

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 825

Department of Health & Human Services (DHHS)

Center for Medicare & Medicaid Services (CMS)

Date: FEBRUARY 1, 2006

Change Request 4223

SUBJECT: System Edits for Respiratory Assist Devices (RADs) with Bi-Level Capability and a Back-Up Rate

I. SUMMARY OF CHANGES: This CR authorizes the system edits necessary to implement the final rule, CMS-1167-F, Payment for Respiratory Assist Devices (RADs) with Bi-Level Capability and a Back-Up Rate.

NEW/REVISED MATERIAL

EFFECTIVE DATE: April 1, 2006

IMPLEMENTATION DATE: April 3, 2006

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:

No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

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

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 825	Date: February 1, 2006	Change Request 4223
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SUBJECT: System Edits for Respiratory Assist Devices (RADs) with Bi-Level Capability and a Back-Up Rate

I. GENERAL INFORMATION

A. Background: System changes are needed in order to implement final rule, CMS-1167-F, Payment for Respiratory Assist Devices (RADs) with Bi-Level Capability and a Back-Up Rate. The final rule was published January 27, 2006.

B. Policy: The final rule, CMS-1167-F, clarifies that respiratory assist devices with bi-level capability and a back-up rate must be paid as capped rental items of durable medical equipment (DME) under the Medicare program and not paid as items requiring frequent and substantial servicing (FSS), as defined in section 1834(a)(3) of the Social Security Act.

In response to the regulation, the payment categories for codes E0471 and E0472 are being revised to move the respiratory assist devices (RADs) from the DME category for frequently serviced items to the DME payment category for capped rental items, effective April 1, 2006. The first claim received for each beneficiary for these codes with a date of service on or after April 1, 2006 shall be counted as the first rental month in the cap rental period. Suppliers should be instructed to begin submitting cap rental modifiers KH, KI or KJ, as appropriate, with all rental claims for these codes with dates of service on or after April 1, 2006.

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			
					F I S S	M C S	V M S	C W F	
4223.1	The CWF shall change the DME payment category for HCPCS codes E0471 and E0472 from CWF category (2), frequent and substantial servicing (FSS) to CWF category (1), capped rental (CR).							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			
4223.1.1	The termination date for HCPCS codes E0471 and E0472, submitted as CWF category 2, is March 31, 2006.								X	
4223.1.2	The effective date for HCPCS codes E0471 and E0472, submitted as CWF category 1, is April 1, 2006.								X	
4223.2	The DMERCs and RHHIs shall change the DME payment category for the HCPCS codes E0471 and E0472 from the frequent and substantial servicing (FSS) category to the capped rental (CR) category.		X		X					
4223.3	Claims with dates of service prior to April 1, 2006 for codes E0471 and E0472 shall not be counted toward the rental cap once these items are moved to the capped rental category.		X		X				X	
4223.4	Suppliers should be instructed to begin submitting cap rental modifiers KH, KI, or KJ, as appropriate, with all rental claims for these codes with dates of service on or after April 1, 2006.		X		X					

III. PROVIDER EDUCATION

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			
4223.5	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		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		
	<p>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.</p>								

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: Final Rule, CMS-1167-F

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: April 1, 2006</p> <p>Implementation Date: April 3, 2006</p> <p>Pre-Implementation Contact(s): Karen Jacobs 410-786-2173; Joel Kaiser 410-786-4499</p> <p>Post-Implementation Contact(s): Karen Jacobs 410-786-2173; Joel Kaiser 410-786-4499</p>	<p>No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2006 operating budgets.</p>
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