (filename: <u>MU00.@BF12393.DMEPOS.T060101.V0512.FI</u>) on or after May 12, 2006.	X	X							
5017.2.1	Notification of successful receipt shall be sent via e-mail to <u>price_file_receipt@cms.hhs.gov</u> stating the name of the file received and the entity for which they were received (e.g., FI name and number).	X	X							
5017.3	Contractors shall use the 2006 DMEPOS fee schedule amounts from the DMEPOS fee schedule to pay claims with dates of service on or after January 1, 2006.	X	X	X	X					
5017.3.1	Contractors shall use the July 2006 DMEPOS fee schedule amounts to pay claims for codes that are effective July 1, 2006.	X	X	X	X					
5017.4	DMERCs shall gap-fill base fee schedule amounts for each State in their region for the following new HCPCS codes: <u>Inexpensive or Routinely Purchased DME (IN)</u> K0733, K0734, K0735, K0736, K0737, E2291, E2292, E2293, E2294 <u>Capped Rental DME (CR)</u> E1812, K0606, L2232				X					

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
	<u>Prosthetics and Orthotics (PO)</u> L0624, L0629, L0632, L0634, L2034, L2387, L3671, L3672, L3673, L3702, L3763, L3764, L3765, L3766, L3905, L3913, L3919, L3921, L3933, L3935, L3961, L3967, L3971, L3973, L3975, L3976, L3977, L3978, L5703, L5858, L5971, L6621, L6677, L6694, L6698, L6883, L6884, L6885, L7400, L7401, L7402, L7403, L7404, L7405									
5017.4.1	DMERCs shall follow the instructions for submitting base fee schedule amounts located in section 60, chapter 23, of the Medicare Claims Processing Manual (Pub. 100-4). The base fees should be submitted as ASCII files to CMS central office by April 28, 2006.				X					
5017.5	Medicare contractors shall adjust previously processed claims for HCPCS codes: L0624, L0629, L0632, L0634, L2034, L2387, L3671, L3672, L3673, L3702, L3763, L3764, L3765, L3766, L3905, L3913, L3919, L3921, L3933, L3935, L3961, L3967, L3971, L3973, L3975, L3976, L3977, L3978, L5703, L5971, L6621, L6677, L6883, L6884, L6885, L7400, L7401, L7402, L7403, L7404, L7405, E2291, E2292, E2293, E2294 with dates of service on or after January 1, 2006, if they are resubmitted as adjustments.		X		X					
5017.6	The CWF shall change the DME payment category for HCPCS code E0762 from CWF category (1), capped rental (CR), to CWF category (4), inexpensive and routinely purchased (IRP).								X	
5017.7	Medicare contractors shall change the DME payment category for the HCPCS code E0762 from the capped rental (CR) category to the		X		X					

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
	inexpensive and routinely purchased (IRP) category.									
5017.8	The DMERCs shall add the following fields for HCPCS code E0705 to their claims processing system: TOS= A, P, R BETOS =D1E HCPCS Pricing Indicators = 32 POS= 01, 04, 12, 13, 14, 33, 54, 55, 56 PI = A Payment Category= 1				X					
5017.9	The DMERCs shall add the following fields for HCPCS codes E2291, E2292, E2293, E2294 to their claims processing system: TOS = A, P, R BETOS =D1D HCPCS Pricing Indicators = 32 POS= 01, 04, 12, 13, 14, 33, 54, 55, 56 PI = A Payment Category = 1				X					
5017.9.1	The CWF shall add HCPCS codes E2291, E2292, E2293 and E2294 to the inexpensive and routinely purchased CWF category (4).								X	
5017.10	The CWF shall change the DME payment category for HCPCS code B4185 from CWF category (9), enteral nutrition, to CWF category (20), parenteral nutrition.								X	
5017.11	The FISS and FIs shall directly crosswalk all billing and payment requirements from HCPCS codes L8110 and L8120 to codes A6531 and A6532, respectively. The crosswalk, effective for dates of service on or after January 1, 2006, shall include the requirement to bill modifier "AW" when items are furnished for use as surgical dressings.	X				X				

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5017.12	<p>A provider education article related to this instruction will be available at www.cms.hhs.gov/MLNMattersArticles shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>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 shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic.</p> <p>Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X	X	X	X					

IV. 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

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 1, 2006 for implementation of fee schedule amounts for codes in effect on January 1, 2006. July 1, 2006 for codes K0733, K0734, K0735, K0736, and K0737.</p> <p>Implementation Date: July 3, 2006</p> <p>Pre-Implementation Contact(s): Karen Jacobs, (410) 786-2173 or Joel Kaiser, (410) 786-4499</p> <p>Post-Implementation Contact(s): Karen Jacobs, (410) 786-2173 or Joel Kaiser, (410) 786-4499.</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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