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

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Provider Compliance Tips for Diabetic Test Strips

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Provider Types Affected:

- Physicians and other practitioners who write prescriptions for diabetic test strips
- Durable Medical Equipment (DME) suppliers

Important Note: Medicare will only pay claims for DME if the ordering physician and DME supplier are actively enrolled in Medicare on the date of service. Physicians and suppliers have to meet strict standards to enroll and stay enrolled in Medicare. If you are not enrolled on the date the prescription is filled or re-filled, Medicare will not pay the submitted claims. It is also important to tell the Medicare beneficiary if you are not participating in Medicare before you order DME. If you do not have an active record, please see the **Medicare Enrollment for Physicians and Other Part B Suppliers** fact sheet which contains information on how to enroll, revalidate your enrollment and/or make a change.

Background

The Office of Inspector General (OIG) report OEI-04-11-00330 found that Medicare made inappropriate payments for Diabetic Test Strips (DTS). Per Medicare's "National Coverage Determination (NCD) Manual," **Chapter 1**, Part 1, Section 40.2, (Internet Only Manual 100-3), DTS must be medically appropriate considering the patient's diagnosis, ability to self-test; and for in-home use only. The Medicare Coverage Document (MCD) Article **A52464** and Medicare Local Coverage Determinations (LCDs) for Glucose Monitors (**L34834**, **L33822**, and **L35132**,) provide the DTS utilization guidelines.

Reasons for Denials

Denials are frequently due to suppliers submitting claims with at least one of three types of errors: claims without a documented diagnosis code for diabetes, claims that overlapped with an inpatient hospital stay, and claims overlapping with a Skilled Nursing Facility (SNF) stay.

To Prevent Denials

To be reimbursed for a claim for any quantity of test strips and/or lancets, the DME supplier must maintain:

- An appropriate diagnosis code for diabetes per the International Classification of Diseases 10th Revision (ICD-10) on each claim for DTS as listed in MCD A52464 and related LCDs, listed above
- Whether the patient requires insulin
- A physician's order (signed and dated) containing the items to be dispensed
- The specific frequency of testing
- Proof of delivery
- Contact with beneficiary to ensure near-exhaustion of previous supply before dispensing refills (automated refills are inappropriate)

For mail order DME suppliers:

- Healthcare Common Procedure Coding System (HCPCS) code A4253 and modifier KL on each claim

For High Utilization patients (more than 100 test strips and 100 lancets every month for insulin-treated diabetics and every 3 months for non-insulin-treated diabetics):

- Documentation must be in the physician's records (for example, a copy of the beneficiary's log) that the beneficiary is actually testing at a frequency that corroborates the quantity of supplies that have been dispensed.
- Documentation that the treating physician has seen the patient and evaluated their diabetes control within 6 months prior to prescribing the test strips must be in the physician's records.

Note: These services are included in the Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program. The DMEPOS Competitive Bidding Program was mandated by Congress through the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), which requires that Medicare replace the current fee schedule payment methodology for selected DMEPOS items with a competitive bid process. The intent of the program is to improve the effectiveness of the Medicare methodology for setting DMEPOS payment amounts, which will reduce beneficiary out-of-pocket expenses and save the Medicare program money while ensuring beneficiary access to quality items and services. For more information about this program, please visit: **https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid**

Resources

The following resources may be helpful to physicians, providers, and suppliers in understanding Medicare's policies regarding diabetic test strips:

For More Information About…	Resource
Review of Medicare Claims for Home Blood-Glucose Test Strips and Lancets- Durable Medical Equipment Medicare Administrative Contractor for Jurisdiction C (A-09-08-00045), a report from the Office of the Inspector General (OIG)	http://oig.hhs.gov/oas/reports/region9/90800045.pdf.
Medicare's Coverage of Diabetes Supplies and Services, a publication for beneficiaries	http://www.medicare.gov/pubs/pdf/11022.pdf.
Inappropriate and Questionable Medicare Billing for Diabetes Test Strips OEI-04-11-00330, another OIG report	http://oig.hhs.gov/oei/reports/oei-04-11-00330.pdf.
The "Medicare National Coverage Determinations (NCD) Manual," Publication 100-03, Chapter 1, Part 1, Section 40.2	http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/ncd103c1_Part1.pdf.
The MCD Article A52464	https://www.cms.gov/medicare-coverage-database/details/article-details.aspx?articleId=52464.
Related LCD L34834	https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=34834
Related LCD L33822	https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=33822
Related LCD L35132	https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=35132
DMEPOS Competitive Billing	https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/index.html?redirect=/DMEPOSCompetitiveBid/

Hyperlink Table

Embedded Hyperlink	Complete URL
Medicare Enrollment for Physicians and Other Part B Suppliers	https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/downloads/MedEnroll_PhysOther_FactSheet_ICN903768.pdf
Chapter 1	https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/ncd103c1_Part1.pdf
A52464	https://www.cms.gov/medicare-coverage-database/details/article-details.aspx?articleId=52464
L34834	https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=34834
L33822	https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=33822
L35132	https://www.cms.gov/medicare-coverage-database/details/lcd-details.aspx?LCDId=35132

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