CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 2288	**Date: August 26, 2011**
	Change Request 7493

SUBJECT: Establishing a Quarterly Recurring Update Notification Process for Temporary "K" and "Q" Codes

I. SUMMARY OF CHANGES: This Change Request (CR) implements a process to allow CMS to implement temporary "K" code or "Q" code updates quarterly, via recurring update notifications.

EFFECTIVE DATE: January 1, 2012
IMPLEMENTATION DATE: January 3, 2012

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-

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
R	23/20/Description of Healthcare Common Procedure Coding System (HCPCS)

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

Pub. 100-04	Transmittal: 2288	Date: August 26, 2011	Change Request: 7493

SUBJECT: Establishing a Quarterly Recurring Update Notification Process for Temporary "K" and "Q" Codes

Effective Date: **January 1, 2012**

Implementation Date: January 3, 2012

I. GENERAL INFORMATION

A. Background:

The Centers for Medicare & Medicaid Services (CMS) Healthcare Common Procedural Coding System (HCPCS) Workgroup establishes permanent National Healthcare Common Procedural Coding System (HCPCS) codes annually to reflect changes in medical technology and the provision of health care. CMS issues HCPCS file updates to its contractors on January 1st of each year. In addition, the CMS HCPCS Workgroup may occasionally establish temporary HCPCS codes on a quarterly basis, prior to the next annual HCPCS code update.

Temporary HCPCS codes are for the purpose of meeting, within a short time frame, urgent national program operational needs of a particular insurance sector that are necessary in order to implement their programs and policies. These codes are established at the discretion of CMS. For example, Medicare may need additional codes before the next scheduled annual HCPCS update to implement newly issued coverage policies or legislative requirements.

Temporary "K" and "Q" codes are established by CMS for use by Contractors when the current existing permanent national codes do not include the codes needed for Medicare program needs. For example, a contractor may need a temporary "K" code to identify certain items and services in a local coverage policy if these items and services are not identified by a national code.

B. Policy:

This Change Request (CR) implements a process to allow CMS to implement temporary "K" and "Q" code updates quarterly, via recurring update notifications.

II. BUSINESS REQUIREMENTS TABLE

Use"Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7493.1	Contractors shall accept and implement temporary "K" and "Q" code changes that are approved on a quarterly basis by the CMS Healthcare Common Procedural Coding System (HCPCS) Workgroup	X	X	X	X	X					
7493.2	Contractors shall be aware of the language regarding K and Q codes in Pub. 100-04, chapter 23, section 20.	X	X	X	X	X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
	None.										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:N/A

Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Tracey Herring, (410) 786-7169 or Tracey.Herring@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs),* and/or *Carriers*:

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

Section B: *For Medicare Administrative Contractors (MACs)*:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

20 - Description of Healthcare Common Procedure Coding System (HCPCS)

(Rev.2288, Issued: 08-26-11, Effective: 01-01-11, Implementation: 01-03-11)

HO-442, CMS HCPCS Code Web site

Background

The HCPCS has been selected as the approved coding set for entities covered under the Health Insurance Portability and Accountability Act (HIPAA), for reporting outpatient procedures. The HCPCS is based upon the American Medical Association's (AMA) "Physicians' Current Procedural Terminology, Fourth Edition" (CPT-4). It includes three levels of codes and modifiers. Level I contains only the AMA's CPT-4 codes. This level consists of all numeric codes. Level II contains alpha-numeric codes primarily for items and nonphysician services not included in CPT-4, e.g., ambulance, DME, orthotics, and prosthetics. These are alpha-numeric codes maintained jointly by CMS, the Blue Cross and Blue Shield Association (BCBSA), and the Health Insurance Association of America (HIAA).

Normally Level I and Level II codes are updated annually, issued in October for January implementation. However, Level II codes also may be issued quarterly to provide for new or changed Medicare coverage policy for physicians' services as well as services normally described in Level II. These codes may be temporary and be replaced by a Level I or Level II code in the related CPT or HCPCS code section, or may remain for a considerable time as "temporary" codes. Designation as temporary does not affect the coverage status of the service identified by the code. New temporary codes that have been approved will be issued in a Recurring Update Notification instruction quarterly.

New K or Q codes may be identified from time to time and, when they are, they will be announced in a Recurring Change Request issued on a quarterly basis.

The CMS monitors the system to ensure uniformity.