
CMS Manual System

Pub. 100-04 Medicare Claims Processing

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

Transmittal 451

Date: JANUARY 28, 2005

CHANGE REQUEST 3669

SUBJECT: April 2005 Quarterly Fee Schedule Update for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS)

I. SUMMARY OF CHANGES: This recurring update notification provides specific information regarding the April quarterly update for the 2005 DMEPOS fee schedule.

NEW/REVISED MATERIAL - EFFECTIVE DATE*: April 1, 2005, for new codes added to the HCPCS. January 1, 2005, for all other codes on the fee schedule.

IMPLEMENTATION DATE: April 4, 2005

II. CHANGES IN MANUAL INSTRUCTIONS: *(N/A if manual not updated.)*

| R/N/D | CHAPTER/SECTION/SUBSECTION/TITLE |
|-------|----------------------------------|
| N/A | |
| | |
| | |

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

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

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

Attachment – Recurring Update Notification

| | | | |
|-------------|------------------|------------------------|---------------------|
| Pub. 100-04 | Transmittal: 451 | Date: January 28, 2005 | Change Request 3669 |
|-------------|------------------|------------------------|---------------------|

SUBJECT: April Quarterly Update for 2005 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

I. GENERAL INFORMATION

A. Background: The DMEPOS fee schedules are updated on a quarterly basis in order to implement fee schedule amounts for new codes and to revise any fee schedule amounts for existing codes that were calculated in error. The quarterly updates process for the DMEPOS fee schedule is located in section 60, of chapter 23, of the Medicare Claims Processing Manual (Pub. 100-04).

B. Policy: This recurring update notification provides specific instructions regarding the April quarterly update for the 2005 DMEPOS fee schedule. Payment on a fee schedule basis is required for durable medical equipment (DME), prosthetic devices, orthotics, prosthetics, and surgical dressings by sections 1834(a), (h), and (i) of the Social Security Act. Payment on a fee schedule basis is required for parenteral and enteral nutrition (PEN) by regulations contained in 42 CFR 414.102.

Code K0671 is being added to the HCPCS effective April 1, 2005. This code describes a portable oxygen concentrator system and is to be used when billing Medicare for the portable equipment add-on fee for patients using lightweight oxygen concentrators that can function as both the patient's stationary equipment and portable equipment. Effective for claims with dates of service on or after April 1, 2005, code K0671 is to be used in conjunction with code E1390 (stationary oxygen concentrator) to describe combination stationary/portable oxygen concentrators for Medicare billing purposes. For claims with dates of service prior to April 1, 2005, codes E0431 (portable gaseous oxygen system) and E1390 are to be used to describe combination stationary/portable oxygen concentrators for Medicare billing purposes. Payment for code K0671 will be based on the current add-on fee schedule amounts for portable oxygen equipment.

Code K0670 is being added to the HCPCS effective April 1, 2005, and describes a prosthesis.

Fee schedule amounts were calculated for code E0637 (combination sit to stand system), which was added to the HCPCS effective January 1, 2004; however, the DMERCs are not covering this code. Therefore, this code is being removed from the DMEPOS fee schedule as part of this quarterly update.

There are no changes to the PEN fee schedule file for April 2005.

The fee schedules for items/HCPCS codes submitted to local carriers are not affected by this update; therefore, local carriers do not need to make any changes to their DMEPOS fee schedules as a result of this quarterly update.

C. Provider Education: A Medlearn Matters 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 must be included in your next regularly scheduled bulletin. 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.

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 I | C a r r i e r | D M E R C | Shared System Maintainers | | | |
| F I S S | M C S | | | | | V M S | C W F | | |
| 3669.1 | <p>DMERCs and FIs shall add the HCPCS code listed below to their claims processing systems.</p> <p>K0670 – ADDITION TO LOWER EXTREMITY PROSTHESIS, ENDOSKELETAL KNEE SHIN SYSTEM, MICROPROCESSOR CONTROL FEATURE, STANCE PHASE ONLY, INCLUDES ELECTRONIC SENSOR(S), ANY TYPE</p> <p>TOS = P BETOS = D1F POS = 04, 12, 13, 14, 31, 32, 33, 54, 55, 56 Coverage = C Pricing = 38</p> | X | | | X | | | | |
| 3669.2 | <p>DMERCs and RHHIs shall add the HCPCS code listed below to their claims processing systems.</p> <p>K0671 – PORTABLE OXYGEN CONCENTRATOR, RENTAL</p> <p>TOS = R BETOS = D1C POS = 04, 12, 13, 14, 33, 54, 55, 56 Coverage = D, CIM = 60-4 Pricing = 33</p> | | X | | X | | | | |

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | | |
|--------------------|--|---|-------------|---------------------------------|-----------------------|---------------------------|-------------|--|---|-------|
| | | F I | 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 | | | |
| 3669.3 | DMERCs shall gap-fill base fee schedule amounts for each State in their region for code K0670. DMERCs shall submit ASCII files containing the base fees for code K0670 to CMS central office by January 31, 2005. DMERCs shall follow the instructions for submitting base fee schedule amounts located in section 60, of chapter 23, of the Medicare Claims Processing Manual (Pub. 100-4). Base fee schedule amounts submitted to CMS shall not be updated by any update factors other than the 1.7% (1989) update factor for prosthetics and orthotics. | | | | X | | | | | |
| 3669.4 | HCPCS code K0670 shall be added to CWF categories 3 and 60 and HCPCS code K0671 shall be added to CWF categories 6 and 60. | | | | | | | | X | |
| 3669.5 | DMERCs shall retrieve the DMEPOS Fee Schedule file (filename: MU00.@BF12393.DMEPOS.T050101.V0214) on or after February 14, 2005. Notification of successful receipt shall be sent via e-mail to CMS/Mary Anne Stevenson (mstevenson@cms.hhs.gov) stating the name of the file received and the entity for which they were received (e.g., DMERC name and number). | | | | X | | | | | |
| 3669.6 | FIs and RHHIs shall retrieve the DMEPOS Fee Schedule file (filename: MU00.@BF12393.DMEPOS.T050101.V0221.FI) on or after February 21, 2005. Notification of successful receipt shall be sent via e-mail to CMS/Mary Anne Stevenson (mstevenson@cms.hhs.gov) stating the name of the file received and the entity for which they were received (e.g., RHHI name and number). | X | X | | | | | | | |

| Requirement Number | Requirements | Responsibility (“X” indicates the columns that apply) | | | | | | | |
|--------------------|---|---|-------------|---------------------------------|-----------------------|---------------------------|-------------|--|--|
| | | F I | R H I | C a r r i e r | D M E R C | Shared System Maintainers | | | |
| F I S S | M C S | | | | | V M S | C W F | | |
| 3669.7 | DMERCs, FIs, and RHHIs shall use the 2005 DMEPOS fee schedule amounts from the DMEPOS Fee Schedule file to pay claims with dates of service on or after January 1, 2005, except for K0670 and K0671. DMERCs, FIs, and RHHIs shall use the 2005 DMEPOS fee schedule amounts for K0670 and K0671 from the DMEPOS Fee Schedule file to pay claims with dates of service on or after April 1, 2005. | X | X | | X | | | | |

III. 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

IV. SCHEDULE, CONTACTS, AND FUNDING

| | |
|--|---|
| <p>Effective Date*: April 1, 2005, for HCPCS codes K0670 and K0671. January 1, 2005, for all other codes on the DMEPOS fee schedule.</p> <p>Implementation Date: April 4, 2005</p> <p>Pre-Implementation and Post-Implementation Contact: Joel Kaiser, 410-786-4499</p> | <p>Medicare contractors shall implement these instructions within their current operating budgets.</p> |
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***Unless otherwise specified, the effective date is the date of service.**