

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM7628

Related Change Request (CR) #: CR 7628

Related CR Release Date: November 18, 2011

Effective Date: January 1, 2012

Related CR Transmittal #: R2349CP

Implementation Date: January 3, 2012

Reasonable Charge Update for 2012 for Splints, Casts, and Certain Intraocular Lenses

Note: This article was revised on January 3, 2014, to add a reference to MLN Matters® article MM8523 (<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM8523.pdf>) to notify providers of a change from the reasonable charge payment methodology for these items to national fee schedule amounts, effective with dates of service beginning April 1, 2014. All other information is the same.

Provider Types Affected

This article is for physicians, providers, and suppliers billing Medicare contractors (carriers, Fiscal Intermediaries (FIs), and Medicare Administrative Contractors (MACs)) for splints, casts, and certain intraocular lenses.

What Providers Need to Know

Change Request (CR) 7628, on which this article is based, announces that payment of claims for splints, casts, and for intraocular lenses implanted in a physician's office (codes V2630, V2631, V2632) continues to be made on a reasonable charge basis subject to certain payment limits. CR7628 also announces that the update factor for the Inflation Indexed Charge (IIC) for 2012 is 3.6 percent.

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Background

Payment continues to be made on a reasonable charge basis for splints, casts, and intraocular lenses (codes V2630, V2631, and V2632) implanted in a physician's office. For splints and casts, the Q-codes are to be used when supplies are indicated for cast and splint purposes. This payment is in addition to the payment made under the Medicare Physician Fee Schedule for the procedure for applying the splint or cast.

CR7628 provides instructions regarding the calculation of reasonable charges for payment of claims for splints, casts, and intraocular lenses furnished in Calendar Year 2012. Payment on a reasonable charge basis is required for these items by regulations contained in 42 CFR 405.501.

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 (CPI) for all urban consumers (United States city average) or CPI-U for the 12-month period ending with June 30, 2011. The 2012 payment limits for splints and casts will be based on the 2011 limits that were announced in CR7225 last year, increased by 3.6 percent, the percentage change in the CPI-U for the 12-month period ending June 30, 2011. (You can read the MLN Matters® article associated with CR7225 at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM7225.pdf> on the Centers for Medicare & Medicaid (CMS) website.) The IIC update factor for 2012 is 3.6 percent.

A list of the 2012 payment limits for splints and casts are listed in the table that follows.

2012 Payment Limits for Splints and Casts							
A4565	\$8.12	Q4013	\$14.88	Q4026	\$111.41	Q4039	\$7.78
Q4001	\$46.21	Q4014	\$25.08	Q4027	\$17.85	Q4040	\$19.44
Q4002	\$174.65	Q4015	\$7.44	Q4028	\$55.72	Q4041	\$18.88
Q4003	\$33.19	Q4016	\$12.54	Q4029	\$27.29	Q4042	\$32.23
Q4004	\$114.91	Q4017	\$8.60	Q4030	\$71.83	Q4043	\$9.45
Q4005	\$12.24	Q4018	\$13.71	Q4031	\$13.64	Q4044	\$16.12
Q4006	\$27.58	Q4019	\$4.31	Q4032	\$35.91	Q4045	\$10.96
Q4007	\$6.13	Q4020	\$6.86	Q4033	\$25.45	Q4046	\$17.63
Q4008	\$13.79	Q4021	\$6.36	Q4034	\$63.30	Q4047	\$5.47

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2012 Payment Limits for Splints and Casts							
Q4009	\$8.17	Q4022	\$11.48	Q4035	\$12.72	Q4048	\$8.82
Q4010	\$18.39	Q4023	\$3.20	Q4036	\$31.66	Q4049	\$2.00
Q4011	\$4.08	Q4024	\$5.74	Q4037	\$15.53		
Q4012	\$9.20	Q4025	\$35.68	Q4038	\$38.90		

Additional Information

You can find the official instruction, CR7628, issued to your carrier, FI, MAC by visiting <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2349CP.pdf> on the CMS website.

Detailed instructions for calculating:

1. **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);
2. **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); and
3. The **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).

Chapter 23 of the "Medicare Claims Processing Manual" is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/clm104c23.pdf> on the CMS website.

If you have any questions, please contact your carrier, FI, MAC, or DME MAC 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.

News Flash - Protect Your Patients. Protect Your Family. Protect Yourself. Flu seasons are unpredictable and can be severe. Each year, approximately 90 percent of seasonal flu-related deaths and more than 60 percent of seasonal flu-related hospitalizations occur in people 65 years and older. Please encourage your Medicare patients to get an annual flu shot. A flu shot is important for healthcare workers too, who may spread the flu to high risk patients. The flu vaccine plus its administration are covered Part B benefits. The flu vaccine is NOT a Part D-covered drug. For more information on coverage and billing of the flu vaccine and its administration, and related educational provider resources, visit the following CMS webpages: [Medicare Learning Network® Preventive Services](#) and [Immunizations](#). **Get the Flu Vaccine -- Not the Flu.**

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