

# CMS Manual System

## Pub 100-04 Medicare Claims Processing

Transmittal 340

Department of Health &  
Human Services

Center for Medicare and &  
Medicaid Services

Date: OCTOBER 29, 2004

Change Request 3525

**SUBJECT: Annual Update of HCPCS Codes Used for Home Health Consolidated Billing Enforcement**

**I. SUMMARY OF CHANGES:** Annual Update of HCPCS codes used for home health consolidated billing enforcement.

**NEW/REVISED MATERIAL :**

**EFFECTIVE DATE :** January 1, 2005

**IMPLEMENTATION DATE :** January 3, 2005

*Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. 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 not updated.)**

**(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)**

<b>R/N/D</b>	<b>CHAPTER/SECTION/SUBSECTION/TITLE</b>
	N/A

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.

**IV. ATTACHMENTS:**

**Recurring Notification Form**

# Attachment – Recurring Update Notification

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**SUBJECT: Annual Update of HCPCS Codes Used for Home Health Consolidated Billing Enforcement**

## I. GENERAL INFORMATION

**A. Background:** The CMS periodically updates the lists of Healthcare Common Procedure Coding System (HCPCS) codes that are subject to the consolidated billing provision of the Home Health Prospective Payment System (HH PPS). With the exception of therapies performed by physicians, supplies incidental to physician services and supplies used in institutional settings, services appearing on this list which are submitted on claims to Medicare contractors will not be paid separately on dates when a beneficiary for whom such a service is being billed is in a home health episode (i.e., under a home health plan of care administered by a home health agency). Medicare will only directly reimburse the primary home health agencies that have opened such episodes during the episode periods. Therapies performed by physicians, supplies incidental to physician services and supplies used in institutional settings are not subject to HH consolidated billing. Medicare contractors include fiscal intermediaries, carriers, and durable medical equipment regional carrier.

The HH consolidated billing code lists are updated annually, to reflect the annual changes to the HCPCS code set itself. Additional updates may occur as frequently as quarterly in order to reflect the creation of temporary HCPCS codes (e.g., 'K' codes) throughout the calendar year. The new coding identified in each update describes the same services that were used to determine the applicable HH PPS payment rates. No additional services will be added by these updates; that is, new updates are required by changes to the coding system, not because the services subject to HH consolidated billing are being redefined.

This recurring update notification provides the annual HH consolidated billing update effective January 1, 2005. The specific changes are described in the attached code list.

**B. Policy:** Section 1842(b)(6) of the Social Security Act requires that payment for home health services provided under a home health plan of care is made to the home health agency. This requirement is found in Medicare regulations at 42 CFR 409.100 and in Medicare Claims Processing Manual, chapter 10, section 10.1.25.

**C. Provider Education:** A provider education article related to this instruction will be available at <http://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 one week of the availability of the provider education article. In addition, the provider education article must be included in your next regularly scheduled bulletin. All bulletins and notifications shall inform providers and suppliers that the HH consolidated billing master code list is available at the following Internet address: [cms.hhs.gov/providers/hhapps/#billing](http://cms.hhs.gov/providers/hhapps/#billing).

## II. BUSINESS REQUIREMENTS

*"Shall" denotes a mandatory requirement*

*"Should" denotes an optional requirement*

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H 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			
3525.1	Medicare claims processing systems shall revise the list of codes used to enforce existing HH consolidated billing edits according to the attached code list for claims with dates of service on or after January 1, 2005.								X	

## III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

### A. Other Instructions:

X-Ref Requirement #	Instructions
3525.1	The current CWF home health consolidated billing edits are alerts 7702 and 7703, edits 5389 and 5390, and the associated unsolicited response processes.

**B. Design Considerations: N/A**

**C. Interfaces: N/A**

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

**E. Dependencies: N/A**

**F. Testing Considerations: N/A**

#### IV. SCHEDULE, CONTACTS, AND FUNDING

<p><b>Effective Date*:</b> January 1, 2005</p> <p><b>Implementation Date:</b> January 3, 2005</p> <p><b>Pre-Implementation Contact(s):</b> Wil Gehne, (410) 786-6148, <a href="mailto:wgehne@cms.hhs.gov">wgehne@cms.hhs.gov</a> (Intermediaries) Claudette Sikora, (410) 786-5618, <a href="mailto:csikora@cms.hhs.gov">csikora@cms.hhs.gov</a> (Carriers)</p> <p><b>Post-Implementation Contact(s):</b> Regional offices</p>	<p><b>These instructions shall be implemented within your current operating budget.</b></p>
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**\*Unless otherwise specified, the effective date is the date of service.**

Attachment

**Attachment:  
Code Changes for January 2005 Annual Update  
of Medicare HH Consolidated Billing Code Lists**

<b>New &amp; Deleted Codes for HH CB</b>			
Code	Description	Action	Replacement Code or Code Being Replaced
<b>Non-Routine Supplies</b>			
A4347	Male external catheter	Delete	Replacement code: A4349
A4324	Male ext cath w/adh coating	Delete	Replacement code: A4349
A4325	Male ext cath w/adh strip	Delete	Replacement code: A4349
A4349	Male ext catheter, with or without adhesive, disposable, each	Add	Replaces codes: A4347, A4324, A4325
A7040	One way chest drain valve	Add	
A7041	Water seal drainage container and tubing for use with implanted chest tube	Add	
A7045	Exhalation port with or without swivel used with accessories for positive airway devices, replacement only	Add	
A7527	Tracheostomy/laryngectomy tube plug/stop, each	Add	
<b>Therapies</b>			
97601	Wound care selective	Delete	Replacement codes: 97597, 97598
97597	debridement; surface area less than or equal to 20 square centimeters	Add	Replaces code: 97601
97598	debridement; total wound(s) surface area greater than 20 square centimeters	Add	Replaces code: 97601
97605	Negative pressure wound therapy(eg. vacuum assisted drainage collection); total wound(s) surface area less than or equal to 50 square centimeters	Add	
97606	Negative pressure wound therapy(eg. vacuum assisted drainage collection); total wound(s) surface area greater than 50 square centimeters	Add	