
Program Memorandum Intermediaries/Carriers

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal AB-01-178

Date: DECEMBER 12, 2001

CHANGE REQUEST 1952

SUBJECT: April Quarterly Update for 2002 Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Fee Schedule

This Program Memorandum (PM) provides specific instructions regarding the April quarterly update for the 2002 DMEPOS fee schedule.

Durable Medical Equipment Regional Carriers are to gap-fill base fee schedule amounts for each State for Healthcare Common Procedure Coding System (HCPCS) codes K0561 through K0580 in accordance with instructions located in ' 5102.2 of the Medicare Carriers Manual. These codes are new for April and are located in the payment category for ostomy supplies. The gap-filled State fee schedule amounts should be increased by the cumulative covered item update (i.e., through 2002). Given the time needed to correctly gap-fill the base fee schedule amounts for these codes, the fee schedule ceiling and floor limits will not be applied to these codes for items furnished from April 1, 2002 through June 30, 2002. The fee schedule ceiling and floor limits for these codes will be calculated and implemented as part of the July quarterly update for the 2002 DMEPOS fee schedule.

July Quarterly Update

The base fees for codes K0561 through K0580 should be submitted to central office by no later than April 10, 2002, and are not to be updated by any covered item update factors other than the 1.7 percent (1989) update factor for base fees. Update factors that are applicable subsequent to 1989 will be added by central office as part of the fee schedule calculation process.

The effective date for this PM is April 1, 2002, for claims with dates of service on or after January 1, 2002.

The implementation date for this PM is April 1, 2002.

Any questions regarding these instructions should be directed to Joel Kaiser on (410) 786-4499. Questions regarding the transmission of the file, the file layout, and submission of base fees to central office should be directed to Mary Anne Stevenson on (410) 786-1818.

These instructions should be implemented within your current operating budget.

This PM may be discarded January 1, 2003.