

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 880

Department of Health & Human Services (DHHS)

Centers for Medicare & Medicaid Services (CMS)

Date: MARCH 3, 2006

Change Request 4335

SUBJECT: April Quarterly Update for 2006 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

I. SUMMARY OF CHANGES: 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 update process for the DMEPOS fee schedule is located in section 60, chapter 23, of the Medicare Claims Processing Manual (Pub. 100-04). This recurring update notification provides specific instructions regarding the April quarterly update for the 2006 DMEPOS fee schedule.

NEW/REVISED MATERIAL

EFFECTIVE DATE: January 01, 2006

IMPLEMENTATION DATE: April 03, 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:

Recurring Update Notification

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

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal: 880	Date: March 3, 2006	Change Request 4335
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SUBJECT: April Quarterly Update for 2006 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, 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 2006 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.

The fee schedule amounts for HCPCS code K0730, Controlled dose inhalation drug delivery system, were added to the fee schedule file on April 1, 2006, and are effective for claims with dates of service on or after April 1, 2005.

The fee schedule amounts for HCPCS code E1010, Wheelchair accessory, addition to power seating system, power leg elevation system, including leg rest, were inadvertently dropped from the January fee schedule file and are being added back to the file as part of the April 2006 update.

Per CR 4223, the payment categories for codes E0471 and E0472 are being revised to move 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 fee schedule file will be updated to reflect this change as part of this update.

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	Other
		I	H	a	M	Maintainers	
		U	*	F			

						F I S S	M C S	V M S	C W F	
4335.1	DMERC and local carriers shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T060101.V0214) on or after February 14, 2006. Notification of successful receipt shall be sent via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which they were received (e.g. carrier name and number).			X	X					
4335.2	FIs and RHHIs shall retrieve the DMEPOS fee schedule file (filename: MU00.@BF12393.DMEPOS.T060101.V0221.FI) on or after February 21, 2006. Notification of successful receipt shall be sent via e-mail to price_file_receipt@cms.hhs.gov stating the name of the file received and the entity for which they were received (e.g., FI name and number).	X	X							
4335.3	Contractors shall use the 2006 DMEPOS fee schedule amounts from the DMEPOS fee schedule file to pay claims with dates of service on or after January 1, 2006	X	X	X	X					
4335.4	Carriers and DMERCs shall adjust previously processed claims for code K0730 with dates of service on or after April 1, 2005, if they are resubmitted as adjustments.				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		
4335.5	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 established "medlearn matters" listserv.	X	X	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		
	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.								

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

<p>Effective Date*: January 1, 2006 for implementation of fee schedule amounts for codes in effect on January 1, 2006 and April 1, 2005 for HCPCS code K0730.</p> <p>Implementation Date: April 3, 2006</p> <p>Pre- and Post-Implementation Contact(s): Karen Jacobs, (410) 786-2173 or 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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