



# MLN Matters



Information for Medicare Fee-for-Service Health Care Professionals

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Related Change Request (CR) #: 3430

Related CR Release Date: September 10, 2004

Effective Date: January 1, 2005

Related CR Transmittal #: 297

Implementation Date: January 3, 2005

## **MMA - Reasonable Charge Update for 2005 for Splints, Casts, Dialysis Supplies, Dialysis Equipment, Therapeutic Shoes, and Certain Intraocular Lenses**

**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

### **Provider Action Needed**

This instruction provides details regarding the calculation of reasonable charges for the payment of claims for splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses furnished in calendar year 2005.

### **Background**

Payment on a reasonable charge basis is required for splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses by regulations contained in 42 Code of Federal Regulations (CFR) 405.501.

This instruction provides details regarding the calculation of reasonable charges for payment of claims for **splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses** furnished in calendar year 2005.

- For **therapeutic shoe HCPCS codes A5500, A5501, A5503-A5507, K0628, and K0629** the Medicare Modernization Act of 2003 (MMA, Section 627) changes the payment methodology from reasonable charge to the prosthetic and orthotic fee schedule. Further information on the pricing update for

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therapeutic shoes will be provided in a separate article for the 2005 update of the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule.

For splints and casts the following applies:

- The 2005 gap-filled amounts will be based on the 2004 amounts increased by 3.3 percent, the percentage change in the consumer price index for all urban consumers for the 12-month period ending June 30, 2004.
- **For splints and casts** furnished by hospital outpatient departments, payment is built into the Outpatient Prospective Payment System (OPPS) payment amounts.
- **For splint or cast materials**, payment is only made on a reasonable charge basis for splint or cast materials used by physicians or other practitioners to reduce a fracture or dislocation, and this payment is in addition to the payment made under the physician fee schedule for the procedure for applying the splint or cast.
- For **intraocular lenses (HCPCS codes of V2630, V2631, and V2632)**, payment is only made on a reasonable charge basis for lenses implanted at a physician's office.

## Implementation

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The implementation date for this instruction is January 3, 2005.

## Additional Information

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For complete details, please see the official instruction issued to your carrier or DMERC regarding this change. That instruction may be viewed by going to <http://www.cms.hhs.gov/transmittals/Downloads/R297CP.pdf> on the CMS website.

That CR has a detailed list of HCPCS codes for splints and casts with associated gap-filled payment amounts that your carrier will use in making payment in 2005 based on the lower of the actual charge or the gap-filled payment amount.

If you have any questions, please contact your carrier or DMERC 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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