CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2947	Date: May 2, 2014
	Change Request 8732

SUBJECT: Medicare System Updates to Include Splints, Casts and Certain Intraocular Lenses Payment Category Indicators in the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule File and Alpha-Numeric HCPCS file

I. SUMMARY OF CHANGES: This one-time notification provides instructions regarding changes in the DMEPOS Fee Schedule File and Alpha-Numeric HCPCS file for splints, casts and certain intraocular lenses (IOLs). This change request is a companion to Change Request (CR) 8645, Transmittal 2902, April Quarterly Update for 2014 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule.

EFFECTIVE DATE: October 1, 2014
*Unless otherwise specified, the effective date is the date of service.
IMPLEMENTATION DATE: October 6, 2014

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
R	23/50.2 Institutional Claim Record Layout for the Durable Medical Equipment, Prosthetic, Orthotic and Supply Fee Schedule

III. FUNDING:
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 obliged 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:

Business Requirements
Manual Instruction

Attachment - Business Requirements

Pub. 100-04	Transmittal: 2947	Date: May 2, 2014	Change Request: 8732

SUBJECT: Medicare System Updates to Include Splints, Casts and Certain Intraocular Lenses Payment Category Indicators in the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule File and Alpha-Numeric HCPCS file

EFFECTIVE DATE: October 1, 2014
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IMPLEMENTATION DATE: October 6, 2014

I.   GENERAL INFORMATION

A.   Background: This one-time notification provides instructions regarding changes in the DMEPOS Fee Schedule File for splints, casts and certain intraocular lenses (IOLs). This change request is a companion to Change Request (CR) 8645, Transmittal 2902, April Quarterly Update for 2014 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule and the Alpha-Numeric Healthcare Common Procedure Coding System (HCPCS) File.

 As part of CR 8645, the following HCPCS codes for splints and casts were added to the DMEPOS fee schedule file: A4565, Q4001, Q4002, Q4003, Q4004, Q4005, Q4006, Q4007, Q4008, Q4009, Q4010, Q4011, Q4012, Q4013, Q4014, Q4015, Q4016, Q4017, Q4018, Q4019, Q4020, Q4021, Q4022, Q4023, Q4024, Q4025, Q4026, Q4027, Q4028, Q4029, Q4030, Q4031, Q4032, Q4033, Q4034, Q4035, Q4036, Q4037, Q4038, Q4039, Q4040, Q4041, Q4042, Q4043, Q4044, Q4045, Q4046, Q4047, Q4048, Q4049

Also added to the DMEPOS fee schedule file as part of CR8645 were the following HCPCS codes for IOLs inserted in a physician's office:

V2630, V2631, V2632

While the field for the payment category indicator for the splint and cast codes on the DMEPOS fee schedule file has not previously contained an indicator, the field will include the following indicator, where national fee schedule amounts are calculated in accordance with the regulations at 42 CFR §414.106:

 SC = Splints and Casts

Similarly, the DMEPOS fee schedule file will include the following payment category indicator to the codes for IOLs inserted in a physician's office where the national fee schedule amounts are calculated in accordance with 42 CFR §414.108:

IL = Intraocular Lenses

B.   Policy: Upon implementation of this instruction, the shared-system maintainers will update their systems to recognize the payment category indicators 'SC' for Splints and Casts and 'IL' for Intraocular Lenses on the DMEPOS fee schedule file.

In addition, the 'SC' and 'IL' payment category indicators will be included on the October Update for 2014 DMEPOS fee schedule file update associated with the HCPCS codes for splints, casts and IOLs.

Also, two new pricing indicators will be added to the Alpha-Numeric HCPCS file. Code 55 will identify the pricing methodology for splints and casts and code 56 will identify the pricing methodology for IOLs inserted in a physician's office. The 2015 HCPCS record layout will include these pricing indicators and will be available on the CMS website at

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
8732.1	Contractors shall update their systems to recognize the payment category indicators SC for Splints and Casts and IL for Intraocular Lenses inserted in a physician's office on the DMEPOS fee schedule file.			X		X	X			
8732.2	Contractors shall recognize HCPCS codes for splints and casts (codes A4565 and Q4001-Q4049) and intraocular lenses (IOLs) inserted in a physician's office (codes V2630, V2631, and V2632), which were previously paid on a reasonable charge basis, are included in the DMEPOS fee schedule file with their corresponding payment category indicators.	X	X	X						EDCs, VDC
8732.3	Contractors shall recognize the following new HCPCS pricing indicators on the Alpha-Numeric HCPCS file: 55 = Splints and Casts 56 = IOLs inserted in a physician's office		X	X	X				X	EDCs, VDC

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	None					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: Change Request (CR) 8645, Transmittal 2902, April Quarterly Update for 2014 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

V. CONTACTS

Pre-Implementation Contact(s): Anita Greenberg, Anita.Greenberg@cms.hhs.gov , Karen Jacobs, Karen.Jacobs@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: 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.

Medicare Claims Processing Manual
Chapter 23 - Fee Schedule Administration and Coding Requirements

50.2 - Institutional Claim Record Layout for the Durable Medical Equipment, Prosthetic, Orthotic and Supply Fee Schedule
(Rev. 2947; Issued 5-2-14; Effective: 10-1-14; Implementation: 10-6-14)

This file contains services subject to national Floors and Ceilings under the DMEPOS Fee Schedules including Surgical Dressings. The CMS will provide the specific file names when the prices are released. The file name will contain the label DMEPOS.

Record Length	-	60	
Record Format	-	FB	
Block Size	-	6000	
Character Code	-	EBCDIC	
Sort Sequence	-	Label, HCPCS Code, MOD, State	

Data Element Name	Picture	Location	Comment
1-HCPCS	X(05)	1 - 5	
2-MOD	X(02)	6 – 7	
3-MOD 2	X(02)	8 – 9	
4-Fee Schedule Amt	9(05)V99	10 - 16	
5-Filler	X(14)	17 - 30	
6-State	X(02)	31 - 32	
7-Filler	X(05)	33 - 37	
8-*Label*	X(3)	38 - 40	DME = Durable Medical Equipment (other than oxygen)
			OXY = Oxygen
			P/O = Prosthetic/Orthotic
			S/D = Surgical Dressings
			SC = Splints and Casts
9-Filler	X(4)	41 - 44	
10-*Pricing Change Indicator	X(1)	45 - 45	0 = No change to Update Fee Schedule Amount since previous release

Data Element Name	Picture	Location	Comment
			1 = A change has occurred to the Update Fee Schedule Amount since the previous release.
			NOTE: In the initial release of the annual update, this field is initialized to >0'
11-Filler	X(02)	46 – 47	
12-Effective Date	X(08)	48 – 55	Update effective date (YYYYMMDD)
13-Filler	X(05)	56 – 60	