

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 801

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: DECEMBER 30, 2005

Change Request 4184

SUBJECT: Instructions for Reporting New HCPCS Code V2788 for Presbyopia-Correcting Intraocular Lenses (P-C IOLs)

I. SUMMARY OF CHANGES: Section 120 has been added to Pub 100-04, Chapter 32, which outlines general policy, payment and billing procedures for P-C IOLs. This information was released as a One Time Notification instruction (Change Request 3927) in August of 2005. As stated in that instruction, the new policy was effective for dates of service on or after May 3, 2005. Section 120 incorporates/manualizes that information. This instruction announces a new HCPCS code for providers to use to bill the non-covered P-C IOL services. The definition of the new code V2788 is "Presbyopia-correcting function of an intraocular lens." The new code is effective for dates of service on or after January 1, 2006.

NEW/REVISED MATERIAL

EFFECTIVE DATE: January 01, 2006

IMPLEMENTATION DATE: January 03, 2006

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	32 - Table of Contents
N	32/120 - Presbyopia-Correcting Intraocular Lenses (P-C IOLs) (General Policy Information)
N	32/120.1 - Payment for Physician Services and Supplies
N	32/120.2 - Coding and General Billing Requirements
N	32/120.3 - Provider Notification Requirements
N	32/120.4 - Beneficiary Liability

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

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

Attachment - Business Requirements

Pub. 100-04	Transmittal: 801	Date: December 30, 2005	Change Request 4184
-------------	------------------	-------------------------	---------------------

SUBJECT: Instructions for Reporting New HCPCS Code V2788 for Presbyopia-Correcting Intraocular Lens (P-C IOLs)

I. GENERAL INFORMATION

A. Background: Effective for dates of service on and after January 1, 2006, new HCPCS code V2788 (Presbyopia-correcting function of an intraocular lens) is being established for reporting non-covered charges associated with the insertion of a presbyopia-correcting lens. Providers, hospitals and ASCs may report this code on claims to reflect those charges for the P-C IOL when inserted in lieu of a conventional IOL subsequent to surgery to remove a cataractous lens. Guidance on payment policy and billing for P-C IOLs was provided in CR 3927, transmittal 636, dated August 5, 2005. The payment policy and billing information in CR 3927, transmittal 636 is effective for dates of service on and after May 3, 2005. Publication 100-04, Chapter 32, Section 120 has been created to incorporate the information in CR 3927, transmittal 636 on P-C IOLs, as well as, the new HCPCS code (V2788).

This instruction also lists two additional HCPCS procedure codes that may be used to report the insertion or replacement of a P-C IOL subsequent to cataract surgery. These are active HCPCS codes and are added to the current list of allowed codes for this surgery.

B. Policy: CMS 05-01, dated May 3, 2005, announced new Medicare policy to allow beneficiaries to request, receive and pay for P-C IOLs following cataract surgery. CR 3927, transmittal 636 dated August 5, 2005 provided implementing instructions for that policy. In order to facilitate billing for the charges associated with the non-covered presbyopia-correcting functionality of the P-C IOLs, a new HCPCS code is being established, effective for dates of service on and after January 1, 2006. The new HCPCS code, V2788, may be used to report the non-covered charges associated with the presbyopia-correcting functionality of the P-C IOLs and will be part of the annual HCPCS update. This instruction announces the new code and provides guidance on its use.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F	R	C	D	Shared System Maintainers				Other
		I	H	a	M	F	M	V	C	
			H	r	E	I	C	M	W	
			I	i	R	S	S	S	F	
			e	e	C					
			r							

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
4184.1	Contractors and CWF shall accept the new non-covered code V2788 effective for dates of service on and after January 1, 2006. This new code will be part of the annual HCPCS file for 2006. V2788 - Presbyopia-correcting function of an intraocular lens.	X		X						
4184.2	Carriers and CWF shall use type of service indicator Q for V2788. NOTE: The TOS for this new code will be included in the annual TOS instruction.			X					X	
4184.2.1	Contractors shall use the appropriate MSN message such as MSN 16.10 (Medicare does not pay for this item or service) when denying P-C IOL billed with V2788.	X		X						
4184.3	Contractors shall use the appropriate claim adjustment reason code such as 96 (Non-covered charges) when denying the non-covered P-C IOL billed as V2788.	X		X						
4184.4	Contractors shall continue to accept and pay for claims from physicians, ASCs and hospitals for the performance of the following procedures whether a conventional or a presbyopia-correcting IOL is inserted following cataract extraction surgery: 66985 - Insertion of intraocular lens prosthesis (secondary implant), not associated with concurrent cataract extraction 66986 - Exchange of intraocular lens NOTE: These codes are not new and continue to be paid according to the current payment systems(e.g., Medicare Physician Fee Schedule, OPSS, ASC payment system)	X		X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
4184.5	Contractors shall advise providers via the Medlearn Matters Article that they may report HCPCS V2788 for non-covered charges associated with the insertion of the P-C IOL.	X		X						
4184.5.1	Contractors shall advise providers of the additional procedure codes that may be used to report insertion or replacement of a P-C IOL subsequent to cataract surgery.	X		X						
4184.5.2	Providers shall continue to use all other existing coding as stated in CR 3927, transmittal 636, dated August 5, 2005 and in Pub 100-04, Chapter 32, Section 120.	X		X						

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
F I S S	M C S					V M S	C W F			
4184.5	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn	X		X						

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)							
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers			
F I S S	M C S					V M S	C W F		
	Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.								

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 1, 2006</p> <p>Implementation Date: January 3, 2006</p> <p>Pre-Implementation Contact(s): For Part A issues, Faith Ashby at (410) 786-6145 (faith.ashby@cms.hhs.gov); For Part B issues, Yvette Cousar at (410) 786-2160 (yvette.cousar@cms.hhs.gov) or for Payment Policy, Dana Burley at (410) 786-4547 (dana.burley@cms.hhs.gov)</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
--	--

Effective Date*: January 1, 2006	
Implementation Date: January 3, 2006	
Post-Implementation Contact(s): Appropriate Regional Office	

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

Medicare Claims Processing Manual

Chapter 32 – Billing Requirements for Special Services

Table of Contents *(Rev. 801, 12-30-05)*

120 - Presbyopia-Correcting Intraocular Lenses (P-C IOLs) (General Policy Information)

120.1 - Payment for Services and Supplies

120.2 - Coding and General Billing Requirements

120.3 - Provider Notification Requirements

120.4 - Beneficiary Liability

120 - Presbyopia-Correcting Intraocular Lenses (P-C IOLs) ***(General Policy Information)***

(Rev. 801, Issued: 12-30-05; Effective: 01-01-06; Implementation: 01-03-06)

Per CMS Ruling 05-01, issued May 3, 2005, Medicare will allow beneficiaries to pay additional charges associated with insertion of a P-C IOL following the extraction of a cataractous lens.

- Presbyopia is a type of age-associated refractive error that results in progressive loss of the focusing power of the lens of the eye, causing difficulty seeing objects at near distance, or close-up. Presbyopia occurs as the natural lens of the eye becomes thicker and less flexible with age.*

- A presbyopia-correcting IOL is indicated for primary implantation in the capsular bag of the eye for the visual correction of aphakia (absence of the lens of the eye) following cataract extraction that is intended to provide near, intermediate and distance vision without the need for eyeglasses or contact lenses.*

120.1 - Payment for Services and Supplies

(Rev. 801, Issued: 12-30-05; Effective: 01-01-06; Implementation: 01-03-06)

For an IOL inserted following removal of a cataract in a hospital, on either an outpatient or inpatient basis, that is paid under the hospital Outpatient Prospective Payment System (OPPS) or the Inpatient Prospective Payment System (IPPS), respectively; or in a Medicare-approved ambulatory surgical center (ASC) that is paid under the ASC fee schedule:

- Medicare does not make separate payment to the hospital or ASC for an IOL inserted subsequent to extraction of a cataract. Payment for the IOL is packaged into the payment for the surgical cataract extraction/lens replacement procedure*

- Any person or ASC, who presents or causes to be presented a bill or request for payment for an IOL inserted during or subsequent to cataract surgery for which payment is made under the ASC fee schedule, is subject to a civil money penalty.*

For a presbyopia-correcting IOL inserted subsequent to removal of a cataract in a hospital, on either an outpatient or inpatient basis, that is paid under the OPPS or the IPPS, respectively; or in a Medicare-approved ASC that is paid under the ASC fee schedule:

- The facility shall bill for the removal of a cataract with insertion of a conventional IOL, regardless of whether a conventional or presbyopia-correcting IOL is inserted. When a beneficiary receives a presbyopia-correcting IOL following removal of a cataract, hospitals and ASCs shall report the same CPT*

code that is used to report removal of a cataract with insertion of a conventional IOL. Physicians, hospitals and ASCs may also report an additional HCPCS code, V2788 to indicate any additional charges that accrue when a P-C IOL is inserted in lieu of a conventional IOL. See Section 120.2 for coding guidelines.

- There is no Medicare benefit category that allows payment of facility charges for services and supplies required to insert and adjust a presbyopia-correcting IOL following removal of a cataract that exceed the facility charges for services and supplies required for the insertion and adjustment of a conventional IOL.*
- There is no Medicare benefit category that allows payment of facility charges for subsequent treatments, services and supplies required to examine and monitor the beneficiary who receives a presbyopia-correcting IOL following removal of a cataract that exceeds the facility charges for subsequent treatments, services and supplies required to examine and monitor a beneficiary after cataract surgery followed by insertion of a conventional IOL.*

A - For a P-C IOL inserted in a physician's office

- A physician shall bill for a conventional IOL, regardless of whether a conventional or presbyopia-correcting IOL is inserted (see section 120.2, General Billing Requirements)*
- There is no Medicare benefit category that allows payment of physician charges for services and supplies required to insert and adjust a presbyopia-correcting IOL following removal of a cataract that exceed the physician charges for services and supplies for the insertion and adjustment of a conventional IOL.*
- There is no Medicare benefit category that allows payment of physician charges for subsequent treatments, service and supplies required to examine and monitor a beneficiary following removal of a cataract with insertion of a presbyopia-correcting IOL that exceed physician charges for services and supplies to examine and monitor a beneficiary following removal of a cataract with insertion of a conventional IOL.*

B - For a P-C IOL inserted in a hospital

- A physician may not bill Medicare for a presbyopia-correcting IOL inserted during a cataract procedure performed in a hospital setting because the payment for the lens is included in the payment made to the facility for the surgical procedure.*
- There is no Medicare benefit category that allows payment of physician charges for services and supplies required to insert and adjust a presbyopia-correcting IOL following removal of a cataract that exceed the*

physician charges for services and supplies required for the insertion of a conventional IOL.

C - For a P-C IOL inserted in an Ambulatory Surgical Center

- Refer to Chapter 14, Section 40.3 for complete guidance on payment for P-C IOL in Ambulatory Surgical Centers.

120.2 - Coding and General Billing Requirements

(Rev. 801, Issued: 12-30-05; Effective: 01-01-06; Implementation: 01-03-06)

Physicians and hospitals must report one of the following Current Procedural Terminology (CPT) codes on the claim:

- 66982 - Extracapsular cataract removal with insertion of intraocular lens prosthesis (one stage procedure), manual or mechanical technique (e.g., irrigation and aspiration or phacoemulsification), complex requiring devices or techniques not generally used in routine cataract surgery (e.g., iris expansion device, suture support for intraocular lens, or primary posterior capsulorrhexis) or performed on patients in the amblyogenic development stage.*
- 66983 - Intracapsular cataract with insertion of intraocular lens prosthesis (one stage procedure)*
- 66984 - Extracapsular cataract removal with insertion of intraocular lens prosthesis (one stage procedure), manual or mechanical technique (e.g., irrigation and aspiration or phacoemulsification)*
- 66985 - Insertion of intraocular lens prosthesis (secondary implant), not associated with concurrent cataract extraction*
- 66986 - Exchange of intraocular lens*

In addition, physicians inserting a P-C IOL in an office setting may bill code V2632 (posterior chamber intraocular lens) for the IOL. Medicare will make payment for the lens based on reasonable cost for a conventional IOL. Place of Service (POS) = 11.

Effective for dates of service on and after January 1, 2006, physician, hospitals and ASCs may also bill the non-covered charges related to the presbyopia-correcting function of the IOL using HCPCS code V2788. The type of service indicator for the non-covered billed charges is Q. (The type of service is applied by the Medicare carrier and not the provider.)

When denying the non-payable charges submitted with V2788, contractors shall use an appropriate Medical Summary Notice (MSN) such as 16.10 (Medicare does not pay for

this item or service) and an appropriate claim adjustment reason code such as 96 (non-covered charges) for claims submitted with the non-payable charges.

Hospitals and physicians shall bill the following CPT codes for evaluation and management services associated with the services following cataract extraction surgery:

- 92002 - Ophthalmological services; medical examination and evaluation with initiation of diagnostic and treatment program; intermediate, new patient*
- 92004 - Ophthalmological services; medical examination and evaluation with initiation of diagnostic and treatment program; intermediate, new patient*
- 92012 - Ophthalmological services; medical examination and evaluation with initiation or continuation of diagnostic and treatment program; intermediate established patient*
- 92014 - Ophthalmological services; medical examination and evaluation with initiation or continuation of diagnostic and treatment program; comprehensive, established patient, one or more services*

A - Applicable Bill Types

The hospital applicable bill types are 12X, 13X, 83X and 85X.

B - Other Special Requirements for Hospitals

Hospitals shall continue to pay Critical Access Hospitals (CAHs) method 2 claims under current payment methodologies for conditional IOLs.

120.3 - Provider Notification Requirements

(Rev. 801, Issued: 12-30-05; Effective: 01-01-06; Implementation: 01-03-06)

When a beneficiary requests insertion of a presbyopia-correcting IOL instead of a conventional IOL following removal of a cataract:

- Prior to the procedure to remove a cataractous lens and insert a presbyopia-correcting lens, the facility and the physician must inform the beneficiary that Medicare will not make payment for services that are specific to the insertion, adjustment or other subsequent treatments related to the presbyopia-correcting functionality of the IOL.*
- The presbyopia-correcting functionality of a presbyopia-correcting IOL does not fall into a Medicare benefit category, and, therefore, is not covered.*

Therefore, the facility and physician are not required to provide an Advanced Beneficiary Notice to beneficiaries who request a presbyopia-correcting IOL.

- *Although not required, CMS strongly encourages facilities and physicians to issue a Notice of Exclusion from Medicare Benefits to beneficiaries in order to clearly identify the non-payable aspects of a presbyopia-correcting IOL insertion. This notice may be found in English at http://cms.hhs.gov/medicare/bni/20007_English.pdf Spanish language at: http://cms.hhs.gov/medicare/bni/20007_Spanish.pdf.*

120.4 - Beneficiary Liability

(Rev. 801, Issued: 12-30-05; Effective: 01-01-06; Implementation: 01-03-06)

When a beneficiary requests insertion of a presbyopia-correcting IOL instead of a conventional IOL following removal of a cataract and that procedure is performed, the beneficiary is responsible for payment of facility and physician charges for services and supplies attributable to the presbyopia-correcting functionality of the presbyopia-correcting IOL:

- *In determining the beneficiary's liability, the facility and physician may take into account any additional work and resources required for insertion, fitting, vision acuity testing, and monitoring of the presbyopia-correcting IOL that exceed the work and resources attributable to insertion of a conventional IOL.*
- *The physician and the facility may not charge for cataract extraction with insertion of a presbyopia-correcting IOL unless the beneficiary requests this service.*
- *The physician and the facility may not require the beneficiary to request a presbyopia-correcting IOL as a condition of performing a cataract extraction with IOL insertion.*