



Related MLN Matters Article #: MM5803

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Fee Schedule Update for 2008 for Durable Medical Equipment, Prosthetics, Orthotics and Supplies

Key Words

MM5803, CR5803, R1388CP, DMEPOS, Prosthetics, Orthotics

Provider Types Affected

Providers and suppliers submitting claims to Medicare Carriers, Durable Medical Equipment (DME) Medicare Administrative Contractors (DME MACs), Fiscal Intermediaries (FIs), Part A/B Medicare Administrative Contractors (A/B MACs), and/or Regional Home Health Intermediaries (RHHIs) for DME, Prosthetics, Orthotics and Supplies (DMEPOS) provided to Medicare beneficiaries

Key Points

- The effective date of the instruction is January 1, 2008.
- The implementation date is January 7, 2008.
- Change Request (CR) 5803 is a recurring update notification that provides specific instructions regarding the 2008 annual update for the DMEPOS fee schedule.
- Payment on a fee schedule basis is required for DMEPOS 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 at 42 Code of Federal Regulations 414.102.
- The update process for the DMEPOS fee schedule is in the *Medicare Claims Processing Manual* (Publication 100-04), Chapter 23, Section 60, which is located at <http://www.cms.hhs.gov/manuals/downloads/clm104c23.pdf> on the Centers for Medicare & Medicaid Services (CMS) website.
- Other information on the fee schedule, including access to the DMEPOS fee schedules is at http://www.cms.hhs.gov/DMEPOSFeeSched/01_overview.asp on the CMS website.

Key Changes in CR5803

- The codes on page 2 of MLN Matters article MM5803 are being **deleted** from the Healthcare Common Procedure Coding System (HCPCS) effective January 1, 2008. Therefore, they are being removed from the DMEPOS and PEN fee schedule files.
- The payment category for code K0730 is revised to move the controlled dose inhalation drug delivery system from the DME payment category for capped rental items to the DME payment category for inexpensive and routinely purchased items, effective January 1, 2008.
- The total payment for inexpensive and/or routinely purchased items may not exceed the fee schedule amount for purchase of the equipment. In the case of controlled dose inhalation drug delivery systems furnished on a purchase basis on or after January 1, 2008, the allowed payment amount will be reduced by the total rental payments previously made for the item.
- The fee schedule amounts established for HCPCS codes K0553, K0554 and K0555 will directly crosswalk to new HCPCS codes A7027, A7028 and A7029, respectively.
- As of the July 2007 HCPCS Quarterly Update, the following composite dressing HCPCS codes are non-covered by Medicare, effective July 1, 2007: A6200, A6201 and A6202.
- To reflect this change, the fee schedule amounts for codes A6200, A6201 and A6202 will be removed from the fee schedule file as part of this update. Medicare contractors will deny claims for A6200, A6201 and A6202 with dates of service July 1, 2007, through December 31, 2007.
- CMS will establish fee schedule amounts for the following HCPCS codes: B4087, B4088, E2312, E2312KC, E2373, E2313, L1846, L3808, L3923, L3764, L3763, L3925, L3929, and L3931.
- These fee schedule amounts will be added to the fee schedule file on January 1, 2008, and are effective for claims with dates of service on or after January 1, 2008. The existing fee schedule amounts for HCPCS code E2373 will become the full replacement E2373 KC fees, effective January 1, 2008.
- Suppliers are to submit the KC modifier when billing for the full replacement of HCPCS power wheelchair interface codes E2373 and E2312.
- Since HCPCS codes E0328 and E0329 are rarely appropriate for Medicare billings, payment for pediatric beds represented by these codes will be based on individual Medicare contractor consideration.
- As part of this update, CMS is implementing the 2008 national monthly payment rates for stationary oxygen equipment (HCPCS codes E0424, E0439, E1390, and E1391), effective for claims with dates of service on or after January 1, 2008. CMS is revising the fee schedule file to include the new 2008 monthly payment rate of \$199.28 for stationary oxygen equipment.
- As required by statute, these payment rates are adjusted annually to assure budget neutrality on the addition of the new oxygen generating portable equipment class. Accordingly, a reduction to the national monthly payment amount for stationary oxygen equipment for 2008 that is necessary to offset payments under the new class will be slightly lower (\$0.56 - from \$199.84 to \$199.28) than previously announced.
- As a result of the above adjustments, CMS is also revising the fee schedule amounts for HCPCS codes E1405 and E1406 as part of this update.

- Since 1989, the fees for codes E1405 and E1406 have been established based on a combination of the Medicare payment amounts for stationary oxygen equipment and nebulizer codes E0585 and E0570, respectively.
- The new HCPCS codes, effective January 1, 2008, are in a table on page 4 of MM5803.

Important Links

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5803.pdf> on the CMS website.

The official instruction (CR5803) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1388CP.pdf> on the CMS website.

If providers have questions regarding this issue, they may contact their Medicare A/B MAC, FI, DME MAC, RHHI 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.