



## Provider Inquiry Assistance

### Reasonable Charge Update for 2009 for Splints, Casts, Dialysis Supplies, Dialysis Equipment, and Certain Intraocular Lenses – JA6221

Related CR Release Date : October 3, 2008

Date Job Aid Revised: October 14, 2008

Effective Date: January 1, 2009

Implementation Date: January 5, 2009

<b>Key Words</b>	MM6221, CR6221, R1613CP, Splint, Cast, Dialysis, Supplies, Equipment, Intraocular, Lenses
<b>Contractors Affected</b>	<ul style="list-style-type: none"> <li>• Medicare Carriers</li> <li>• Fiscal Intermediaries (FIs)</li> <li>• Part A/B Medicare Administrative Contractors (A/B MACs)</li> <li>• Durable Medical Equipment MACs (DME MACs)</li> </ul>
<b>Provider Types Affected</b>	Physicians, providers, and suppliers billing Medicare Carriers, FIs, A/B MACs, and DME MACs for splints, casts, dialysis equipment, and certain intraocular lenses



- For calendar year 2009, Medicare will continue to pay for splints, casts, dialysis supplies, dialysis equipment and intraocular lenses on a reasonable charge basis.
- Change Request (CR) 6221 contains instructions to carriers, FIs, MACs, and DME MACs regarding how to calculate reasonable charges for payment of claims for splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses furnished in calendar year 2009.
- CR6221 also announces that the 2009 Inflation-Indexed Charge (IIC) update factor is 5.0 percent.

#### Intraocular Lenses

**Provider Needs to Know...**

- Payment for intraocular lenses is only made on a reasonable charge basis for lenses implanted in a physician's office.
- CR6221 instructs **Medicare Carriers and A/B MACs** to:
  - Compute 2009 customary and prevailing charges for the V2630, V2631, and V2632

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codes (**Intraocular Lenses Implanted in a Physician's Office**) using actual charge data from July 1, 2007, through June 30, 2008; and

- Compute 2009 IIC amounts for the codes that were not paid using gap-filled payment amounts in 2008.

#### Dialysis Supplies and Equipment

- For Dialysis supplies and equipment codes (using the AX modifier) identified in the four tables starting on page 2 of MLN Matters article MM6221, CR6221 instructs **DME MACs** to:
  - Compute 2009 customary and prevailing charges using actual charge data from July 1, 2007, through June 30, 2008; and
  - Compute 2009 IIC amounts for the codes that were not paid using gap-filled amounts in 2008.

#### Splints and Casts

- The 2009 payment limits for splints and casts will be based on the 2008 limits that were announced in CR5740 last year, increased by 5.0 percent (the percentage change in the consumer price index for all urban consumers for the 12-month period ending June 30, 2008).
- Providers should refer to Attachment A, at the end of MLN Matters article MM6221 for a detailed list of the applicable Healthcare Common Procedure Coding System codes and 2009 payment limits for splints and casts.
- The Q-codes for splints and casts should be used when supplies are indicated for cast and splint purposes.
- Contractors will use the 2009 reasonable charges or the 2009 splints and casts payment limits to pay claims for items furnished from January 1, 2009, through December 31, 2009.
- Contractors will make payment for splints and casts furnished in 2009 based on the lower of the actual charge or the payment limits established for these codes.
- This payment is in addition to the payment made under the Medicare physician fee schedule for the procedure for applying the splint or cast.

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#### 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.

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Operational  
Impact

- The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6221.pdf> on the CMS website.
- The official instruction (CR6221) regarding this change may be viewed at <http://www.cms.hhs.gov/Transmittals/downloads/R1613CP.pdf> on the CMS website.
- The MLN Matters article related to CR5740 can be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5740.pdf> on the CMS website.

Reference  
Materials

- Detailed instructions for calculating **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).
- Detailed instructions for calculating **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).
- Detailed instructions for calculating **IIC** are located in *Medicare Claims Processing Manual*, Chapter 23 (Fee Schedule Administration and Coding Requirements), Sections 80.6 (Inflation Indexed Charge (IIC) for Nonphysician Services).
- The *Medicare Claims Processing Manual*, Chapter 23 is available at <http://www.cms.hhs.gov/manuals/downloads/clm104c23.pdf> on the CMS website.