

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 489

Department of Health &
Human Services

Center for Medicare and &
Medicaid Services

Date: MARCH 4, 2005

Change Request # 3714

SUBJECT: Correction to Healthcare Common Procedure Coding System (HCPCS) Code A4217

I. SUMMARY OF CHANGES: This Change Request (CR) will revise a prior instruction in CR 3300 that required the use of modifier AU with HCPCS code A4217. Change Request 3300, Business Requirement 3300.6 instructed that modifier AU must be present on claims containing HCPCS code A4217. However, it has come to the attention of CMS that HCPCS code A4217 (without the presence of modifier AU) can be used in conjunction with Durable Medical Equipment (DME). Consequently, this Change Request removes the instruction requiring modifier AU to always be present with HCPCS code A4217.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : January 01, 2005

IMPLEMENTATION DATE : July 05, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – Only One Per Row.

R/N/D	Chapter / Section / SubSection / Title
R	20/30/30.9/Payment of DMEPOS Items Based on Modifiers

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

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SUBJECT: Correction to Healthcare Common Procedure Coding System (HCPCS) Code A4217

I. GENERAL INFORMATION

A. Background: This Change Request (CR) will revise a prior instruction in CR 3300 that required the use of modifier AU with HCPCS code A4217. Change Request 3300, Business Requirement 3300.6 instructed that modifier AU must be present on claims containing HCPCS code A4217. However, it has come to the attention of CMS that HCPCS code A4217 (without the presence of modifier AU) can be used in conjunction with Durable Medical Equipment (DME). Consequently, this Change Request removes the instruction requiring modifier AU to always be present with HCPCS code A4217.

B. Policy: Claims received on or after January 1, 2005 with HCPCS code A4217 and no modifier, may be considered a DME supply and processed accordingly. All other policies as outlined in Chapter 20, § 30.9 of the Medicare Claims Processing Manual regarding the presence of modifier AU with HCPCS code A4217 remain the same.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
					F I S S	M C S	V M S	C W F		
3714.1	Medicare systems shall allow HCPCS code A4217 to be submitted on claims with or without the presence of modifier AU.					X				

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3714.2	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into your outreach activities, as appropriate. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X								

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions:

X-Ref Requirement #	Instructions
3714.1	Adhere to the appropriate payment policy in regard to the presence or absence of modifiers.
3714.1.1	Prior to the July 5, 2005 release, Regional Home Health Intermediaries shall disable reason code 31252 and update HCPCS code A4217 without modifier AU present in the MOD field located in the HCPCS file (MAP1201) to remove the termination date. These instructions will allow claims to process with or without the presence of modifier AU.

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

<p>Effective Date*: January 1, 2005</p> <p>Implementation Date: July 5, 2005</p> <p>Pre-Implementation Contact(s): Yvonne Young, (410) 786-1886, Yyoung@cms.hhs.gov, Wil Gehne, (410) 786-6148, wgehne@cms.hhs.gov</p> <p>Post-Implementation Contact(s): Regional Office</p>	<p>No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.</p>
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30.9 – Payment of DMEPOS Items Based on Modifiers

(Rev.489, Issued: 03-04-05, Effective: 01-01-05, Implementation: 07-05-05)

The following modifiers were added to the HCPCS to identify supplies and equipment that may be covered under more than one DMEPOS benefit category:

- AU Item furnished in conjunction with a urological, ostomy, or tracheostomy supply;
- AV Item furnished in conjunction with a prosthetic device, prosthetic or orthotic;
and
- AW Item furnished in conjunction with a surgical dressing.

Codes A4450 and A4452 are the only codes that have been identified at this time that would require use of all three of the above listed modifiers. Providers must report these modifiers on claims for items identified by codes A4450 and A4452 that are furnished on or after January 1, 2005. Modifier AU *may also be* applicable to code A4217. Providers must report modifier AU on claims for items identified by code A4217 that are furnished in conjunction with a urological, ostomy, or tracheostomy supply on or after January 1, 2005. *Items identified by code A4217 that are furnished in conjunction with durable medical equipment are reported without a modifier.* In the future, other codes may be identified as codes that must be submitted with these modifiers. Medicare contractors base payment for the codes A4217, A4450, and A4452 on the presence *or absence* of these modifiers.

Codes L8040 thru L8047 describe facial prostheses. Providers must report the following modifiers on claims for replacement of these items:

- KM Replacement of facial prosthesis including new impression/moulage; *and*
- KN Replacement of facial prosthesis using previous master model.

Providers must report these modifiers on claims for replacement of items identified by codes L8040 thru L8047 that are furnished on or after January 1, 2005. Medicare contractors base payment for the codes L8040 thru L8047 on the presence of these modifiers. These modifiers are only used when the prostheses is being replaced.

In accordance with section 302(c) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), the fee schedule update factors for 2004 thru 2008 for durable medical equipment (DME), other than items designated as class III devices by the Food and Drug Administration (FDA), are equal to 0 percent. The HCPCS codes for DME designated as class III devices by the FDA are identified on the DMEPOS fee schedule available on the above mentioned web site by presence of the KF modifier.

Elevating/stair climbing power wheelchairs are class III devices. Suppliers billing the DMERCs must submit claims for the base power wheelchair portion of this device using HCPCS code K0011 (programmable power wheelchair base) with modifier KF for claims submitted on or after April 1, 2004, with dates of service on or after January 1, 2004. For claims with dates of service on or after January 1, 2004, the elevation feature for this

device should be billed using HCPCS code E2300 and the stair climbing feature for this device should be billed using HCPCS code A9270.

Regional Home Health Intermediaries (RHHIs) will not be able to implement the KF modifier until January 1, 2005. Therefore, for claims with dates of service prior to January 1, 2005, HHAs must submit claims for the base power wheelchair portion of stair climbing wheelchairs with HCPCS code E1399. For claims with dates of service on or after January 1, 2005, HHAs must submit claims for the base power wheelchair portion of stair climbing wheelchairs with HCPCS code K0011 with modifier KF.

The fee schedule amounts for K0011 with and without the KF modifier appear on the fee schedule file referenced at www.cms.hhs.gov/providers/pufdownload/default.asp#dme. For claims with dates of service prior to January 1, 2005, RHHIs should pay claims for stair climbing wheelchair bases billed with code E1399 using the fee schedule amounts for K0011 with the KF modifier. All other claims for programmable power wheelchair bases should be paid using the fee schedule amounts for K0011 without the KF modifier.

Effective for claims with dates of service on or after January 1, 2005, HHAs must submit modifier KF along with the applicable HCPCS code for all DME items classified by the FDA as class III devices.