



MLN Matters®



Information for Medicare Fee-For-Service Health Care Professionals

Related Change Request (CR) #: 3674

MLN Matters Number: MM3674

Related CR Release Date: February 4, 2005

Related CR Transmittal #: 461

Effective Date: July 1, 2005

Implementation Date: July 5, 2005

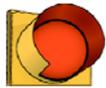
MMA - Processing Durable Medical Equipment (DME), Orthotics, Prosthetics, Drugs, and Surgical Dressings Claims for Indian Health Services (IHS) and Tribally Owned and Operated Hospitals or Hospital-Based Facilities including Critical Access Hospitals (CAHs)

Note: This article was updated on March 28, 2013, to reflect current Web addresses. All other information remains unchanged.

Provider Types Affected

All IHS and Tribally owned and operated hospitals or hospital-based facilities including Critical Access Hospitals (CAHs) billing Medicare Durable Medical Equipment Regional Carriers (DMERCs) and Fiscal Intermediaries (FIs)

Provider Action Needed



STOP – Impact to You

Effective July 1, 2005, IHS hospitals and Tribally owned and operated hospitals and hospital-based facilities, including CAHs, may begin billing for DME, prosthetics and orthotics, surgical dressings, drugs and therapeutic shoes, as further discussed in this article.

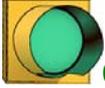


CAUTION – What You Need to Know

Affected providers may need to enroll with the National Supplier Clearinghouse (NSC) as some of these services must be billed to a Medicare DMERC. Other services will be billable to the Medicare Fiscal Intermediary (FI).

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GO – What You Need to Do

Please be aware of the changes addressed in this instruction and ensure that billing staffs submit claims accordingly.

Background

This article advises affected providers and suppliers that beginning July 1, 2005, IHS and Tribally owned and operated hospitals and hospital-based facilities including CAHs may begin billing for:

- DME used in the patient's home;
- Orthotics and Prosthetics;
- Drugs paid by DMERCs;
- Surgical Dressings; and
- Therapeutic shoes furnished in accordance with the requirements of Section 1861 (s)(12)

Note: For the remainder of this article, the term IHS/Tribal facilities will be used and will refer to facilities owned by the Indian Health Services (IHS) and to tribally owned and operated hospitals and hospital-based facilities, including CAHs.

The appropriate DMERC should be billed for DME, therapeutic shoes, and drugs and the designated FI billed for prosthetics, orthotics, and surgical dressings. All suppliers should have a Supplier Number from the National Supplier Clearinghouse (NSC) to bill the DMERC.

For information on the process for enrolling as a supplier with the NSC, visit <http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/index.html> on the CMS website.

Note: To bill drugs to the Medicare DMERC, IHS/Tribal facilities must be registered with the NSC as a pharmacy and have a pharmacy license number on file with the NSC.

Prior to the enactment of §6030 of the Medicare Modernization Act (MMA) in 2003, IHS facilities were not permitted to bill for Part B services unless covered under §1848 of the Social Security Act. The new MMA legislation expands the scope of the items and services paid to IHS hospital-based facilities to include all Part B covered items and services that are not paid under the Medicare Physician Fee Schedule and are not included in the Medicare IHS all-inclusive rate for a five-year period beginning January 1, 2005.

Additional Information

Some key billing information for IHS/Tribal facilities is as follows:

- Beginning with services provided on or after July 1, 2005, IHS/Tribal facilities may send claims to their Medicare DMERC for DME, therapeutic shoes, and drugs showing a specialty code of A9 (IHS/Tribal facility) and a place of service code of 12 to indicate patient's home on the claim. If a claim is received

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with a date of service prior to July 1, 2005, the DMERC will deny the claim with reason code 26. Also, coinsurance and deductibles are waived for these claims.

- Payment for DME will be based on the DME fee schedule and payment for drugs will be based on the Average Sales Price (ASP) drug file.
- Beginning for services provided on or after July 1, 2005, IHS/Tribal facilities may begin billing their Medicare FI for orthotics, prosthetics, and surgical dressings.
- When billing orthotics, prosthetics, and surgical dressings to the FI, IHS/Tribal facilities should use the following revenue codes:
 - 0274 for orthotics with the appropriate HCPCS code,
 - 0274 for prosthetics with the appropriate HCPCS code, and
 - 0623 for surgical dressings and the appropriate HCPCS code.
- When billing for prosthetics, orthotics, and surgical dressings to the FI, IHS/Tribal facilities should show only those items on the TOB13X bill that are payable under the DME fee schedule.

Clarification of Rules for Drug Administration

In addition to the changes described above, IHS/Tribal facilities need to note that related CR 3674 also clarifies the All Inclusive Rate (AIR) billing rules for drug administration (injections) occurring without a medically indicated outpatient encounter. In an effort to ensure that the AIR is paid appropriately, any injection (e.g., B-12) that requires only a licensed professional's administration must not be billed as a visit payable at the AIR. A visit cannot be billed if the injection is the only service the facility provides.

If the patient receives an injection and no qualifying visit takes place, the charges/expenses for the injection should be combined with the expenses/charges for the next qualifying visit. The qualifying visit should be for the condition being treated with the injection or drug.

For complete details, including the revised sections of the Medicare Claims Processing Manual, please see the official instruction issued to your FI/DMERC regarding this change. This instruction may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R461CP.pdf> on the CMS website.

For details regarding enrollment as a supplier for the purpose of billing a DMERC, please go to <http://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/MedicareProviderSupEnroll/index.html> on the CMS website.

See Sections 100 through 140 of Chapter 15 of the Medicare Benefit Policy Manual at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html> for a detailed description of DME, prosthetics, and orthotics.

IHS/Tribal facilities should note that they may not bill for items or services that fall outside the scope of the benefits described in these sections. If you have any questions please contact your FI or DMERC 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.

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