

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-04 Medicare Claims Processing</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 1603</b>	<b>Date: September 26, 2008</b>
	<b>Change Request 5917</b>

**SUBJECT: Claims Jurisdiction and Enrollment Procedures for Suppliers of Certain Prosthetics, Durable Medical Equipment (DME) and Replacement Parts, Accessories and Supplies**

**I. SUMMARY OF CHANGES:** This Change Request reinstates the Part B carrier/Medicare Administrative Contractor (MAC) jurisdiction for suppliers of replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME only. It instructs the Part B carriers/MACs to enroll suppliers of replacement parts, accessories and supplies for implanted DME when the supplier is enrolled with the National Supplier Clearinghouse (NSC) as a Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) supplier. The claims jurisdiction for all other DMEPOS items that are not required to be billed to the intermediary, including non-implantable DMEPOS, remains with the DME MACs.

**New / Revised Material**

**Effective Date: October 27, 2008**

**Implementation Date: October 27, 2008**

*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.

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
R	20/10/Where to Bill DMEPOS and PEN Items and Services

**III. FUNDING:**

**SECTION A: For Fiscal Intermediaries and Carriers:**

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

**SECTION B: 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.

**IV. ATTACHMENTS:**

**Business Requirements**

**Manual Instruction**

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

# Attachment - Business Requirements

Pub. 100-04	Transmittal: 1603	Date: September 26, 2008	Change Request: 5917
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**SUBJECT: Claims Jurisdiction and Enrollment Procedures for Suppliers of Certain Prosthetics, Durable Medical Equipment (DME) and Replacement Parts, Accessories and Supplies**

**Effective Date: October 27, 2008**

**Implementation Date: October 27, 2008**

## I. GENERAL INFORMATION

**A. Background:** A supplier of Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) must meet the conditions specified at 42 CFR 424.57(b) in order to be eligible to receive payment for a Medicare-covered item. In a previously issued Joint Signature Memorandum/Technical Direction Letter (JSM/TDL), the Centers for Medicare and Medicaid Services (CMS) instructed the carriers not to enroll manufacturers of implantable or non-implantable prosthetics and DME, or similar organizations/entities into the Medicare program because these manufacturers/organizations/entities do not qualify as a provider of services or supplier of medical and health services. In lieu of enrollment with the Part B carrier, CMS instructed such suppliers (including manufacturers and similar organizations/entities) that they must enroll with the National Supplier Clearinghouse (NSC) and bill the Medicare program as a DMEPOS supplier to receive Medicare payment for these items. (See JSM/TDL-06465, issued on May 24, 2006.)

In accordance with Chapter 20, §10 of the Medicare Claims Processing Manual (Pub. 100-04), unless billing to the intermediary is required, claims for implanted DME, implanted prosthetic devices, replacement parts, accessories and supplies for the implanted DME must be billed to the Part B carriers/Medicare Administrative Contractors (MACs). The Healthcare Common Procedure Coding System (HCPCS) codes that describe these categories of service are updated annually in late spring. A spreadsheet containing an updated list of the HCPCS for DME Medicare Administrative Contractors (DME MACs) and Part B carrier/MAC jurisdictions is updated annually to reflect codes that have been added or discontinued (deleted) during each year. A recurring update notification is published annually to notify the DME MACs and the Part B carriers/MACs that the list has been updated and is available on the CMS Web site. Both the DME MACs and the carriers/MACs publish this list to educate providers on which contractor they should bill for codes provided on this list. (See Chapter 23, §20.3 of the Medicare Claims Processing Manual, Pub. 100-04.)

This Change Request (CR) reinstates the Part B carrier/MAC jurisdiction for suppliers of replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME only. Suppliers that wish to bill the carrier for these items must enroll with the NSC as a DMEPOS supplier prior to enrolling with, and billing these items to, the Part B carrier/MAC. All suppliers must meet the enrollment standards of the NSC and qualify as a DMEPOS supplier. (A DMEPOS supplier must meet certain requirements and enroll with the NSC as described in Chapter 10 of the Program Integrity Manual, Pub. 100-08.) Suppliers that enroll with the NSC as a DMEPOS supplier should not use their NSC number for billing purposes. Rather, these suppliers must bill the carriers/MACs using their National Provider Identifier (NPI). The claims jurisdiction for all other DMEPOS items that are not required to be billed to the intermediary, including non-implantable DMEPOS, remains with the DME MACs.

The attached excerpt of the 2008 annual jurisdiction list contains the HCPCS codes that may be billed to the carrier as a replacement part, accessory or supply for prosthetic implants and surgically implanted DME, as specified in this instruction. (See Attachment A.)

**B. Policy:** Suppliers enrolled with the NSC as a DMEPOS supplier may enroll with and bill to the carrier/MAC for replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME items that are not required to be billed to the intermediary. Such suppliers may bill the carrier/MAC for these items only, unless the entity separately qualified as a supplier for items and/or services in another benefit category. The NSC should not deactivate such suppliers after twelve consecutive months of non-billing.

Suppliers that enroll with the NSC as a DMEPOS supplier must bill the carrier/MAC using their NPI and shall not include their NSC number on the claim.

## II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B M A C	D M E M A C	F I	C A R R I E R	R H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
5917.1	Carriers/MACs shall enroll suppliers of replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME, when such suppliers are enrolled with the NSC as DMEPOS suppliers.	X			X						NSC
5917.1.1	The NSC shall not deactivate suppliers that enroll with the carrier/MAC, per 5917.1, after 12 consecutive months of non-billing.										NSC
5917.1.2	Upon receipt of a new enrollment application submitted by a supplier of replacement parts, accessories and/or supplies for prosthetic implants and surgically implanted DME, the carrier/MAC shall verify the supplier's enrollment with the NSC by providing the supplier's number to the NSC at the following e-mail address: medicare.nsc@palmettogba.com.	X			X						NSC
5917.1.2.1	Carriers/MACs shall not use e-mail to transmit any sensitive supplier data to the NSC.	X			X						NSC
5917.1.2.2	Within 5 business days of receiving a request from the carrier/MAC, the NSC shall check the supplier's enrollment status with the NSC and send a copy of the supplier's 855S enrollment application by express mail or FAX to the carrier/MAC confirming or denying the supplier's enrollment.										NSC
5917.1.2.3	Carriers/MACs shall retain a copy of the supplier's 855S enrollment application with the NSC in the enrollment file for the supplier.	X			X						
5917.1.3	Carriers/MACs shall use specialty code "88" (unknown provider/supplier) to enroll suppliers of replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME, per 5917.1.	X			X						

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
5917.2	Carriers/MACs shall <u>not</u> enroll suppliers of replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME, when such suppliers are <u>not</u> enrolled with the NSC as DMEPOS suppliers.	X			X					NSC	
5917.2.1	Carriers/MACs shall use denial reason "1" when denying a supplier's enrollment application, per 5917.2.	X			X						
5917.3	Carriers/MACs shall process and pay claims for replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME when submitted by suppliers enrolled with the NSC as DMEPOS suppliers, per 5917.1.	X			X						
5917.4	Carriers/MACs shall deny claims for replacement parts, accessories and supplies for prosthetic implants and surgically implanted DME when submitted by suppliers that are <u>not</u> enrolled with the NSC as DMEPOS suppliers, per 5917.2.	X			X						

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A / B  M A C	D M E  M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				OTHER
							F I S S	M C S	V M S	C W F	
5917.5	<p>A provider education article related to this instruction will be available at <a href="http://www.cms.hhs.gov/MLNMattersArticles/">http://www.cms.hhs.gov/MLNMattersArticles/</a> shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv.</p> <p>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 shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.</p>	X			X						

#### IV. SUPPORTING INFORMATION

**Section A: For any recommendations and supporting information associated with listed requirements, use the box below: N/A**

*Use "Should" to denote a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:

**Section B: For all other recommendations and supporting information, use this space: N/A**

#### V. CONTACTS

**Pre-Implementation Contact(s):** Susan Webster, (410) 786-3384, [susan.webster@cms.hhs.gov](mailto:susan.webster@cms.hhs.gov).

**Post-Implementation Contact(s):** Contact the appropriate Regional Office.

#### VI. FUNDING

**Section A: For *Fiscal Intermediaries (FIs), Carriers, and Regional Home Health Carriers (RHHs)* use only one of the following statements:**

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

**Section B: For *Medicare Administrative Contractors (MACs)*, use the following statement:**

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.

**ATTACHMENT:** 2008 DMEPOS Fee Schedule HCPOS Codes Payable as a Replacement Part, Accessory or Supply for Prosthetic Implants and Surgically Implanted (DME)

**Attachment A - 2008 DMEPOS Fee Schedule HCPCS Codes Payable as a Replacement Part, Accessory or Supply for Prosthetic Implants and Surgically Implanted DME**

***Implanted DME***

<b>HCPCS</b>	<b>Descriptor</b>
E0749	Elec osteogen stim implanted
E0782	Non-programble infusion pump
E0783	Programmable infusion pump
E0785	Replacement impl pump cathet
E0786	Implantable pump replacement
E1399	MISC DME*
A9900	Supply/accessory/service*
A9999	DME supply or accessory, nos*

\*MISC DME (for misc implanted or non-implanted items)

***Implanted Prosthetic Devices, Accessories and Supplies***

<b>HCPCS</b>	<b>Descriptor</b>
A4561	Pessary rubber, any type
A4562	Pessary, non rubber,any type
A7040	One way chest drain valve
A7041	Water seal drain container
A7042	Implanted pleural catheter
A7043	Vacuum drainagebottle/tubing
L8600	Implant breast silicone/eq
L8603	Collagen imp urinary 2.5 ml
L8606	Synthetic implnt urinary 1ml
L8609	Artificial cornea
L8610	Ocular implant
L8612	Aqueous shunt prosthesis
L8613	Ossicular implant
L8614	Cochlear device
L8615	Coch implant headset replace
L8616	Coch implant microphone repl
L8617	Coch implant trans coil repl
L8618	Coch implant tran cable repl
L8619	Replace cochlear processor
L8621	Repl zinc air battery
L8622	Repl alkaline battery
L8623	Lith ion batt CID,non-earlvl
L8624	Lith ion batt CID, ear level
L8630	Metacarpophalangeal implant
L8631	MCP joint repl 2 pc or more
L8641	Metatarsal joint implant
L8642	Hallux implant
L8658	Interphalangeal joint spacer
L8659	Interphalangeal joint repl
L8670	Vascular graft, synthetic
L8680	Implt neurostim elctr each
L8681	Pt prgrm for implt neurostim

**Attachment A - 2008 DMEPOS Fee Schedule HCPCS Codes Payable as a Replacement Part, Accessory or Supply for Prosthetic Implants and Surgically Implanted DME**

L8682 Implt neurostim radiofq rec  
L8683 Radiofq trsmtr for implt neu  
L8684 Radiofq trsmtr implt sclr neu  
L8685 Implt nrostm pls gen sng rec  
L8686 Implt nrostm pls gen sng non  
L8687 Implt nrostm pls gen dua rec  
L8688 Implt nrostm pls gen dua non  
L8689 External recharg sys intern  
L8690 Aud osseo dev, int/ext comp  
L8691 Aud osseo dev ext snd proces  
L8695 External recharg sys extern  
L8699 Misc. implanted prosthetic device  
L9900 O&P supply/accessory/service  
Q0480 Driver pneumatic vad, rep  
Q0481 Microprcsr cu elec vad, rep  
Q0482 Microprcsr cu combo vad, rep  
Q0483 Monitor elec vad, rep  
Q0484 Monitor elec or comb vad rep  
Q0485 Monitor cable elec vad, rep  
Q0486 Mon cable elec/pneum vad rep  
Q0487 Leads any type vad, rep only  
Q0489 Pwr pck base combo vad, rep  
Q0490 Emr pwr source elec vad, rep  
Q0491 Emr pwr source combo vad rep  
Q0492 Emr pwr cbl elec vad, rep  
Q0493 Emr pwr cbl combo vad, rep  
Q0494 Emr hd pmp elec/combo, rep  
Q0495 Charger elec/combo vad, rep  
Q0496 Battery elec/combo vad, rep  
Q0497 Bat clps elec/comb vad, rep  
Q0498 Holster elec/combo vad, rep  
Q0499 Belt/vest elec/combo vad rep  
Q0500 Filters elec/combo vad, rep  
Q0501 Shwr cov elec/combo vad, rep  
Q0502 Mobility cart pneum vad, rep  
Q0503 Battery pneum vad replacemnt  
Q0504 Pwr adpt pneum vad, rep veh  
Q0505 Miscl supply/accessory vad

## **10 - Where to Bill DMEPOS and PEN Items and Services**

*(Rev.1603, Issued: 09-26-08, Effective: 10-27-08, Implementation: 10-27-08)*

Skilled Nursing Facilities, CORFs, OPTs, and hospitals bill the FI for prosthetic/orthotic devices, supplies, and covered outpatient DME and oxygen (refer to [§40](#)). The HHAs may bill Durable Medical Equipment (DME) to the RHHI, or may meet the requirements of a DME supplier and bill the DME *MAC*. This is the HHA's decision. Fiscal Intermediaries (FIs) other than RHHIs will receive claims only for the class "Prosthetic and Orthotic Devices."

Unless billing to the FI is required as outlined in the preceding paragraph, claims for implanted DME, implanted prosthetic devices, replacement parts, accessories and supplies for the implanted DME must be billed to the local carriers/*MACs* and not the DME *MAC*. The Healthcare Common Procedure Coding System (HCPCS) codes that describe these categories of service are updated annually in late spring. All other DMEPOS items are billed to the DME *MAC*. *See the Medicare Claims Processing Manual, Chapter 23, §20.3 for additional information.*

Parenteral and enteral nutrition, and related accessories and supplies, are covered under the Medicare program as a prosthetic device. See the Medicare Benefit Policy Manual, Chapter 15, for a description of the policy. All Parenteral and Enteral (PEN) services furnished under Part B are billed to the DME *MAC*. If a provider ([see §01](#)) provides PEN items under Part B it must qualify for and receive a supplier number and bill as a supplier. Note that some PEN items furnished to hospital and SNF inpatients are included in the Part A PPS rate and are not separately billable. (If a service is paid under Part A it may not also be paid under Part B.)