



News Flash –The Centers for Medicare & Medicaid Services (CMS) and the Office of the National Coordinator for Health Information Technology (ONC) encourage public comment on two regulations issued on 12/30/2009 that lay a foundation for improving quality, efficiency and safety through meaningful use of certified electronic health record (EHR) technology. CMS and ONC worked closely to develop the two rules and received input from hundreds of technical subject matters experts, health care providers, and other key stakeholders. The CMS proposed rule and related fact sheets may be viewed at http://www.cms.hhs.gov/Recovery/11_HealthIT.asp on the CMS website. The ONC's interim final rule may be viewed at <http://healthit.hhs.gov/standardsandcertification> on the Internet.

MLN Matters® Number: MM6762

Related Change Request (CR) #: 6762

Related CR Release Date: February 5, 2010

Effective Date: May 5, 2010

Related CR Transmittal #: R636OTN

Implementation Date: May 5, 2010

Interim Instructions for Processing Claims and Recouping Overpayments for Claims Submitted Under the Guidelines Established in Change Request 5917

Provider Types Affected

This article is for physicians, producers, and suppliers billing Medicare Carriers and Medicare Administrative Contractors (A/B MACs) for certain durable medical equipment (DME) products provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 6762 which provides instructions to Medicare contractors for recouping funds for any payments made to durable medical equipment prosthetics, orthotics and supplies (DMEPOS) suppliers for implanted DME or implanted prosthetics, based on the revised list of HCPCS codes payable as a replacement part, accessory or supply for prosthetic implants and surgically implanted DME provided in CR 6573. Medicare contractors will continue to pay claims for replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME based on the supplier's location. (See CR 6573 for the revised list of HCPCS codes at <http://www.cms.hhs.gov/Transmittals/downloads/R5310TN.pdf> that may be paid as replacement part, accessory or supply for prosthetic implants and

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surgically implanted DME under the guidelines established in CR 5917.) Be sure billing staff are aware of these Medicare changes.

Background

The Centers for Medicare & Medicaid Services (CMS) issued CR 6762 in order to augment previously issued CR 6573. CR 6573 instructed contractors to use the revised list to determine the items that may be billed under the guidelines established in CR 5917 which may be reviewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1603CP.pdf> at on the CMS website.

CR 6573 clarified that the filing jurisdiction for claims submitted under the guidelines established in CR 5917 is determined by the supplier's location and that the payment for these items is based on the fee schedule amount for the State where the beneficiary maintains their permanent residence.

In CR 5917, CMS instructed Medicare contractors to process and pay claims for replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME when submitted by suppliers that are enrolled with both the National Supplier Clearinghouse (NSC) and their local carrier/A/B MAC.

Although CR 5917 reinstated the local carrier and A/B MAC jurisdiction for claims for these items, the **instruction was not clear about the claims filing jurisdiction or the payment rules that apply when the beneficiary resides outside of the local carrier or A/B MAC's jurisdiction.** In addition, Attachment A of CR 5917 included an excerpt of the 2008 annual jurisdiction list containing Healthcare Common Procedure Coding System (HCPCS) codes, which CMS previously instructed may be billed to the carrier or A/B MAC as a replacement part, accessory or supply for prosthetic implants and surgically implanted DME. It has since come to CMS' attention that this **list included codes for implanted devices, which may not be separately billed to the carrier/A/B MAC by DMEPOS suppliers.** Attachment A of CR 5917 was replaced by a revised list of HCPCS codes in Attachment A of CR 6573. The web links to CR 5917 and CR 6573 are listed above.

Key Points of CR 6762

- Medicare contractors will pay claims for items subject to the guidelines in CR 5917 based on the supplier's location per the revised list of HCPCS codes included in Attachment A of CR 6573.
- To the extent possible, Medicare contractors will reopen and reprocess claims for implanted DME and or implanted prosthetics for dates of service between October 27, 2008, and December 31, 2009 and they will recoup any

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overpayments made to DMEPOS suppliers for implanted DME or implanted prosthetics based on using the original list of HCPCS codes included in Attachment A of CR 5917.

- CR 6762 and the billing guidelines for replacement parts, accessories or supplies for implanted devices established in CR 5917 **apply only to DMEPOS suppliers enrolled with the NSC and their local carrier or A/B MAC** and does not change the existing carrier or A/B MAC billing rules that apply to physicians, facilities, or other entities that are implanting the devices.

Additional Information

If you have questions, please contact your MAC or carrier at their toll-free number which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

The official instruction, CR6762, issued to your MAC or carrier regarding this change may be viewed at

<http://www.cms.hhs.gov/Transmittals/downloads/R636OTN.pdf> on the CMS website.

To review MM5917, the MLN Matters® article related to CR 5917, go to

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5917.pdf> on the CMS website.

To review MM6573, the MLN Matters® article related to CR 6573, go to

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6573.pdf> on the CMS website.

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