

MLN Matters Number: MM5641 **Revised**

Related Change Request (CR) #: 5641

Related CR Release Date: June 8, 2007

Effective Date: January 1, 2007 for implementation of fee schedule amounts for codes in effect on January 1, 2007; July 1, 2007 for all other changes

Related CR Transmittal #: R1263CP

Implementation Date: July 2, 2007

July Quarterly Update for 2007 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

Note: Note: This article was updated on September 10, 2012, to reflect current Web addresses. This article was also revised on June 19, 2007, to clarify that the modifier that should not be used with HCPCS codes E0691, E0692, E0693, and E0694 for dates of service on or after January 1, 2005, is the KF modifier. All other information remains the same.

Provider Types Affected

Providers and suppliers submitting claims to Medicare contractors (carriers, DME Regional Carriers (DMERCs), 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 DMEPOS provided to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 5641, which provides the July 2007 quarterly update to the DMEPOS fee schedules in order to implement fee schedule amounts for new codes and to revise any fee schedule amounts for existing codes that were calculated in error or that may no longer be paid under the fee schedule. Be sure billing staff are aware of these changes.

Background

The quarterly updates process for the DMEPOS fee schedule is located in the *Medicare Claims Processing Manual* (Publication 100-04), Chapter 23, Section 60; <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c23.pdf> on the CMS website.

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CR 5641 provides specific instructions regarding the July quarterly update for the 2007 DMEPOS fee schedule. Payment on a fee schedule basis is required for durable medical equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by the Social Security Act (Sections 1834(a), (h), and (i)). Payment on a fee schedule basis is required for parenteral and enteral nutrition (PEN) by regulations contained in Title 42 of the Code of Federal Regulations (42 CFR 414.102).

Key Points

The following are key changes in the July 2007 quarterly update of the DMEPOS fee schedule including the Healthcare Common Procedure Coding System (HCPCS) codes:

- **HCPCS code E0762** (Transcutaneous electrical joint stimulation device system, includes all accessories) is:
 - **Added** to the fee schedule on **July 1, 2007, and**
 - **Effective** for claims submitted with dates of service on or after **January 1, 2007.**
- HCPCS codes added July 1, 2007 with dates of service on or after July 1, 2007 are:
 - **K0553** Combination Oral/Nasal Mask, Used With Continuous Positive Airway Pressure Device, Each
 - **K0554** Oral Cushion For Combination Oral/Nasal Mask, Replacement Only, Each
 - **K0555** Nasal Pillows For Combination Oral/Nasal Mask, Replacement Only, Pair
- Suppliers must use the **“KL” modifier** on claims for all diabetic supplies that are **delivered via mail** with dates of service on or after **July 1, 2007**, with the following codes: A4233, A4234, A4235, A4236, A4253, A4256, A4258 and A4259. The KL modifier must be used with diabetic supplies that are ordered remotely (i.e., by phone, email, internet, or mail) and delivered to the beneficiary's residence by common carriers (e.g., U.S. postal service, Federal Express, United Parcel Service) and not with items obtained by beneficiaries from local supplier storefronts.
- Fee schedule amounts for HCPCS code E2374 (Power Wheelchair Accessory, Hand or Chin Control Interface, Standard Remote Joystick (Not Including Controller), Proportional, Including all Related Electronics and Fixed Mounting Hardware, Replacement Only) are being revised to correct errors in the fee schedule calculation. Medicare contractors will adjust previously

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processed claims with dates of service on or after January 1, 2007, if resubmitted as adjustments.

- If suppliers re-submit previously processed claims for code **K0864 in Puerto Rico with dates of service from November 15, 2006 through March 31, 2007**, the DME MACs and DMERCs will adjust the claims for payment.

Also, after consulting with the Food and Drug Administration, the Centers for Medicare & Medicaid Services (CMS) determined that **ultraviolet light therapy** systems are classified as **class II devices** and are not class III devices. Thus, suppliers **should not submit the class III "KF" modifier with claims for HCPCS codes E0691, E0692, E0693 and E0694 with dates of service on or after January 1, 2005**. CMS is removing HCPCS codes E0691, E0692, E0693, and E0694, billed with the KF modifier, from the fee schedule, effective July 1, 2007 and as of that date, Medicare contractors will reject claims for HCPCS codes E0691, E0692, E0693, and E0694, which contain the KF modifier and a date of service on or after January 1, 2005. Medicare contractors will adjust previously processed claims for E0691, E0692, E0693 and E0694 with dates of service on or after January 1, 2007, if suppliers resubmit the claims as adjustments.

The HCPCS Quarterly Update public use file, containing the long and short descriptors for all new codes, is available for downloading at <http://www.cms.gov/Medicare/Coding/HCPCSReleaseCodeSets/index.html> on the CMS website.

Additional Information

If you have questions, please contact your Medicare A/B MAC, FI, DMERC, DME MAC, RHHI or carrier at their toll-free number which may be found at:

<http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

For complete details regarding this Change Request (CR) please see the official instruction (CR5641) issued to your Medicare A/B MAC, FI, DMERC, DME MAC, RHHI or carrier. That instruction may be viewed by going to

<http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1263CP.pdf> on the CMS website.

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