



Reasonable Charge Update for 2010 for Splints, Casts, Dialysis Supplies, Dialysis Equipment, and Certain Intraocular Lenses – JA6691

Related CR Release Date: October 23, 2009

Date Job Aid Revised: December 7, 2009

Effective Date: January 1, 2010

Implementation Date: January 4, 2010

Key Words	MM6691, CR6691, R1834CP, Splints, Casts, Dialysis, Intraocular, Lenses
Contractors Affected	<ul style="list-style-type: none"> • Medicare Carriers • Fiscal Intermediaries (FIs) • Part A/B Medicare Administrative Contractors (A/B MACs) • Durable Medical Equipment MACs (DME MACs)
Provider Types Affected	Provider types affected are physicians, providers, and suppliers, billing Medicare Carriers, FIs, A/B MACs, and DME MACs for splints, casts, dialysis supplies, dialysis equipment, and certain intraocular lenses.



Change Request (CR) 6691 provides instructions for carriers, FIs, MACs, and DME MACs on calculation of reasonable charges for the payment of claims for splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses furnished in calendar year 2010.

Provider Needs to Know...	<ul style="list-style-type: none"> • The inflation indexed charge (IIC) is calculated using the lowest of the reasonable charge screens from the previous year, updated by an inflation adjustment factor or the percentage change in the consumer price index for all urban consumers (CPI-U) (United States city average) for the 12-month period ending with June of 2009. • Since the percentage change in the CPI-U for the 12-month period ending with June of 2009 is negative (-1.41 percent), the IIC update factor for 2010 is 0 percent. • The 2010 payment limits for splints and casts will be based on the 2009 limits that were announced in CR6221 last year. Those limits are repeated in Attachment A at the end of MLN Matters® article MM6691.
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- This payment is in addition to the payment made under the Medicare physician fee schedule for the procedure for applying the splint or cast. An attachment to CR6691 lists the 2010 payment limits for splints and casts.

Note: Payment for intraocular lenses is only made on a reasonable charge basis for lenses implanted in a physician's office. The Q-codes should be used for splints and casts when supplies are indicated for cast and splint purposes.

- **CR6691 instructs carries or MACs to:**
 - Compute 2010 customary and prevailing charges for the V2630, V2631, and V2632 (Intraocular Lenses Implanted in a Physician's Office) using actual charge data from July 1, 2008, through June 30, 2009; and
 - Compute 2010 IIC amounts for these codes that were not paid using gap-filled payment amounts in 2009.
- For codes identified in the following four tables, **CR6691 instructs DME MACs** to compute 2010 customary and prevailing charges using actual charge data from July 1, 2008, through June 30, 2009. CR6691 also instructs DME MACs to compute 2010 IIC amounts for these codes that were not paid using gap-filled amounts in 2009.

Table 1 - Dialysis Supplies Billed With AX Modifier							
A4215	A4216	A4217	A4244	A4245	A4246	A4247	A4248
A4450	A4452	A4651	A4652	A4657	A4660	A4663	A4670
A4927	A4928	A4930	A4931	A6216	A6250	A6260	A6402

Table 2 - Dialysis Supplies Billed Without AX Modifier								
A4653	A4671	A4672	A4673	A4674	A4680	A4690	A4706	A4707
A4708	A4709	A4714	A4719	A4720	A4721	A4722	A4723	A4724
A4725	A4726	A4728	A4730	A4736	A4737	A4740	A4750	A4755
A4760	A4765	A4766	A4770	A4771	A4772	A4773	A4774	A4802
A4860	A4870	A4890	A4911	A4918	A4929	E1634		

Table 3 - Dialysis Equipment Billed With AX Modifier				
E0210NU	E1632	E1637	E1639	

Table 4 - Dialysis Equipment Billed Without AX Modifier					
E1500	E1510	E1520	E1530	E1540	E1550
E1560	E1570	E1575	E1580	E1590	E1592
E1594	E1600	E1610	E1615	E1620	E1625
E1630	E1635	E1636			

Detailed Calculation Instructions

- The calculation instructions for reasonable charges are located in the *Medicare Claims Processing Manual*, Chapter 23 (Fee Schedule Administration and Coding Requirements), Section 80 (Reasonable Charges as Basis for Carrier/DMERC Payments).
- The calculation instructions for customary and prevailing charges are located in *Medicare Claims Processing Manual*, Chapter 23 (Fee Schedule Administration and Coding Requirements), Sections 80.2 (Updating Customary and Prevailing Charges) and 80.4 (Prevailing Charge).
- The calculation instructions for the IIC are located in *Medicare Claims Processing Manual*, Chapter 23 (Fee Schedule Administration and Coding Requirements), Section 80.6 (Inflation Indexed Charge (IIC) for Nonphysician Services).

Background

- Payment on a reasonable charge basis is required for splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses by regulations contained in 42 Code of Federal Regulations 405.501.
- The IIC is calculated using the lowest of the reasonable charge screens from the previous year updated by an inflation adjustment factor or the percentage change in the CPI-U (United States city average) for the 12-month period ending with June of 2009.

Operational
Impact

N/A

Reference
Materials

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6691.pdf> on the CMS website.

The official instruction (CR6691) issued regarding this change may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R1834CP.pdf> on the CMS website.

The *Medicare Claims Processing Manual* is available at <http://www.cms.hhs.gov/manuals/IOM/list.asp> on the CMS website.

The related MLN Matters® article for CR6221 may be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6221.pdf> on the CMS website.
