



Related MLN Matters Article #: MM5853

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Use of Healthcare Common Procedure Coding System (HCPCS) V2787 When Billing Approved Astigmatism-Correcting Intraocular Lens (A-C IOLs) in Ambulatory Surgery Centers (ASCs), Physician Offices, and Hospital Outpatient Departments (HOPDs)

Key Words

MM5853, CR5853, R1430CP, HCPCS, V2787, Astigmatism, A-C, IOL, HOPD, ASC

Provider Types Affected

Physicians and providers submitting claims to Medicare Carriers, Fiscal Intermediaries (FIs), and/or Part A/B Medicare Administrative Contractors (A/B MACs) for IOL related services provided to Medicare beneficiaries

Key Points

- The effective date of the instruction is January 1, 2008.
- The implementation date is March 3, 2008.
- The Centers for Medicare & Medicaid Services (CMS) previously announced in Change Request (CR) 5527 (Transmittal 1228, April 27, 2007) a new administrative ruling, regarding the insertion of A-C IOLs following cataract surgery.
- In that CR, CMS provided payment policies and billing instructions for services related to IOL procedures performed with approved conventional IOLs or A-C IOLs in ASCs, HOPDs, or Physician offices.
- CR5527 also instructed providers to:
 - Bill the non-covered charges of the A-C IOL functionality of the lens using HCPCS code V2788 when inserting an A-C IOL, and
 - Continue to bill HCPCS code V2632, as appropriate, for the charges associated with the insertion of a conventional lens or the conventional functionality when an A-C IOL was inserted.
- CR5853 instructs that services provided to Medicare beneficiaries involving the insertion of a recognized A-C IOL in an ASC, HOPD, or physician office, HCPCS code V2787 should be billed to report the non-covered charges for the A-C IOL functionality of the inserted intraocular lens, **effective for dates of service on or after January 1, 2008.**

- Effective for dates of service on or after January 1, 2008, HCPCS code V2788:
 - **Is no longer valid** to report non-covered charges associated with the **A-C IOL**, but
 - **Continues to be valid** to report non-covered charges associated with the **Posterior Chamber IOL (P-C IOL)**.
- Physician offices should continue to bill HCPCS code V2632 for the payable conventional IOL functionality of the A-C IOL.
- The payment for the conventional lens portion of the A-C IOL lens continues to be bundled with the facility procedure payment for ASCs and HOPDs.
- As of March 3, 2008, Medicare contractor(s) will accept HCPCS code V2787 for dates of service on or after January 1, 2008, to report non-covered charges incurred for services provided to a Medicare beneficiary involving the insertion an A-C IOL in a physician's office, an ASC facility, or a hospital outpatient setting.
- The annual HCPCS update will include the definition of HCPCS code V2787 with the descriptor, "*Astigmatism correcting function of intraocular lens. Non-covered by Medicare statute.*"
- When Medicare denies A-C IOLs billed with V2787, they will return:
 - Remittance reason code 96 (Non-covered charges) and
 - Remark code N425 (Statutorily excluded service(s)), or
 - Reason code 204 (This service/equipment/drug is not covered under the patient's current benefit plan).

Note: The provider's Medicare contractor will not search their files to reprocess claims for HCPCS code V2787 that may have been denied prior to the implementation date for this change. However, they will adjust such claims if they are brought to their attention.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5853.pdf> on the CMS website.

The official instruction (CR5853) regarding this change may be viewed at

<http://www.cms.hhs.gov/transmittals/downloads/R1430CP.pdf> on the CMS website.

Providers can review CR5527 at <http://www.cms.hhs.gov/transmittals/downloads/R1228CP.pdf> on the CMS website and its corresponding MLN Matters article (MM5527) at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5527.pdf> on the CMS website.

If providers have questions regarding this issue, they may contact their Medicare Carrier, FI, or A/B MAC at their toll-free number, which may be found at

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