

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 2565	Date: October 12, 2012
	Change Request 8051

SUBJECT: Reasonable Charge Update for 2013 for Splints, Casts, and Certain Intraocular Lenses

I. SUMMARY OF CHANGES: This transmittal provides instructions regarding the calculation of reasonable charges for payment of claims for splints, casts, and intraocular lenses furnished in calendar year 2013. This Recurring Update Notification applies to Chapter 23, Section 80.

EFFECTIVE DATE: January 1, 2013

IMPLEMENTATION DATE: January 7, 2013

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	

III. FUNDING:

For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:

No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

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. ATTACHMENT:

Recurring Update Notification

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

Attachment - Recurring Update Notification

Pub.100-004	Transmittal: 2565	Date: October 12, 2012	Change Request: 8051
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SUBJECT: Reasonable Charge Update for 2013 for Splints, Casts, and Certain Intraocular Lenses

EFFECTIVE DATE: January 1, 2013

IMPLEMENTATION DATE: January 7, 2013

I. GENERAL INFORMATION

A. Background: Payment continues to be made on a reasonable charge basis for splints and casts, as well as, intraocular lenses implanted in a physician's office. For splints and casts, the Q-codes are to be used when supplies are indicated for cast and splint purposes. This payment is in addition to the payment made under the physician fee schedule for the procedure for applying the splint or cast. For intraocular lenses, payment is only made on a reasonable charge basis for lenses implanted in a physician's office.

B. Policy: This transmittal provides instructions regarding the calculation of reasonable charges for payment of claims for splints, casts, and intraocular lenses furnished in calendar year 2013. Payment on a reasonable charge basis is required for these items by regulations contained in 42 CFR 405.501.

The Inflation Indexed Charge (IIC) is calculated using the lowest of the reasonable charge screens from the previous year updated by an inflation adjustment factor or the percentage change in the consumer price index for all urban consumers (CPI-U) for the 12-month period ending June 30 of each year. The 2013 payment limits for splints and casts will be based on the 2012 limits that were announced in CR 7628 last year, increased by 1.7 percent, the percentage change in the CPI-U for the 12-month period ending June 30, 2012. The IIC update factor for 2013 is 1.7 percent.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement.

Number	Requirement	Responsibility										
		A/B MAC		D M E M A C	F I	C A R R I E R	R H I	Shared- System Maintainers				Other
		P a r t A	P a r t B					F I S S	M C S	V M S	C W F	
8051.1	A/B MACs and Carriers shall compute 2013 customary and prevailing charges for the codes identified below using actual charge data from July 1, 2011 through June 30, 2012. Intraocular Lenses Implanted in a Physician's Office: V2630, V2631 and V2632		X				X					

Number	Requirement	Responsibility											
		A/B MAC		D M E M A C	F I	C A R R I E R	R H H I	Shared-System Maintainers				Other	
		P a r t A	P a r t B					F I S S	M C S	V M S	C W F		
8051.2	A/B MACs and Carriers shall compute 2013 Inflation-Indexed Charge (IIC) amounts for the codes identified in requirement 8051.1 that were not paid using gap-filled payment amounts in 2012.		X										
8051.3	Contractors shall make payment for splints and casts furnished in 2013 based on the lower of the actual charge or the payment limits established for these codes. Refer to Attachment A for a detailed list of the applicable HCPCS codes and 2013 payment limits.	X	X			X	X						
8051.4	Contractors shall use the 2013 reasonable charges or payment limits in Attachment A to pay claims for items furnished from January 1, 2013 through December 31, 2013.	X	X			X	X						

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility											
		A/B MAC		D M E M A C	F I	C A R R I E R	R H H I	Other					
		P a r t A	P a r t B										
8051.5	MLN Article : A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites 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	X	X			X	X						

Number	Requirement	Responsibility						
		A/B MAC	D M E	F I	C A R R I E R	R H H I	Other	
		P a r t A	P a r t B	M A C				
	article shall be included in the contractor's 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.							

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
8051.1 thru 8051.2	Instructions for calculating reasonable charges are located in section 80 of Chapter 23 of the Medicare Claims Processing Manual (Pub. 100-04).
8051.1	Instructions for calculating customary and prevailing charges are located in section 80.2 and 80.4 of Chapter 23 of the Medicare Claims Processing Manual (Pub. 100-04).
8051.2	Instructions for calculating the IIC are located in section 80.6 of Chapter 23 of the Medicare Claims Processing Manual (100-04). The IIC update for 2013 is 1.7 percent.

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

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

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs), and/or Carriers:

No additional funding will be provided by CMS; Contractors activities are to be carried out with 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 do 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 (1)

Attachment A

2013 Payment Limits for Splints and Casts

A4565	\$8.26
Q4001	\$47.00
Q4002	\$177.62
Q4003	\$33.75
Q4004	\$116.86
Q4005	\$12.45
Q4006	\$28.05
Q4007	\$6.23
Q4008	\$14.02
Q4009	\$8.31
Q4010	\$18.70
Q4011	\$4.15
Q4012	\$9.36
Q4013	\$15.13
Q4014	\$25.51
Q4015	\$7.57
Q4016	\$12.75
Q4017	\$8.75
Q4018	\$13.94
Q4019	\$4.38
Q4020	\$6.98
Q4021	\$6.47
Q4022	\$11.68
Q4023	\$3.25
Q4024	\$5.84
Q4025	\$36.29
Q4026	\$113.30
Q4027	\$18.15
Q4028	\$56.67
Q4029	\$27.75
Q4030	\$73.05
Q4031	\$13.87
Q4032	\$36.52
Q4033	\$25.88
Q4034	\$64.38
Q4035	\$12.94
Q4036	\$32.20
Q4037	\$15.79
Q4038	\$39.56
Q4039	\$7.91
Q4040	\$19.77
Q4041	\$19.20
Q4042	\$32.78
Q4043	\$9.61
Q4044	\$16.39
Q4045	\$11.15
Q4046	\$17.93
Q4047	\$5.56

Q4048 \$8.97

Q4049 \$2.03