



News Flash – The 2nd Edition of *The Guide to Medicare Preventive Services for Physicians, Providers, Suppliers, and Other Health Care Professionals* is now available in downloadable format from the Centers for Medicare & Medicaid Services, Medicare Learning Network (MLN). This comprehensive guide provides fee-for-services health care providers and suppliers with coverage, coding, billing and reimbursement information for preventive services and screenings covered by Medicare. This guide gives clinicians and their staff the information they need to help them in recommending Medicare-covered preventive services and screenings that are right for their Medicare patients and provides information needed to effectively bill Medicare for services furnished. To view online, go to http://www.cms.hhs.gov/MLNProducts/downloads/mps_guide_web-061305.pdf on the CMS website.

MLN Matters Number: MM5740

Related Change Request (CR) #: 5740

Related CR Release Date: September 28, 2007

Effective Date: January 1, 2008

Related CR Transmittal #: R1344CP

Implementation Date: January 7, 2008

Reasonable Charge Update for 2008 for Splints, Casts, Dialysis Supplies, Dialysis Equipment, and Certain Intraocular Lenses

Note: This article was revised on November 7, 2007 to change the title to the chart showing the payment limits. That chart should have read “2008” and not “2007”. All other information is unchanged.

Provider Types Affected

Physicians, providers, and suppliers billing Medicare contractors (carriers, Fiscal Intermediaries, (FIs), Medicare Administrative Contractors (A/B MACs), and Durable Medical Equipment Medicare Administrative Contractors (DME MACs)) for splints, casts, dialysis equipment, and certain intraocular lenses.

Provider Action Needed

Affected providers may want to be certain their billing staffs know of these changes.

Background

For calendar year 2008, Medicare will continue to pay on a reasonable charge basis for splints, casts, dialysis supplies, dialysis equipment and intraocular lenses. For intraocular lenses, payment is only made on a reasonable charge

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basis for lenses implanted in a physician's office. For splints and casts, the Q-codes are to be used when supplies are indicated for cast and splint purposes. This payment is in addition to the payment made under the Medicare physician fee schedule for the procedure for applying the splint or cast.

Change Request (CR) 5740 provides instructions regarding the calculation of reasonable charges for payment of claims for splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses furnished in calendar year 2008. Payment on a reasonable charge basis is required for these items by regulations contained in 42 CFR 405.501 at: <http://www.gpoaccess.gov/cfr/retrieve.html> on the Internet. The 2008 payment limits for splints and casts will be based on the 2007 limits that were announced in CR 5382 last year, increased by 2.7 percent, the percentage change in the consumer price index for all urban consumers for the 12-month period ending June 30, 2007. The MLN Matters article related to CR 5382 can be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5382.pdf> on the CMS website.

For intraocular lenses, payment is made **only on a reasonable charge basis for lenses implanted in a physician's office**. Change Request 5740 instructs your carrier, or A/B MAC to compute 2008 customary and prevailing charges for the V2630, V2631, and V2632 (Intraocular Lenses Implanted in a Physician's Office) using actual charge data from July 1, 2006, through June 30, 2007.

Carriers and A/B MACs will compute 2008 Inflation-Indexed Charge (IIC) amounts for the V2630, V2631, and V2632 that were not paid using gap-filled payment amounts in 2007.

DME MACs will compute 2008 customary and prevailing charges for the codes identified in the following tables using actual charge data from July 1, 2006, through June 30, 2007. For these same codes, they will compute 2008 IIC amounts for the codes identified in the following tables that were not paid using gap-filled amounts in 2007. These tables are:

Dialysis Supplies Billed With AX Modifier

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| A4216 | A4217 | A4248 | A4244 | A4245 | A4246 |
| A4247 | A4450 | A4452 | A6250 | A6260 | A4651 |
| A4652 | A4657 | A4660 | A4663 | A4670 | A4927 |
| A4928 | A4930 | A4931 | A6216 | A6402 | |

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Dialysis Supplies Billed Without AX Modifier

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| A4653 | A4671 | A4672 | A4673 | A4674 | A4680 |
| A4690 | A4706 | A4707 | A4708 | A4709 | A4714 |
| A4719 | A4720 | A4721 | A4722 | A4723 | A4724 |
| A4725 | A4726 | A4728 | A4730 | A4736 | A4737 |
| A4740 | A4750 | A4755 | A4760 | A4765 | A4766 |
| A4770 | A4771 | A4772 | A4773 | A4774 | A4802 |
| A4860 | A4870 | A4890 | A4911 | A4918 | A4929 |
| E1634 | | | | | |

Dialysis Equipment Billed With AX Modifier

| | | | |
|---------|-------|-------|-------|
| E0210NU | E1632 | E1637 | E1639 |
|---------|-------|-------|-------|

Dialysis Equipment Billed Without AX Modifier

| | | | | | |
|-------|-------|-------|-------|-------|-------|
| E1500 | E1510 | E1520 | E1530 | E1540 | E1550 |
| E1560 | E1570 | E1575 | E1580 | E1590 | E1592 |
| E1594 | E1600 | E1610 | E1615 | E1620 | E1625 |
| E1630 | E1635 | E1636 | | | |

Carriers and A/B MACs will make payment for splints and casts furnished in 2008 based on the lower of the actual charge or the payment limits established for these codes. **Contractors** will use the 2008 reasonable charges or the attached 2008 splints and casts payment limits to pay claims for items furnished from January 1, 2008 through December 31, 2008. **Those 2008 payment limits are in Attachment A at the end of this article.**

Additional Information

Detailed instructions for Calculating:

- Reasonable charges are located in Chapter 23 (Section 80) of the *Medicare Claims Processing Manual*;
- Customary and prevailing charge are located in Section 80.2 and 80.4 of Chapter 23 of the *Medicare Claims Processing Manual*; and
- The IIC (Inflation Indexed Charge) are located in Section 80.6 of Chapter 23 of the *Medicare Claims Processing Manual*. The IIC update factor for 2008 is 2.7 percent.

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You can find Chapter 23 of the *Medicare Claims Processing Manual* at <http://www.cms.hhs.gov/manuals/downloads/clm104c23.pdf> on the CMS website.

For complete details regarding this Change Request (CR) please see the official instruction (CR5740) issued to your Medicare FI, carrier, DME MAC, or A/B MAC. That instruction may be viewed by going to <http://www.cms.hhs.gov/transmittals/downloads/R1344CP.pdf> on the CMS website.

If you have questions, please contact your Medicare FI, carrier, DME MAC, or A/B MAC 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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Attachment A

2008 Payment Limits for Splints and Casts

| Code | Payment Limit | Code | Payment Limit |
|-------|---------------|-------|---------------|
| A4565 | \$7.38 | Q4025 | \$32.45 |
| Q4001 | \$42.01 | Q4026 | \$101.30 |
| Q4002 | \$158.81 | Q4027 | \$16.23 |
| Q4003 | \$30.18 | Q4028 | \$50.66 |
| Q4004 | \$104.49 | Q4029 | \$24.81 |
| Q4005 | \$11.12 | Q4030 | \$65.31 |
| Q4006 | \$25.08 | Q4031 | \$12.41 |
| Q4007 | \$5.58 | Q4032 | \$32.65 |
| Q4008 | \$12.54 | Q4033 | \$23.14 |
| Q4009 | \$7.43 | Q4034 | \$57.56 |
| Q4010 | \$16.72 | Q4035 | \$11.57 |
| Q4011 | \$3.71 | Q4036 | \$28.79 |
| Q4012 | \$8.36 | Q4037 | \$14.12 |
| Q4013 | \$13.52 | Q4038 | \$35.37 |
| Q4014 | \$22.81 | Q4039 | \$7.08 |
| Q4015 | \$6.76 | Q4040 | \$17.68 |
| Q4016 | \$11.40 | Q4041 | \$17.16 |
| Q4017 | \$7.82 | Q4042 | \$29.30 |
| Q4018 | \$12.47 | Q4043 | \$8.59 |
| Q4019 | \$3.91 | Q4044 | \$14.66 |
| Q4020 | \$6.24 | Q4045 | \$9.96 |
| Q4021 | \$5.78 | Q4046 | \$16.03 |
| Q4022 | \$10.44 | Q4047 | \$4.97 |
| Q4023 | \$2.91 | Q4048 | \$8.02 |
| Q4024 | \$5.22 | Q4049 | \$1.82 |

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