

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1754	Date: JUNE 5, 2009
	Change Request 6511

Subject: July Quarterly Update for 2009 Durable Medical Equipment, Prosthetics, Orthotics and Suppliers (DMEPOS) Fee Schedule

I. SUMMARY OF CHANGES: The DMEPOS fee schedule is updated on a quarterly basis, when necessary, in order to implement fee schedule amounts for new codes and correct any fee schedule amounts for existing codes. The attached Recurring Update Notification applies to Chapter 23, Section 60.

New / Revised Material

Effective Date: January 1, 2009 for implementation of fee schedule amounts for codes in effect on January 1, 2009; April 1, 2009 for code K0739 which became effective April 1, 2009 (BR 6511.5.1), July 1, 2009 for all other changes

Implementation Date: July 6, 2009

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	Chapter / Section / Subsection / Title
N/A	

III. FUNDING:

SECTION A: For Fiscal Intermediaries and Carriers:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

SECTION B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 1754	Date: June 5, 2009	Change Request: 6511
-------------	-------------------	--------------------	----------------------

SUBJECT: July Quarterly Update for 2009 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Fee Schedule

Effective Date: January 1, 2009 for implementation of fee schedule amounts for codes in effect on January 1, 2009; April 1, 2009 for code K0739 which became effective April 1, 2009 (BR 6511.5.1), July 1, 2009 for all other changes

Implementation Date: July 6, 2009

I. GENERAL INFORMATION

A. Background: The DMEPOS fee schedules are updated on a quarterly basis, when necessary, in order to implement fee schedule amounts for new codes and to correct any fee schedule amounts for existing codes. The quarterly update process for the DMEPOS fee schedule is located in the Medicare Claims Processing Manual (Pub. 100-04), Chapter 23, §60.

B. Policy: This recurring update notification provides specific instructions regarding the July quarterly update for the 2009 fee schedule. Payment on a fee schedule basis is required for durable medical equipment (DME), prosthetic devices, orthotics, prosthetics and surgical dressings by Sections 1834(a), (h), and (i) of the Social Security Act. Payment on a fee schedule basis is required for parenteral and enteral nutrition (PEN) by regulations contained in 42 CFR 414.102.

HCPCS codes A6545, E0656, E0657 and L0113 were added to the HCPCS file effective January 1, 2009. The fee schedule amounts for the aforementioned HCPCS codes are established as part of this update and are effective for claims with dates of service on or after January 1, 2009. These items were paid on a local fee schedule basis prior to implementation of the fee schedule amounts established in accordance with this update. Claims for codes A6545, E0656, E0657 and L0113 with dates of service on or after January 1, 2009 that have already been processed will not be adjusted to reflect the newly established fees if they are resubmitted for adjustment.

As part of this update, we are adding the AW modifier to the fee schedule file for HCPCS code A6545 *Gradient Compression Wrap, Non-Elastic, Below Knee, 30-50 MM HG, Each*. The DME MAC article for surgical dressings reviews code A6545 is covered when it is used in the treatment of an open venous stasis ulcer. DME MACs shall inform suppliers that modifier AW may be billed with HCPCS code A6545 for a non-elastic gradient compression wrap used in the treatment of an open venous stasis ulcer. The article reviews non-coverage of other medical conditions such as venous insufficiency without stasis ulcers, prevention of stasis ulcers, prevention of the reoccurrence of stasis ulcers that have healed, and treatment of lymphedema in the absence of ulcers.

A recurring update notification (Transmittal 369, Change Request 3574) was issued on November 19, 2004 indicating that separate fee schedules will be provided in the DMEPOS fee schedule file: one for class III devices within the designated codes that must be billed with the KF modifier and one for products within the designated codes that are not class III devices that may not be billed with the KF modifier. One such code with separate fee schedules is K0606 (Automatic External Defibrillator, with Integrated Electrocardiogram Analysis, Garment Type). It has come to CMS' attention that there are currently no devices that are categorized and billed under code K0606 without the KF modifier. Consequently, as part of this update, the fee schedule amounts for HCPCS code K0606 billed without the KF modifier are being removed from the DMEPOS fee schedule file.

Revision to the Labor Payment Rates Associated with Repairing DMEPOS Items (in JSM/TDL-09213)

A one-time notification regarding the changes in payment for oxygen and oxygen equipment as a result of the MIPPA of 2008 and additional instructions regarding payment for DMEPOS was issued on December 23, 2008, (Transmittal 421, Change Request (CR) 6297). This transmittal included 2009 labor payment rates for HCPCS codes E1340, L4205 and L7520. In 2009, code K0739 was established in the HCPCS file to replace code E1340 for Medicare claims for the repair of beneficiary-owned DME with dates of service on or after April 1, 2009 (see Transmittal 443, CR 6296 issued on February 13, 2009). The 2009 allowed payment amounts for code E1340 mapped directly to code K0739.

The 2009 allowed payment amounts for HCPCS code E1340/K0739 are being revised as part of this quarterly update to reflect updates that were brought to CMS’ attention. The attached allowed payment amounts for code E1340/K0739 are effective for claims with dates of service from January 1, 2009, through March 31, 2009, for claims submitted using HCPCS code E1340 and for claims with dates of service from April 1, 2009, through December 31, 2009, for claims submitted using code K0739. Contractors shall adjust previously processed claims for HCPCS code E1340/K0739 with dates of service on or after January 1, 2009 through June 30, 2009, if they are resubmitted as adjustments.

II. BUSINESS REQUIREMENTS TABLE

Use “Shall” to denote a mandatory requirement

Number	Requirement	Responsibility (place an “X” in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6511.1	The DME MACs, A/B MACs and local carriers shall receive the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T090101.V0513) as soon as possible. The file is available for download after May 27, 2009.	X	X		X						
6511.1.1	Notification of successful receipt shall be sent via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which they were received (e.g., carrier name and number).	X	X		X						
6511.2	The A/B MACs, FIs and RHHIs shall receive the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T090101.V0520.FI) as soon as possible. The file is available for download after May 27, 2009.	X		X		X					
6511.2.1	Notification of successful receipt shall be sent via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which they were received (e.g., FI name and number).	X		X		X					
6511.3	Contractors shall use the 2009 DMEPOS fee schedule amounts from the DMEPOS fee schedule file(s) of the above business requirements to pay claims with dates of service on or after January 1, 2009.	X	X	X	X	X					

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6511.4	Contractors shall use the 2009 allowed payment amounts in Attachment A to pay for claims for HCPCS code E1340. The 2009 allowed payment amounts are effective for claims with dates of service from January 1, 2009, through March 31, 2009, for claims submitted using HCPCS code E1340.	X	X		X	X					
6511.4.1	Contractors shall use the 2009 allowed payment amounts in Attachment A to pay for claims for HCPCS code K0739. The 2009 allowed payment amounts are effective for claims with dates of service from April 1, 2009, through December 31, 2009, for claims submitted using HCPCS code K0739.	X	X		X	X					
6511.5	Contractors shall adjust previously processed claims for code E1340 with dates of service from January 1, 2009, through March 31, 2009, if they are resubmitted for adjustments.	X	X		X	X					
6511.5.1	Contractors shall adjust previously processed claims for code K0739 with dates of service from April 1, 2009, through June 30, 2009, if they are resubmitted for adjustments.	X	X		X	X					
6511.6	DME MACs shall inform suppliers that modifier AW may be billed with HCPCS code A6545 for payment of a non-elastic gradient compression wrap used in the treatment of an open venous stasis ulcer.		X	X		X					
6511.7	Claims for codes A6545, E0656, E0657 and L0113 with dates of service on or after January 1, 2009, that have already been processed, shall not be adjusted.	X	X	X	X	X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
6511.8	A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this	X	X	X	X	X					

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
	article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.										

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A
 Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: For all other recommendations and supporting information, use this space: N/A

V. CONTACTS

Pre-Implementation Contact(s): Karen Jacobs (410)786-2173, karen.jacobs@cms.hhs.gov, Anita Greenberg, anita.greenberg@cms.hhs.gov

Post-Implementation Contact(s): Karen Jacobs (410)786-2173, Karen.jacobs@cms.hhs.gov, Anita Greenberg, anita.greenberg@cms.hhs.gov

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers, use only one of the following statements:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: For Medicare Administrative Contractors (MACs):

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and

immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENT (1)

ATTACHMENT

2009 Fees for Code E1340/K0739

* denotes revised 2009 fee

STATE	K0739/ E1340	STATE	K0739/ E1340
AK*	25.27	SC	13.41
AL*	13.41	SD*	14.99
AR*	13.41	TN	13.41
AZ*	16.59	TX	13.41
CA*	20.58	UT*	13.45
CO*	13.41	VA	13.41
CT*	22.40	VI	13.41
DC*	13.41	VT*	14.40
DE*	24.71	WA*	21.37
FL*	13.41	WI	13.41
GA*	13.41	WV	13.41
HI*	16.59	WY*	18.70
IA*	13.41		
ID*	13.41		
IL	13.41		
IN	13.41		
KS	13.41		
KY	13.41		
LA	13.41		
MA*	22.40		
MD	13.41		
ME*	22.40		
MI	13.41		
MN	13.41		
MO	13.41		
MS	13.41		
MT	13.41		
NC	13.41		
ND*	16.72		
NE	13.41		
NH*	14.40		
NJ*	18.10		
NM*	13.41		
NV*	21.37		
NY*	24.71		
OH*	13.41		
OK	13.41		
OR	13.41		
PA*	14.40		
PR	13.41		
RI*	15.99		