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## Coverage by Medicare Advantage (MA) Plans for Implantable Automatic Cardiac Defibrillator (ICD) Services Not Previously Included in MA Capitation Rates

Note: This article was updated on February 21, 2013, to reflect current Web addresses. All other information remains unchanged.

### Provider Types Affected

All Medicare providers billing either a Medicare carrier or fiscal intermediary (FI) for ICDs for Medicare beneficiaries who are also members of Medicare Advantage (MA) plans

### Provider Action Needed



#### STOP – Impact to You

Be aware that, effective for services provided on and after January 1, 2006, your Medicare carrier or FI will no longer pay Fee-for-Service (FFS) claims for the expanded coverage of ICD services rendered to MA beneficiaries.



#### CAUTION – What You Need to Know

Related CR4133 instructs Medicare carriers and FIs to no longer pay FFS claims for the expanded coverage of ICD services (described in CR3604) that you provide to MA beneficiaries. These services are now part of the MA capitation rates.

#### Disclaimer

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### GO – What You Need to Do

Make sure that your billing staffs are aware of these changes and also the basis for billing Medicare.

## Background

In CR3604 (January 27, 2005), Medicare expanded ICD coverage for the following new indications:

- Patients with ischemic dilated cardiomyopathy (IDCM), documented prior myocardial infarction (MI), New York Heart Association (NYHA) Class II and III heart failure, and measured left ventricular ejection fraction (LVEF)  $\leq$  35%;
- Patients with nonischemic dilated cardiomyopathy (NIDCM) > 9 months, NYHA Class II and III heart failure, and measured LVEF  $\leq$  35%;
- Patients who meet all current Centers for Medicare & Medicaid Services (CMS) coverage requirements for a cardiac resynchronization therapy (CRT) device and have NYHA Class IV heart failure; and
- Patients with NIDCM > 3 months, NYHA Class II or III heart failure, and measured LVEF  $\leq$  35%.

At that time, because this new coverage exceeded the significant cost threshold for managed care organizations, services related to these newly covered indications for Medicare Advantage (MA) beneficiaries were not part of the MA capitation rates, but rather were paid on a FFS basis.

See *MLN Matters* article MM3604 regarding this issue at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM3604.pdf> on the CMS website.

### *Adjustment in MA Rates*

Beginning January 1, 2006, the MA rates are appropriately adjusted to account for the expanded coverage of ICD services, and MA plans are now liable for payment relating directly to providing these services. Thus CR4133:

- Instructs your carriers and FIs to no longer pay FFS for the expanded coverage of ICD services that you provide to MA beneficiaries, effective for services performed on and after January 1, 2006;
- Requires MA plans to furnish, arrange, and/or make appropriate payment for these services; and

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- Notes that MA enrollees are liable for the MA plan's cost sharing of these services.

### *Conditions for Denying Claims*

CR4133 provides that Medicare systems will now deny, for beneficiaries in MA plans, claims that meet all of the conditions described in the following categories:

#### **Outpatient Claims Processed by Your FI**

- Date(s) of service on or after January 1, 2006; and
- Condition code 78 (New coverage not implemented by HMO); and
- One of the following HCPCS codes: G0297, G0298, G0299, or G0300.

#### **Hospital Inpatient Claims**

- Discharge date is on or after January 1, 2006; and
- Condition code 78; and
- ICD-9 CM 37.94.

#### **Professional Part B Claims**

- Date(s) of service is/are on or after January 1, 2006; and
- Modifier KZ (New coverage not implemented by managed care); and
- CPT code 33249.

Finally, CR4133 instructs your carriers and FIs, when denying these services, to use:

- Medicare Summary Notice (MSN) 11.3 ("Our records show that you are enrolled in a health maintenance organization. Your provider must bill this service to them"); and
- Claim adjustment reason code 24 ("Payment for charges adjusted. Charges are covered under a capitation agreement/managed care plan").

## **Additional Information**

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You can find more information about billing for ICD services for MA Plan beneficiaries by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R186OTN.pdf> on the CMS website.

Indications and limitation of coverage for ICDs are located in the *Medicare National Coverage Determinations Manual* (Pub. 100-03), Chapter 1, Part 1, §20.4 (Implantable Automatic Defibrillators).

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Finally, if you have any questions, please contact your carrier/intermediary 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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