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Reasonable Charge Update for 2006 for Splints, Casts, Dialysis Supplies, Dialysis Equipment, and Certain Ocular Lenses

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.

Provider Types Affected

Physicians, suppliers, and providers billing Medicare carriers, including durable medical equipment regional carriers (DMERCs) for services/supplies related to splints, casts, dialysis supplies and equipment, and certain intraocular lenses

Provider Action Needed

This article is based on Change Request (CR) 4131, which 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 (CY) 2006. The 2006 payment limits for splints and casts will be based on the 2005 limits, increased by 2.5 percent, the percentage change in the consumer price index for all urban consumers for the 12-month period ending June 30, 2005.

Background

Payment continues to be made on a reasonable charge basis for splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses in CY 2006 as required by regulations contained in 42 CFR 405.501, which can be reviewed at http://www.access.gpo.gov/nara/cfr/waisidx_02/42cfr405_02.html.

For splints and casts, the Q-codes are to be used when supplies are indicated for cast and splint purposes. The CPT codes should be used as indicated in the CPT section “Application of Casts and Strapping” for the specified CPT procedure codes in the 29XXX series.

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For dialysis supplies, Healthcare Common Procedure Coding System (HCPCS) codes A4215, A6216, and A6402 have been added to the dialysis supplies that require an AX modifier for payment. Therefore, suppliers must attach the AX modifier to these codes when they are used to bill for dialysis supplies. HCPCS codes A6216 and A6402, when billed with the HCPCS modifier AX, should be reported as type of service (TOS) "L." HCPCS codes A4215, A6216, and A6402, when billed without the HCPCS modifier AX, should be reported as TOS "S."

HCPCS Code/Modifier	Description
Code A4215	Needle, sterile, any size, each
Code A6216	Gauze, non-impregnated, non-sterile, pad size 16 sq. in. or less, without adhesive border
Code A6402	Gauze, non-impregnated, sterile, pad size 16 sq. in. or less, without adhesive border
Modifier AX	Item furnished in conjunction with home dialysis services

For intraocular lenses, dialysis supplies, and dialysis equipment, the 2006 customary and prevailing charges will be computed using actual charge data from July 1, 2004, through June 30, 2005.

Remember that for intraocular lenses, payment is made only on a reasonable charge basis for lenses implanted while the patient is in a physician's office.

Implementation

The implementation date for this instruction is January 3, 2006.

Additional Information

For complete details, please see the official instruction issued to your carrier/DMERC regarding this change. That instruction may be viewed at http://www.cms.hhs.gov/Transmittals/downloads/R749CP.pdf on the CMS web site.

If you have any questions, please contact your carrier/DMERC at their toll-free number, which may be found at http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf on the CMS web site.

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