MLN Matters Number: MM3300

Related Change Request (CR) #: 3300

Related CR Release Date: July 24, 2004

Effective Date: January 1, 2005

Related CR Transmittal #: 236

Implementation Date: January 3, 2005

2005 DMEPOS Pricing File Record Layout Expansion and New Pricing Procedures for Certain DMEPOS Items Based on Modifiers

Note: This article was revised to contain web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

Important Note: Change Request (CR) 3300 was revised by CR 3714 (Transmittal 489, dated March 4, 2005). CR3714 removes the instruction in CR 3300 (Business Requirement 3300.6) that requires modifier AU to always be present with HCPCS code A4217. The presence of HCPCS code A4217 without modifier AU may be considered a DME supply and processed accordingly. To see CR 3714, go to the following CMS web site:

http://www.cms.hhs.gov/transmittals/downloads/R489CP.pdf

To see the MLN Matters article related to CR 3714, go to:

http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3714.pdf

Provider Types Affected

Durable medical equipment (DME) suppliers and home health agencies (HHAs)

Provider Action Needed

STOP – Impact to You

Medicare will allow for two modifiers effective January 1, 2005, to permit proper payment for DME, prosthetics, and orthotics (DMEPOS).

CAUTION – What You Need to Know

Please note updated instructions for proper reporting and payment of modifiers AU, AV, and AW when billing for HCPCS codes A4217,

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A4450, and A4452 and of modifier KF when billing for DME classified as Class III devices.

GO – What You Need to Do

Ensure that your billing practices comply with changes noted in this article to obtain accurate and timely payment for DMEPOS.

Background

The following modifiers were added to the HCPCS to identify supplies and equipment that may be covered under more than one DMEPOS benefit category:

Modifiers	Pertaining to:	Relevant HCPCS codes
AU Item furnished in conjunction with a urological, ostomy, or	tracheostomy supply	A4217, A4450 and A4452
AV Item furnished in conjunction with a prosthetic device,	prosthetic or orthotic	A4450 and A4452
AW Item furnished in conjunction with a surgical dressing A4450 and A4452		

Currently, codes A4217, A4450 and A4452 for tape are the only codes that have been identified that would require use of the modifiers AU, AV, or AW. Providers must report the appropriate modifiers on claims for items identified by codes A4217, A4450, and A4452 that are furnished on or after January 1, 2005.

On January 3, 2005, Medicare systems will have an expanded file format that will allow entry of two modifiers. Until the file is expanded, the complete DMEPOS fee schedule, including modifiers, is available to your intermediary at:

http://www.cms.hhs.gov/DMEPOSFeeSched/LSDMEPOSFEE/list.asp

In addition, it provides instructions for proper reporting and payment of modifiers AU, AV, and AW when billing for HCPCS codes A4217, A4450 and A4452, as well as for modifier KF for Class III devices. Currently, the only situation in which more than one modifier will be used in pricing is when modifier KF is used in conjunction with existing DME modifiers NU, RR, and UE.

Elevating/stair climbing power wheelchairs are class III devices. (In previous transmittal 35, dated December 24, 2003). Billing for these devices is as follows:

HCPCS code K0011

Claims for the base power wheelchair portion of this device are to be billed using HCPCS code K0011 with modifier KF for claims received on or after April 1, 2004, with dates of service on or after January 1, 2004.

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HCPCS code E2300

Claims for the elevation feature for this device should be billed using HCPCS code E2300 for claims with dates of service on or after January 1, 2004.

HCPCS code A9270

Claims for the stair climbing feature for this device should be billed using HCPCS code A9270 for claims with dates of service on or after January 1, 2004.

Regional Home Health Intermediaries (RHHIs) will not be able to implement the KF modifier until January 1, 2005.

For claims with dates of service prior to January 1, 2005:

HHAs should note that claims for the base power wheelchair portion of stair-climbing wheelchairs must be submitted with HCPCS code E1399, and RHHIs should pay claims for stair-climbing wheelchair bases billed with code E1399 using the fee schedule amounts for K0011 with the KF modifier.

All other claims for programmable power wheelchair bases should be paid using the fee schedule amounts for K0011 without the KF modifier.

Effective for claims with dates of service on or after January 1, 2005:

HHAs must submit modifier KF along with the applicable HCPCS code for all DME items classified by the FDA as class III devices.

The fee schedule amounts for K0011, with and without the KF modifier, appear on the online fee schedule file referenced at http://www.cms.hhs.gov/DMEPOSFeeSched/LSDMEPOSFEE/list.asp

Additional Information

The official instruction issued to the intermediary regarding this change can be found online, referenced via CR3300, at http://www.cms.hhs.gov/transmittals/Downloads/R236CP.pdf

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