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# Medicare

## Intermediary Manual

### Part 3 - Claims Process

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
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**HEADER SECTION NUMBERS**

3619-3619 (Cont.)

**PAGES TO INSERT**

6-138.1 – 6-138.2 (2 pp.)

**PAGES TO DELETE**

6-138.1 – 6-138.2 (2pp.)

**NEW/REVISED MATERIAL--*EFFECTIVE DATE: January 1, 2004***  
***IMPLEMENTATION DATE: January 1, 2004***

Section 3619, Diabetes Outpatient Self-Management Training Services (DSMT), is revised to expand the payment for the DSMT to Home Health Agencies, and also expand the accreditation of facilities to the Indian Health Service.

**These instructions should be implemented within your current operating budget.**

**DISCLAIMER: The revision date and transmittal number only apply to the redlined material. All other material was previously published in the manual and is only being reprinted.**

### 3619. DIABETES OUTPATIENT SELF-MANAGEMENT TRAINING SERVICES

A. Coverage Requirements.--Section 4105 of the Balanced Budget Act of 1997 permits Medicare coverage of diabetes outpatient self-management training services when these services are furnished by a certified provider who meets certain quality standards. This program is intended to educate beneficiaries in the successful self-management of diabetes. The program includes instructions in self-monitoring of blood glucose; education about diet and exercise; an insulin treatment plan developed specifically for the patient who is insulin-dependent; and motivation for patients to use the skills for self-management.

Diabetes outpatient self-management training services may be covered by Medicare only if the physician or qualified non-physician practitioner who is managing the beneficiary's diabetic condition certifies that such services are needed. Services must be provided under a comprehensive plan of care related to the beneficiary's diabetic condition, to ensure the beneficiary's compliance with the therapy, or to provide the individual with necessary skills and knowledge (including skills related to the self-administration of injectable drugs) in the management of the beneficiary's conditions. The training must be ordered by the physician or qualified nonphysician practitioner treating the beneficiary's diabetes. The referring physician or qualified non-physician practitioner must maintain the plan of care in the beneficiary's medical record and documentation substantiating the need for training on an individual basis when group training is typically covered, if so ordered. The order must also include a statement signed by the physician that the service is needed. The provider of the service must maintain documentation in file that includes the original order from the physician and any special conditions noted by the physician.

When the training under the order is changed, the change must be signed by the physician or qualified nonphysician practitioner treating the beneficiary and maintained in the beneficiary's file at the provider of the training.

Medicare Part B covers one course of initial training for a beneficiary who has one or more of the following medical conditions present within the 12-month period before the physician's order for the training:

1. New onset diabetes.
2. Inadequate glycemic control as evidenced by a glycosylated hemoglobin (HbA1C) level of 8.5 percent or more on two consecutive HbA1C determinations 3 or more months apart in the year before the beneficiary begins receiving training.
3. A change in treatment regimen from no diabetes medications to any diabetes medication,  
or from oral diabetes medication to insulin.
4. High risk for complications based on inadequate glycemic control (documented acute episodes of severe hyperglycemia occurring in the past year during which the beneficiary needed emergency room visits or hospitalization).
5. High risk based on at least one of the following documented complications:
  - Lack of feeling in the foot or other foot complications such as foot ulcers, deformities, or amputation;
  - Pre-proliferative or proliferative retinopathy or prior laser treatment of the eye;and

- Kidney complications related to diabetes, when manifested by albuminuria, without other cause, or elevated creatinine.

**NOTE:** Beneficiaries with diabetes, becoming newly eligible for Medicare, can receive diabetes outpatient self-management training in this program.

B. Certified Providers.--The statute states that a “certified provider” is a physician or other individual or entity designated by the Secretary that, in addition to providing outpatient self-management training services, provides other items and services for which payment may be made under title XVIII, and meets certain quality standards. The CMS is designating all providers and suppliers that bill Medicare for other individual services such as hospital outpatient departments, renal dialysis facilities, Home Health Agencies, and durable medical equipment suppliers as certified. The CMS will not reimburse services rendered to a beneficiary if they are:

An inpatient in a Hospital or Skilled Nursing Facility;  
 In hospice care;  
 A resident in a Nursing Home; and  
 An outpatient in a Rural Health Clinic or Federally Qualified Health Center.

The outpatient diabetes self-management training program must be accredited as meeting approved quality standards. Currently, two accreditation organizations have been approved by CMS –

- The American Diabetes Association (ADA); and
- The Indian Health Service (IHS).

The recognized facility will forward you a copy of their Certificate of Recognition received from one of the accredited organization. After receipt of the certificate, that provider’s file must be flagged for DSMT payment.

C. Frequency of Training. --

• Initial Training - Medicare will cover initial training that meet the following conditions:

- Is furnished to a beneficiary who has not previously received initial training under the G0108 or G0109 code.
- Is furnished within a continuous 12-month period.
- Does not exceed a total of 10 hours. The 10 hours of training can be done in any combination of ½ hour increments. They can be spread over the 12-month period or less.
- With the exception of 1 hour, training is furnished in a group setting who need not all be Medicare beneficiaries.
- Is billed in increments of no less than one-half hour.
- May include 1 hour of individual training: One-half of this hour may be used to assess the beneficiary and the remaining one-half may be used for insulin training.

**Exception:** Medicare covers training on an individual basis for a Medicare beneficiary under any of the following conditions:

- No group session is available within 2 months of the date the training is ordered;