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Implementation of the Centers for Medicare & Medicaid Services (CMS) Ruling 05-01 Regarding Presbyopia-Correcting Intraocular Lenses (IOLs) for Medicare Beneficiaries

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

Provider Types Affected

Physicians, providers, and suppliers billing Medicare carriers or Fiscal Intermediaries (FIs) for IOLs

Provider Action Needed



STOP – Impact to You

In a recent ruling, the Centers for Medicare & Medicaid Services (CMS) clarified payment rules that enable Medicare beneficiaries to have the choice of receiving presbyopia-correcting intraocular lenses (IOLs). A beneficiary may request insertion of a presbyopia-correcting IOL in place of a conventional IOL following cataract surgery.



CAUTION – What You Need to Know

The beneficiary is responsible for payment of that portion of the charge for the presbyopia-correcting IOL and associated services that exceed the charge for insertion of a conventional IOL following cataract surgery.



GO – What You Need to Do

See the *Background* and *Additional Information* sections of this article for further details regarding this change.

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Background

The Centers for Medicare & Medicaid Services (CMS) recently announced a ruling (CMS Ruling 05-01 dated May 2005) that clarified its payment rules to present beneficiaries with the choice to receive presbyopia-correcting intraocular lenses (IOLs). Prior to this ruling, limitations on Medicare payment prevented beneficiaries from receiving these lenses. Now beneficiaries who choose to purchase this additional feature will be able to do so, provided they assume liability for the additional expense of that feature.

Note: CMS Ruling 05-01 is included below in the *Additional Information* section of this Special Edition article.

Presbyopia-Correcting IOL

Presbyopia is a type of age-associated refractive error that results in progressive loss of the focusing power of the lens of the eye, causing difficulty seeing objects at near distance, or close-up. Presbyopia occurs as the natural lens of the eye becomes thicker and less flexible with age.

A single presbyopia-correcting IOL can provide what would otherwise be achieved by two separate items:

- An implantable conventional IOL that restores far vision; and
- Eyeglasses or contact lenses that correct for presbyopia.

Note: The statute specifically excludes correction of common refractive errors from Medicare coverage.

Coverage Ruling

Payment for conventional IOLs furnished in an outpatient setting is covered by Medicare. However, providers have generally not offered beneficiaries presbyopia-correcting IOLs because the costs for this advanced technology substantially exceed Medicare's payment.

This ruling by CMS clarifies that ***a beneficiary may request insertion of a presbyopia-correcting IOL in place of a conventional IOL following cataract surgery.***

The beneficiary is responsible for payment of that portion of the charge for the presbyopia-correcting IOL and associated services that exceed the charge for insertion of a conventional IOL following cataract surgery.

Effective for services furnished on or after May 3, 2005, the following are considered "presbyopia-correcting IOLs" by CMS:

- Crystalens™, manufactured by Eyeonics, Inc.
- AcrySof RESTOR™, manufactured by Alcon Laboratories, Inc.
- ReZoom™, manufactured by Advanced Medical Optics, Inc.

As a result of CMS ruling 05-01, the following policies may be stated.

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Payment Policy for Facility Services and Supplies

- For an IOL inserted **following removal of a cataract** in a hospital, on either an outpatient or inpatient basis, that is paid under the hospital outpatient prospective payment system (OPPS) or the inpatient prospective payment system (IPPS), respectively; or in a Medicare-approved ambulatory surgical center (ASC) that is paid under the ASC fee schedule:
 - Payment for the IOL is packaged into the payment for the surgical cataract extraction/lens replacement procedure. Medicare does not make separate payment to the hospital or the ASC for an IOL inserted following removal of a cataract.
 - Any person or ASC, who presents or causes to be presented a bill or request for payment for an IOL inserted following removal of a cataract for which payment is made under the ASC fee schedule, is subject to a civil money penalty.
- For a presbyopia-correcting IOL inserted **following removal of a cataract** in a hospital, on either an outpatient or inpatient basis, that is paid under the OPPS or the IPPS, respectively; or in a Medicare-approved ASC that is paid under the ASC fee schedule:
 - The facility will bill for removal of a cataract with insertion of a conventional IOL, regardless of whether a conventional or presbyopia-correcting IOL is inserted. When a beneficiary receives a presbyopia-correcting IOL **following removal of a cataract**, hospitals and ASCs shall report the same CPT code that is used to report removal of a cataract with insertion of a conventional IOL (see "Coding" below).
 - There is no Medicare benefit category that allows payment of facility charges for services and supplies required to insert and adjust a presbyopia-correcting IOL **following removal of a cataract** that exceed the facility charges for services and supplies required for the insertion and adjustment of a conventional IOL.
 - There is no Medicare benefit category that allows payment of facility charges for subsequent treatments, services and supplies required to examine and monitor the beneficiary who receives a presbyopia-correcting IOL **following removal of a cataract** that exceed the facility charges for subsequent treatments, services and supplies required to examine and monitor a beneficiary **after cataract surgery** followed by insertion of a conventional IOL.

Payment Policy for Physician Services and Supplies

- For an IOL inserted following removal of a cataract in a physician's office:
 - Medicare makes separate payment, based on reasonable charges, for an IOL inserted following removal of a cataract that is performed at a physician's office.
- For a presbyopia-correcting IOL inserted following removal of a cataract in a physician's office:
 - A physician shall bill for a conventional IOL, regardless of whether a conventional or presbyopia-correcting IOL is inserted (see "Coding," below).
 - There is no Medicare benefit category that allows payment of physician charges for services and supplies required to insert and adjust a presbyopia-correcting IOL **following removal of a**

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cataract that exceed the physician charges for services and supplies for the insertion and adjustment of a conventional IOL.

- There is no Medicare benefit category that allows payment of physician charges for subsequent treatments, services and supplies required to examine and monitor a beneficiary **following removal of a cataract** with insertion of a presbyopia-correcting IOL that exceed the physician charges for services and supplies to examine and monitor a beneficiary **following removal of a cataract** with insertion of a conventional IOL.
- For a presbyopia-correcting IOL inserted **following removal of a cataract** in a hospital or ASC:
 - A physician may not bill Medicare for a presbyopia-correcting IOL inserted during a cataract procedure performed in those settings because payment for the lens is included in the payment made to the facility for the entire procedure.
 - There is no Medicare benefit category that allows payment of physician charges for services and supplies required to insert and adjust a presbyopia-correcting IOL **following removal of a cataract** that exceed physician charges for services and supplies required for the insertion of a conventional IOL.
 - There is no Medicare benefit category that allows payment of physician charges for subsequent treatments, services and supplies required to examine and monitor a beneficiary **following removal of a cataract** with insertion of a presbyopia-correcting IOL that exceed the physician charges for services and supplies required to examine and monitor a beneficiary **following cataract surgery** with insertion of a conventional IOL.

Coding Requirements

- No new codes are being established at this time to identify a presbyopia-correcting IOL or procedures and services related to a presbyopia-correcting IOL.
- Hospitals, ASCs, and physicians should use one of the following CPT codes to bill Medicare for removal of a cataract with IOL insertion:
 - 66982 Extracapsular cataract removal with insertion of intraocular lens prosthesis (one stage procedure), manual or mechanical technique (e.g., irrigation and aspiration or phacoemulsification), complex, requiring devices or techniques not generally used in routine cataract surgery (e.g., iris expansion device, suture support for intraocular lens, or primary posterior capsulorrhexis) or performed on patients in the amblyogenic developmental stage
 - 66983 Intracapsular cataract extraction with insertion of intraocular lens prosthesis (one stage procedure)
 - 66984 Extracapsular cataract removal with insertion of intraocular lens prosthesis (one stage procedure), manual or mechanical technique (e.g., irrigation and aspiration or phacoemulsification)
- Physicians inserting an IOL or a presbyopia-correcting IOL in a **physician's office setting only**, may bill code V2632 (posterior chamber intraocular lens) for the IOL or the presbyopia-correcting IOL, which is paid on a reasonable charge basis. **Physicians must remember that they may only bill for professional services and not the lens itself when performing cataract surgery in an ASC or**

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outpatient setting. In these settings, payment for the lens is packaged into the facility payment for the cataract extraction.

- Hospitals, ASCs, and physicians should use the following CPT codes to bill Medicare for evaluation and management services usually associated with services following cataract extraction surgery:
 - 92002 Ophthalmological services; medical examination and evaluation with initiation of diagnostic an treatment program; intermediate, new patient
 - 92004 Ophthalmological services; medical examination and evaluation with initiation of diagnostic an treatment program; comprehensive, new patient, one or more visits
 - 92012 Ophthalmological services; medical examination and evaluation with initiation or continuation of diagnostic and treatment program; intermediate, established patient
 - 92014 Ophthalmological services; medical examination and evaluation with initiation or continuation of diagnostic and treatment program; comprehensive, established patient, one or more services
- Hospital outpatient claims should be submitted on type of bill (TOB) 12X, 13X, 83X, or 85X, as appropriate.

Beneficiary Liability

- When the beneficiary requests and receives a presbyopia-correcting IOL instead of a conventional IOL **following removal of a cataract**, the beneficiary is responsible for payment of facility and physician charges for services and supplies attributable to the presbyopia-correcting functionality of the presbyopia-correcting IOL:
 - In determining the beneficiary's liability, the facility and physician may take into account any additional work and resources required for insertion, fitting, vision acuity testing, and monitoring of the presbyopia-correcting IOL that exceeds the work and resources attributable to insertion of a conventional IOL.
 - The physician and the facility may not charge for cataract extraction with insertion of a presbyopia-correcting IOL unless the beneficiary requests this service.
 - The physician and the facility may not require the beneficiary to request a presbyopia-correcting IOL as a condition of performing a cataract extraction with IOL insertion.

Provider Notification Requirements

- When a beneficiary requests insertion of a presbyopia-correcting IOL instead of a conventional IOL following removal of a cataract:
 - Prior to the procedure to remove a cataractous lens and insert a presbyopia-correcting IOL, the facility and the physician must inform the beneficiary that Medicare will not make payment for services that are specific to the insertion, adjustment or other subsequent treatments related to the presbyopia-correcting functionality of the IOL.
 - The presbyopia-correcting functionality of a presbyopia-correcting IOL does not fall into a Medicare benefit category, and therefore, is not covered. Therefore, the facility and physician are not

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required to provide an Advanced Beneficiary Notice (ABN) to beneficiaries who request a presbyopia-correcting IOL

- Although not required, CMS strongly encourages facilities and physicians to issue a Notice of Exclusion from Medicare Benefits to beneficiaries in order to clearly identify the non-payable aspects of a presbyopia-correcting IOL insertion. This notice may be found in English at <http://www.cms.hhs.gov/BNI/Downloads/CMS20007English.pdf> and in Spanish at <http://www.cms.hhs.gov/BNI/Downloads/CMS20007Spanish.pdf> on the CMS website.

Additional Information

The actual CMS ruling may be viewed at <http://www.cms.hhs.gov/Rulings/downloads/CMSR0501.pdf> on the CMS website.

For complete details, please see the official instruction issued to your carrier or intermediary regarding this change, which may be found by going to <http://www.cms.hhs.gov/transmittals/downloads/R636CP.pdf> on the CMS website.

If you have any questions, please contact your Medicare carrier or intermediary at their toll-free number, which may be found at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.

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