
CMS Manual System

Pub. 100-04 Medicare Claims Processing

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 768

Date: DECEMBER 2, 2005

CHANGE REQUEST 4149

SUBJECT: Lung Volume Reduction Surgery

I. SUMMARY OF CHANGES: The CMS is modifying the requirements for facilities eligible to perform lung volume reduction surgery. CMS is also using this opportunity to update the manual paragraphs on the National Emphysema Treatment Trial.

NEW/REVISED MATERIAL

EFFECTIVE DATE: November 17, 2005

IMPLEMENTATION DATES: March 2, 2006

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: (R = REVISED, N = NEW, D = DELETED)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	3/100.7/Lung Volume Reduction Surgery
R	4/310/Lung Volume Reduction Surgery

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:

X	Business Requirements
X	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

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

Attachment - Business Requirements

Pub. 100-04	Transmittal: 768	Date: December 2, 2005	Change Request 4149
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SUBJECT: Lung Volume Reduction Surgery

I. GENERAL INFORMATION

A. Background: Between 1997 and 2003, the Centers for Medicare and Medicaid Services (CMS) covered lung volume reduction surgery (LVRS) when provided under the protocol of the National Emphysema Treatment Trial (NETT); a clinical trial sponsored by the National Heart Lung and Blood Institute and CMS. On January 1, 2004, a national coverage determination became effective that allowed coverage of LVRS outside of a trial for patients with certain clinical indications and when performed at approved hospitals (CR 2688).

This CR updates the requirements for hospitals to become approved as Medicare LVRS facilities. NETT facilities are no longer automatically approved and certification under the Disease Specific Care Certification Program for LVRS by the Joint Commission on the Accreditation of Health Care Organizations (Joint Commission) is now a mechanism by which facilities can become approved. The CMS will maintain an updated listing of approved LVRS facilities at <http://www.cms.hhs.gov/coverage/lvrsfacility.pdf>.

Further, the NETT has ended and this CR removes outdated language from the instruction that refers to coverage for LVRS under the protocol of that trial.

B. Policy: Effective 11/17/05: (1) the Medicare National Coverage Determinations manual (Pub. 100-3, chapter 1, section 240.1) no longer includes language pertaining to coverage under the NETT protocol; (2) facilities that participated in the NETT are no longer automatically approved LVRS facilities and have 18 months to become approved under another mechanism; (3) facilities that are certified by the Joint Commission through the Disease Specific Certification Program for LVRS are approved by Medicare as LVRS facilities; (4) facilities that are approved as lung or heart-lung transplant centers continue to be approved by Medicare as LVRS facilities; (5) clinical indications and other coverage requirements remain unchanged. CMS will maintain an updated listing of approved LVRS facilities.

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		
		U	I	*	F		

						F I S S	M C S	V M S	C W F	
4149.1	Contractors shall consider LVRS reasonable and necessary only when performed in approved facilities as listed on the CMS Web site at http://www.cms.hhs.gov/coverage/lvrsfacility.pdf	X		X						

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I S S	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	
	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 Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X						

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

Effective Date* : November 17, 2005 Implementation Date : March 2, 2006 Pre-Implementation Contact(s) : JoAnna Baldwin 410-786-7205 Post-Implementation Contact(s) : JoAnna Baldwin 410-786-7205	No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.
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***Unless otherwise specified, the effective date is the date of service.**

100.7 – Lung Volume Reduction Surgery

(Rev. 768, Issued: 12-01-05; Effective: 11-17-05; Implementation: March 2, 2006)

Lung Volume Reduction Surgery (LVRS) (also known as reduction pneumoplasty, lung shaving, or lung contouring) is an invasive surgical procedure to reduce the volume of a hyperinflated lung in order to allow the underlying compressed lung to expand, and thus, establish improved respiratory function.

Effective for discharges on or after January 1, 2004, Medicare will cover LVRS under certain conditions as described in §240 of Pub. 100-03, “National Coverage Determinations”.

The Medicare Code Editor (MCE) creates a Limited Coverage edit for procedure code 32.22. This procedure code has limited coverage due to the stringent conditions that must be met by hospitals. Where this procedure code is identified by MCE, the FI shall determine if coverage criteria is met and override the MCE if appropriate.

The LVRS can only be performed in the facilities listed on the following Web site:
www.cms.hhs.gov/coverage/lvrsfacility.pdf

Medicare previously only covered LVRS as part of the National Emphysema Treatment Trial (NETT). The study *was* limited to 18 hospitals, and patients *were* randomized into two arms, either medical management and LVRS or medical management. The study *was* conducted by The National Heart, Lung, and Blood Institute of the National Institutes of Health and coordinated by Johns Hopkins University (JHU). *Hospital* claims for patients in the NETT *were* identified by the presence of Condition Code EY. The JHU *instructed* hospitals of the correct billing procedures for billing claims under the NETT.

310 - Lung Volume Reduction Surgery

(Rev. 768, Issued: 12-01-05; Effective: 11-17-05; Implementation: March 2, 2006)

Lung Volume Reduction Surgery (LVRS) (also known as reduction pneumoplasty, lung shaving, or lung contouring) is an invasive surgical procedure to reduce the volume of a hyperinflated lung in order to allow the underlying compressed lung to expand, and thus, establish improved respiratory function.

Effective for 'from' dates of service on or after January 1, 2004, Medicare will cover LVRS under certain conditions as described in §240 of the Pub. 100-03, "National Coverage Determinations".

LVRS can only be performed in the facilities listed on the following website:
www.cms.hhs.gov/coverage/lvrsfacility.pdf

LVRS is an inpatient procedure. However pre- and post- operative services are performed on an outpatient basis and must be performed at one of the facilities certified to do so. These procedures are paid under the Outpatient Prospective Payment System (OPPS), except for hospitals located in Maryland.

Medicare previously only covered LVRS as part of the National Emphysema Treatment Trial (NETT). The study *was* limited to 18 hospitals, and patients *were* randomized into two arms, either medical management and LVRS or medical management. The study *was* conducted by The National Heart, Lung, and Blood Institute of the National Institutes of Health and coordinated by Johns Hopkins University (JHU). *Hospital* claims for patients in the NETT *were* identified by the presence of Condition Code EY. The JHU *instructed* hospitals of the correct billing procedures for billing claims under the NETT.