

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**Medicare Payments for
Orthotic Body Jackets**



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Inspector General**

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EXECUTIVE SUMMARY

PURPOSE

To determine whether or not Medicare inappropriately pays for orthotic body jackets under code L0430.

BACKGROUND

A code L0430 body jacket is a spinal orthotic device that is covered by Medicare when prescribed by a physician. It is defined as a custom fitted one-piece molded plastic body jacket with interface material and an anterior or posterior opening. In 1994, the Office of Inspector General reported that 95 percent of claims submitted in 1991 were for non-legitimate orthotic body jackets and should not have been paid.

The Health Care Financing Administration (HCFA) established Durable Medical Equipment Regional Carriers (DMERCs) to process claims for durable medical equipment, prosthetics and orthotics supplies beginning in October 1993. HCFA also established the Statistical Analysis Durable Medical Equipment Regional Carrier (SADMERC) to analyze claims for durable medical equipment, prosthetic and orthotic devices and supplies (DMEPOS) and identify trends and aberrancies. Also, in 1993, HCFA and the durable medical equipment regional carriers revised their coverage guidelines for body jackets to make them more descriptive.

To determine if suppliers are continuing to bill inappropriately for code L0430 body jackets, we conducted this follow-up inspection of claims filed and paid in 1996.

METHODOLOGY

We used expert opinion from the SADMERC and the American Orthotic and Prosthetic Association (AOPA) to determine the propriety of claims billed under orthotic body jacket code L0430.

FINDINGS

Medicare Claims and Payments for Orthotic Body Jackets Have Decreased Significantly Since 1994

Claims for orthotic body jackets under Medicare code L0430 decreased 50.1 percent in the 5 year period between 1994 and 1998, from 7,214 to 3,602. Likewise, Medicare allowed charges for orthotic body jacket code L0430 decreased 45.8 percent from \$7,086,939 to \$3,844,364.

All Orthotic Devices Claimed as L0430 Body Jackets Were Eligible for Medicare Reimbursement

In our 1994 study, the devices allowed for Medicare payment under code L0430 were typically not orthotic body jackets, but rather seat cushions for wheelchair patients. Therefore, they were not legitimate Medicare reimbursable products. Conversely, in our current inspection, the SADMERC expert said all 153 devices in our sample claimed as a body jacket qualified for Medicare reimbursement.

Suppliers Upcoded 42 Percent of 1996 L0430 Orthotic Body Jacket Claims

As a result of the upcoding, the Medicare program made excessive payments of \$41,405 to orthotic body jacket suppliers in our sample. Projected to the universe of the total Medicare population, the excessive payments from the practice of upcoding totaled \$828,100. The inappropriate payments for orthotic body jackets under code L0430 accounted for 32 percent of the total cost of L0430 body jackets that we examined for 1996.

Lack of Uniformity and Standardization May Account for Some Upcoding

The industry offers different types of spinal orthotic products which may be reimbursed by Medicare. In many instances the differences between orthotic products are subtle, requiring an expert to match them to the proper Medicare code.

The Medicare guidance for coding devices is vague and outdated. For coding orthoses, most individuals in the orthotics industry and HCFA use *The Illustrated Guide to Orthotics and Prosthetics* published by the American Orthotic and Prosthetic Association. However, the guide provides simplistic hand drawn pictures that provide little help for coding many of the more sophisticated orthotic devices currently in use.

3.5 Percent of Claims May Have Been for Unnecessary Duplicate Body Jackets

Nine suppliers billed Medicare for duplicate L0430 body jackets for 10 of our sampled 289 beneficiaries in 1996. In each instance the second (duplicate) body jacket seemed unnecessary. Therefore, Medicare paid \$8,400 for L0430 body jackets that may not have been needed by beneficiaries. Projected to the total Medicare population, the potential loss to the Medicare program is estimated to be about \$168,000.

RECOMMENDATIONS

- ▶ **HCFA should review and revise the Medicare coding guidelines.**
- ▶ **HCFA should require suppliers to include more information on their Medicare claims for the products they provide to beneficiaries.**

- ▶ **HCFA should encourage the DMERCs to continue, or initiate system edits that detect multiple billings of orthotic body jackets to the same Medicare beneficiary in a calendar year.**

AGENCY COMMENTS

The HCFA and the American Orthotic and Prosthetic Association (AOPA) both commented on our draft report.

HCFA agrees that a product classification list is an effective tool to define exactly which products should be billed under code L0430, but they do not agree with our recommendation that they revise Medicare coding guidelines. Further, HCFA did not agree with our suggestion to work with AOPA because it would not be feasible for HCFA to work with a national trade organization whose interests may not necessarily coincide with that of the Medicare program. We continue to believe that HCFA should use AOPA as a resource, at least informally, to clarify Medicare coding guidelines and improve coding accuracy. Such consultation is important to help reduce inappropriate Medicare payments, since AOPA's *Illustrated Guide* is widely used in the orthotics and prosthetics community for Medicare billing.

HCFA did not concur with our second recommendation that they require suppliers to provide detailed information of Medicare claims for products they provide to beneficiaries. HCFA, instead, believes that random telephone reviews with beneficiaries would be a better solution. We agree that telephone reviews are an effective measure for detecting improper payments. However, we believe that assuring the propriety of payments before claims are paid is preferable to trying to collect improper payments. Therefore, we hope HCFA will still reconsider our recommendation.

Lastly, HCFA concurs with our recommendation that the DMERCs should continue, or initiate, system edits that detect multiple billings for orthotic body jackets to the same Medicare beneficiary in a calendar year.

Overall, AOPA feels the report was well done and accurate.

We made technical changes suggested by HCFA and AOPA. The full text of their comments can be found in appendix E.

INTRODUCTION

PURPOSE

To determine whether or not Medicare inappropriately pays for orthotic body jackets under code L0430.

BACKGROUND

A L0430 orthotic body jacket is defined as a custom fitted one-piece molded plastic body jacket with interface material and an anterior or posterior opening. It is designed to provide control of all motion of the Thoracic-Lumbar-Sacral (TLS) region and is often prescribed for patients after surgery.¹

Medicare allows payment for eight types of spinal orthoses: Cervical, Cervical-Thoracic-Lumbar-Sacral Orthoses (CTLSO), Thoracic-Lumbar Sacral Orthoses (TLSO), Lumbar-Sacral Orthoses (LSO), Sacroiliac, Halo Procedures, Torso Supports, and Thoracic-Hip-Knee-Ankle Orthoses (THKAO). These are represented by over 60 Medicare codes.² All orthotic devices discussed in this report are TLSO and LSO types. An orthotic body jacket claimed under Medicare code L0430 is a TLSO.

The Health Care Financing Administration's (HCFA) Durable Medical Equipment Prosthetics, Orthotics, and Supplies (DMEPOS) Supplier Manual describes 26 TLSO and LSO spinal orthotic codes under which suppliers can obtain Medicare reimbursement. Of those 26 codes, L0430 is one of 10 that is specifically designated as an orthotic body jacket.³

Orthotic Fitting Methods

According to the Supplier Manual, there are three types of orthotic fitting methods: custom fitted, custom fabricated, and molded to patient model.

Custom fitted orthoses are assembled from prefabricated components. They are trimmed, bent, molded (with or without heat), or otherwise modified for use by a specific patient. The L0430 body jacket is a custom fitted orthotic.

A custom fabricated orthotic is individually made for a specific patient, starting with basic materials which include but are not limited to plastic, metal, leather, and cloth. Custom fabrication involves substantial work like cutting, bending, molding and sewing. It may also incorporate some prefabricated components.

Molding to a patient model is the most complex fitting method, and it is usually the most expensive. An impression of a body part is made by using a positive plaster model of the patient. The orthotic is then custom fabricated by molding it onto the positive model.

Medicare Coverage of Orthotic Body Jackets

Spinal orthoses are covered by Medicare--the Federal health insurance program for individuals age 65 or older and certain categories of disabled people. Medicare is administered by HCFA, Department of Health and Human Services.

Medicare covers spinal orthoses only when specific conditions are met. They must be ordered by a physician to reduce pain by restricting mobility of the trunk, to facilitate healing following an injury or surgical procedure on the spine, or to support weak spinal muscles or a deformed spine.

Previous Office of Inspector General Studies on Orthoses

Between 1990 and 1992, Medicare allowances for orthotic body jackets coded L0430 rose sharply from \$217 thousand to \$18 million. In 1994, the Office of Inspector General (OIG) reported that 95 percent of claims submitted in 1991 were for non-legitimate orthotic body jackets and should not have been paid.⁴ The devices supplied were usually nothing more than a seat cushion for a wheelchair patient.

Suppliers had marketed the devices to nursing homes as an alternative to restraints which were prohibited by the Omnibus Budget Reconciliation Act of 1990. Suppliers used loopholes in HCFA guidance and monitoring to claim non-legitimate devices such as wheelchair cushions as body jackets. A companion report⁵ described suppliers marketing practices for orthotic body jackets.

Finally, in 1997, the OIG reported that at least 19 percent of orthoses claimed for Medicare reimbursement were medically unnecessary.⁶

HCFA Actions

HCFA established Durable Medical Equipment Regional Carriers (DMERCs) and the Statistical Analysis Durable Medical Equipment Regional Carrier (SADMERC) in October 1993. Also, in 1993 HCFA and the DMERCs revised their coverage guidelines for TLSOs (codes L0300-L0440) and LSOs (codes L0500-L0565) to make them more descriptive. The guidelines also describe appropriate uses for the products.

METHODOLOGY

We reviewed a 5 percent sample of claims for code L0430 contained in HCFA's 1996 Common Working File. This sample consisted of 302 L0430 claims which had been filed in 1996. We dropped 3 of the 302 claims because we could not locate the address for the

supplier. This left us with a sample of 299 paid claims which represented 126 suppliers and 289 beneficiaries. Ten beneficiaries in our sample received two body jackets each.

Data Collection

We surveyed the 126 suppliers by mail questionnaire to determine services provided to the 289 Medicare beneficiaries in our sample. We obtained descriptions of orthotic devices supplied, how they were custom fitted, who did the custom fitting, and what material was used in constructing the devices. We also obtained pictures and brochures showing and describing devices they claimed under code L0430.

Overall, 85 of the 126 suppliers responded to our survey--a response rate of 67.5 percent. The respondents represented 184 of the sampled 299 claims--61.5 percent. See appendix A for more detailed information.

Of the 85 suppliers who responded to our survey, 62 (72.9 percent) provided requested pictures, brochures, and other descriptive data for orthotic devices provided to beneficiaries. The descriptive data was used to ascertain whether or not devices provided to beneficiaries were legitimate and properly coded. The 62 supplier responses represent 153 claims. These 153 claims account for \$2,588,688 in total projectable program costs of L0430 body jackets that we examined from 1996. See appendix C for more detailed information.

We also reviewed HCFA and DMERC policy guidelines to understand the definition and characteristics of orthotic body jackets, Medicare coverage and payment rules, and coding guidelines for spinal orthoses.

We interviewed HCFA officials who are responsible for oversight of orthoses and prostheses, pricing representatives from the Region C DMERC, coding staff from the SADMERC, and officials from the American Orthotic and Prosthetic Association (AOPA)--the trade organization which represents the industry.

Finally, we examined expenditure data for 1994 through 1997 for spinal orthoses codes (L0300-L0565) from the Medicare Part B Extract and Summary System (BESS).

Data Analysis

We integrated and compared documentary, testimonial, and analytical evidence on 299 Medicare claims for orthotic body jackets by 126 suppliers for 289 beneficiaries. Our focus was to determine the extent that suppliers appropriately bill Medicare for orthotic body jackets under code L0430. In instances where suppliers did not answer every question, or provide needed data, we based our analysis on the number who actually responded.

To determine if suppliers billed appropriately for orthotic body jackets, we compared the devices individual suppliers said they provided to Medicare beneficiaries to HCFA standards. To make our comparison, we obtained expert opinions from the AOPA and from the SADMERC.

We provided the AOPA and SADMERC experts all pictures, brochures, and other descriptions of specific orthotic devices suppliers sent us. They compared the descriptions of the devices to HCFA guidelines and standards. In some instances, AOPA and SADMERC experts said the quality of the pictures was inadequate for determining propriety of coding. In such instances, we excluded the orthotic device and pictures from our analysis.

Where inappropriate claims were paid by Medicare, we calculated the excessive cost to Medicare. We then projected the cost to the Medicare population. See appendix B for calculations. To determine cost savings to the Medicare program, we used the opinion of the SADMERC expert because the SADMERC is charged with coding durable medical equipment, orthotics, prosthetics and supplies for Medicare payment.

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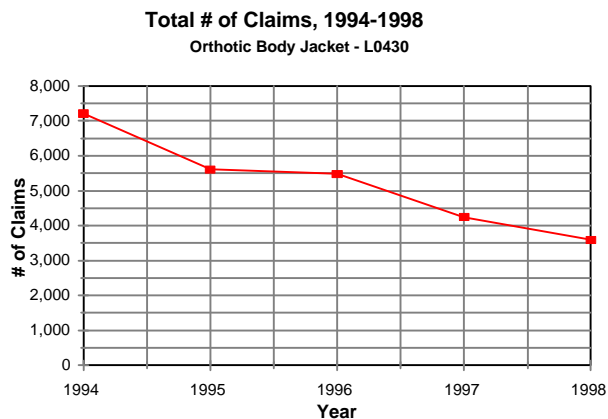
We did our inspection between September 1997 and January 1999. We conducted the inspection in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

FINDINGS

Medicare claims and payments for orthotic body jackets have decreased significantly since 1994

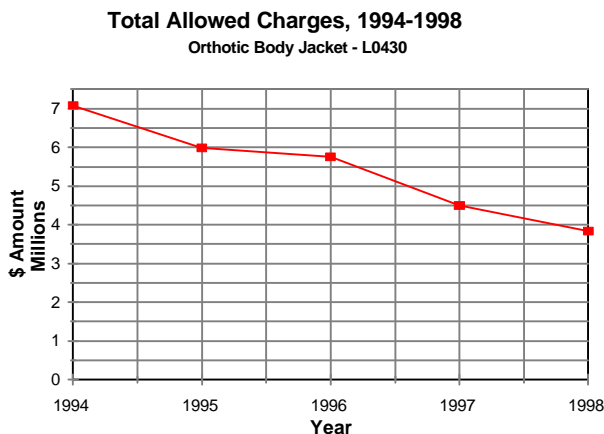
Medicare claims for orthotic body jackets under Medicare code L0430 decreased 50.1 percent in the 5 year period between 1994 and 1998. In 1994, suppliers submitted Medicare claims for 7,214 body jackets. By the end of 1998, the number of claims per year had decreased to 3,602. Figure 1 illustrates this decline.

Figure 1



Likewise, Medicare allowed charges for orthotic body jackets under code L0430 decreased about 45.8 percent between 1994 and 1998. The allowed charges decreased from \$7,086,939 in 1994 to \$3,844,364 at the end of 1998. Figure 2 illustrates this decrease.

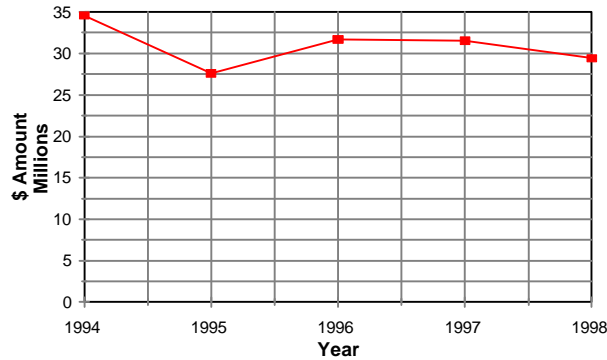
Figure 2



Overall, Medicare allowed charges for spinal orthoses devices (including L0430) decreased, but the extent of this decrease was less than that of orthotic body jacket L0430 devices. Orthoses devices reimbursed by Medicare under codes L0300 through L0565⁷ decreased 14.9 percent from \$34,595,344 in 1994 to \$29,449,254 by the end of 1998. We illustrate the decrease in Figure 3.

Figure 3

Total Allowed Charges, 1994-1998
Orthoses Codes L0300-L0565



All orthotic devices claimed as L0430 body jackets were eligible for Medicare reimbursement

In our 1994 study, the devices allowed for Medicare payment under code L0430 were typically not orthotic body jackets, but rather seat cushions for wheelchair patients. Therefore, the devices were not legitimate Medicare reimbursable products.

Conversely, in our current inspection, the SADMERC expert said all 153 of the body jacket claims in our sample qualified for Medicare reimbursement. In other words, the devices were legitimate Medicare reimbursable orthotic devices. However, they did not always meet requirements to be billed under code L0430.

Suppliers upcoded 42 percent of L0430 orthotic body jacket claims in 1996

Suppliers upcoded 42 percent (65 of 153)⁸ of orthotic body jacket claims submitted under code L0430 in 1996. As a result of the upcoding, the Medicare program made excessive payments of \$41,405 to orthotic body jacket suppliers for the 65 body jackets in our sample. Projected to the universe of Medicare beneficiaries, the excessive payments from the practice of upcoding totaled \$828,100. Appendix B shows our calculation of excessive cost resulting from the upcoding of orthotic devices sold to Medicare beneficiaries under code L0430. The excessive cost for orthotic body jackets under code

L0430 accounted for 32 percent of the total cost of L0430 body jackets claims that we examined from 1996. See appendix C for our calculation.

We identified improper coding by obtaining expert opinion from SADMERC and AOPA representatives. We provided them with photographs, brochures, and detailed descriptions of 153 body jackets furnished to Medicare beneficiaries by 62 of the 126 suppliers we sampled. The SADMERC and AOPA experts compared the descriptions and photographs to HCFA standards shown for an L0430 body jacket found in DMERC guidelines.

The SADMERC expert⁹ advised us that 42.5 percent (65 of 153) of claims should have been coded as orthotic devices that were less expensive than an L0430 body jacket. To illustrate, suppliers coded 20 L0300 orthotic devices¹⁰ as L0430 orthotic body jackets. The average Medicare allowed charge for an L0300 in 1996 was \$111 as compared to an average allowable rate of \$1,050 for items coded L0430.

AOPA experts¹¹ advised us that 16.3 percent (25 of 153) of claims should have been coded as orthotic devices that were less expensive than an L0430 body jacket. Therefore, the AOPA experts agreed with SADMERC experts that at least 16.3 percent of the 153 body jackets we reviewed were upcoded.

SADMERC and AOPA experts disagreed on appropriateness of coding for 40 claims. Their disagreement was based largely on the type of strapping used, or construction of the particular orthotic device sold to Medicare as an L0430 body jacket. In other words, they defined an L0430 body jacket differently.

Lack of uniformity and standardization may account for some upcoding

Representatives from the orthotic industry, and from HCFA, its contractors, and SADMERC all generally agreed that coding orthotics is complex and difficult to do with consistent results. Most coding representatives for HCFA and for the orthotics industry claim that the complex Medicare coding system combined with vague, outdated guidance has created a lack of uniformity and standardization in coding.

The coding process

The SADMERC is responsible for assisting manufacturers and suppliers in the proper use of the HCFA Common Procedure Coding System (HCPCS). The HCPCS is the means by which DMEPOS services and products are identified for billing Medicare. The SADMERC in conjunction with the DMERC conducts Coding Verification Reviews to determine proper codes for paying suppliers for durable medical equipment, prosthetics, and orthotics and supplies provided to Medicare beneficiaries.

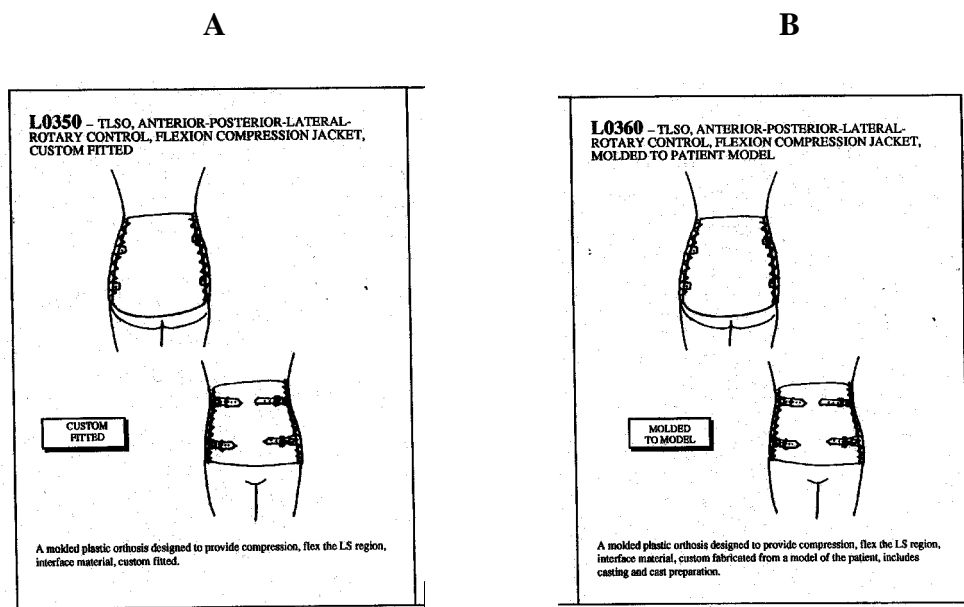
Vague coding guidance

The Medicare guidance for coding spinal orthotic devices is vague and outdated. Most individuals in the orthotics industry and HCFA use AOPA's *Illustrated Guide to Orthotics and Prosthetics* in coding orthotics. However, many individuals in the industry we spoke to agree the guide provides simplistic hand drawn pictures of orthotic devices that provide little help for coding many of the more sophisticated devices currently in use. In the guide, AOPA states that the illustrations only provide a generic representation of what a device that meets the code criteria might look like. AOPA has noted that it is difficult to provide an illustration that would represent every billable device for a particular code; however, they are continually trying to improve the guide's usefulness.

In some cases, the pictures make orthotic devices appear identical, but the Medicare codes and funding differs significantly. Figure 4 provides an example of two different orthotic devices. Both devices are included in the AOPA's *Illustrated Guide*. The pictures illustrate the difficulty in determining the appropriate Medicare code. The pictures of the two devices appear identical. However, according to the narrative description, the device illustrated by picture A is custom fitted, and picture B illustrates an item that is molded to model.

From a Medicare cost perspective, proper coding of these two orthotic devices is important. To illustrate, the average cost for the orthotic device shown in picture A is \$743. However, the average cost of the device depicted by picture B is \$1,093.

Figure 4
Orthotic Devices L0350 and L0360



The difficulty of coding orthoses

At a meeting between the SADMERC coding staff and the AOPA, SADMERC representatives noted they often have a difficult time trying to determine the appropriate code when suppliers and manufacturers ask for advice. They base their advice on product descriptions that suppliers give them over the phone. The SADMERC representatives noted that it would be useful if they had a list of product names, model numbers and the specific function of a product to help determine the appropriate code to use.

In many instances the differences between orthotic products are subtle, requiring an expert to match them to the proper Medicare code. In such instances, even the experts may disagree on the appropriate Medicare code. To illustrate, SADMERC and AOPA experts disagreed on the appropriateness of coding for 40 of our sample of 153 orthotic devices billed under code L0430 in 1996. Their disagreement was based largely on the rigidity of the material used, or construction of the particular orthotic device sold to Medicare as an L0430 body jacket. In other words, they defined an L0430 body jacket differently.

Two such body jackets are depicted by Figure 5 below. The SADMERC and the AOPA disagreed on whether or not these body jackets should be coded L0430. In both cases, the SADMERC said the jackets did not meet requirements to be coded as a L0430, while the AOPA said they did. The SADMERC said both of these jackets should be coded as a L1499, which is the code used for devices that do not match the description of any existing code. In addition, the SADMERC informed us that most orthotic devices are coded as L1499s. Payment for such devices are decided by the DMERCs on a case by case basis.

Figure 5
Orthotic Body Jackets the SADMERC and the AOPA did not Agree Upon

5a



5b



AOPA experts agreed with SADMERC experts that at least 16.3 percent (25 of 153) body jackets we reviewed were upcoded. One body jacket that both groups determined was upcoded looked similar to an L0430 body jacket, but was not made of a rigid material.

Therefore, it would not likely provide the rigid support of the spine required of a L0430 body jacket. However, the DMERC reimbursed this device at the L0430 rate. The Medicare allowable charge of the orthotic device in question is about \$136, as compared to a cost of about \$1,004 for a legitimate L0430 body jacket.

In some cases code determination is clear and undisputable

In some instances, the differences among orthotic devices are readily apparent for coding purposes. For example, the difference between a custom fabricated device and an “off the shelf” device. Figure 6 illustrates an orthotic device that both SADMERC and AOPA experts agreed meets the requirements for an orthotic body jacket under code L0430. This body jacket represented 80.6 percent (71 of 88) of the orthotic body jacket claims that were properly coded, and 46 percent (71 of 153) of all orthotic devices in our sample that were claimed under code L0430.

Figure 6
A Properly Coded L0430 Body Jacket



3.5 percent of claims may have been for unnecessary duplicate body jackets

Nine suppliers billed Medicare for duplicate L0430 body jackets for 10 of the 289 beneficiaries in 1996. In each instance the second (duplicate) body jacket seemed unnecessary. Therefore, Medicare paid \$8,400 for L0430 body jackets that may have not been needed by beneficiaries. Projected to the universe of the total Medicare population, the potential loss to the Medicare program is estimated to be about \$168,000. Appendix D shows our calculation.

An orthotist with a major supplier said it is not unusual for a beneficiary to obtain two body jackets in a 12 month time period. Possible legitimate reasons for such include body changes due to surgery and weight gain or loss. Also, a patient could be dissatisfied with the first jacket. However, the circumstances in which the 10 duplicate jackets were

provided to the 10 Medicare beneficiaries raised serious questions about the legitimacy of the second jacket.

First, an orthotist with a major supplier said that when a beneficiary had a legitimate reason for a second body jacket in a 12 month time period, the normal expectation is for the same supplier to furnish it. This expectation occurred in only one instance. Only one supplier furnished two jackets (one duplicate jacket) to the same beneficiary.

One supplier furnished five of the duplicate body jackets to five beneficiaries. Likewise, one other supplier furnished four duplicate body jackets to four beneficiaries. Neither of the two suppliers had furnished both body jackets to either of the beneficiaries.

Second, seven of the nine suppliers involved in furnishing duplicate jackets to Medicare beneficiaries in our sample were located in or near Los Angeles, California. One of the remaining two suppliers was located in Las Vegas, Nevada, and one was located in Hialeah, Florida.

Third, all 10 beneficiaries received the second (duplicate) body jackets in a very short time period after receiving the first body jacket. To illustrate, two different suppliers each billed Medicare for an L0430 body jacket for the same beneficiary. One of the two suppliers billed Medicare for the second body jacket nine days after the other supplier had billed Medicare.

Likewise, 5 different suppliers billed Medicare for a second body jacket for 5 beneficiaries within 30 to 33 days after Medicare had been billed for the first body jacket for the beneficiaries. Further, 3 different suppliers billed Medicare for a second body jacket for 3 beneficiaries within 131 to 135 days after Medicare had been billed for the first body jacket for the beneficiaries.

Finally, one supplier billed Medicare for a second body jacket for one beneficiary 52 days after this same supplier had billed Medicare for a first body jacket for this same beneficiary.

Because of our concerns, we questioned the carrier about the propriety of the 20 body jackets furnished to the 10 Medicare beneficiaries in our sample. The short time period involved suggested that either the second body jacket was not needed or not provided. The close proximity of most of the suppliers to one another suggested that suppliers could be swapping beneficiary Health Insurance Claim Numbers (HICN) to bill for the second orthotic body jacket to avoid detection.

Responding to our questions, the fraud units of the respective carriers advised us that all of the suppliers involved have either been suspended or placed in a medical or prepayment review status. Further, all of them are under investigation. One of the suppliers has been

referred to the Office of Inspector General's Office of Investigations. However, two of the suppliers continue to bill Medicare. Lastly, one was investigated in 1996 and as a result had to return \$150,000 to HCFA.

At the time of our review in 1996, only one of four DMERCs had system edits to review second orthotic body jacket claims for a Medicare beneficiary in the same calendar year. Since 1996, two more have implemented such system edits. The DMERCs noted that a second orthotic body jacket claim is denied unless there is a medical necessity determined by a physician. As of March 1999, one DMERC still did not have a system edit in place to detect duplicate billings.

RECOMMENDATIONS

Although claims for orthotic body jackets submitted under code L0430 have decreased, almost half are upcoded. This resulted in an excessive cost of \$828,100 in 1996 to the Medicare Trust Fund. Orthotic coding problems continue to exist because coding guidelines are not specific enough, and have not kept up with product changes. If not corrected, we project the upcoding problem could unnecessarily cost the Medicare Trust Fund over \$4 million between 1996 and 2002.

Likewise, Medicare paid for duplicate orthotic body jacket claims resulting in unnecessary costs of \$168,000 in 1996. If not corrected by system edits we project this problem could cost Medicare over \$800,000 over the 5-year period between 1996 and 2002. Therefore, we submit the following recommendations for HCFA consideration.

- ▶ **HCFA should review and revise the Medicare coding guidelines.**
In doing so, HCFA should work with the SADMERC and AOPA to develop Medicare guidelines that more accurately describe the characteristics of the devices. Further, HCFA should work with the SADMERC and AOPA to develop a new illustrated guide which is more reflective of the orthotic products currently in use. Lastly, HCFA should develop a product listing of brand names and model numbers that meet the criteria to be billed under each code.
- ▶ **HCFA should require suppliers to include more information on their Medicare claims for the products they provide to beneficiaries.**
Any of the following kinds of information could be useful for this purpose: a description of the body jacket that encompasses its features, a description of the spinal problem that requires a body jacket, or a brand name, model number, or picture of the body jacket.
- ▶ **HCFA should encourage the DMERCs to continue, or initiate, system edits that detect multiple billings of orthotic body jackets to the same Medicare beneficiary in a calendar year.**

AGENCY COMMENTS

The HCFA and the AOPA both commented on our draft report.

HCFA agrees that a product classification list is an effective tool to define exactly which products should be billed under code L0430. They plan to ask the SADMERC to compile such a list after responding to Year 2000 and 1997 Balanced Budget Act priorities.

HCFA did not agree with our recommendation to revise Medicare coding guidelines. Instead, they believe a product classification list is a more effective tool than revising the coding guidelines. HCFA expressed concern about entering into a formal joint effort with AOPA to develop Medicare guidelines. We agree with HCFA that AOPA, as a national trade organization, represents the interests of orthotists and prosthetists whose interests may not coincide with those of the HCFA. However, we continue to believe HCFA should use AOPA as a resource, at least informally, to clarify Medicare coding guidelines and improve coding accuracy. Such consultation is important to help reduce inappropriate Medicare payments, since AOPA's *Illustrated Guide* is widely used by orthotists and prosthetists for Medicare billing. Further, AOPA developed a definition of orthotic body jacket code L0430 that HCFA may be able to use in the Medicare Carriers Manual.

HCFA does not concur with our recommendation that they require suppliers to provide detailed information on Medicare claims for products they provide to beneficiaries. HCFA, instead, believes that random telephone reviews with beneficiaries would be a better solution. We agree that telephone reviews are an effective measure for detecting improper payments. However, we believe that assuring the propriety of payments before claims are paid is preferable to trying to collect improper payments. Therefore, we hope HCFA will still reconsider our recommendation. Orthotic body jackets, while complicated, are relatively few in number, and additional information about the product would be useful to help ensure proper coding and payments. We modified the wording of our recommendation to reflect the fact that we did not intend to prescribe a burdensome process for providers and HCFA contractors.

Lastly, HCFA concurs with our recommendation that the DMERCs should continue, or initiate, system edits that detect multiple billings for orthotic body jackets to the same Medicare beneficiary in a calendar year.

Overall, AOPA believes the report was well done and accurate. They did raise an issue concerning the quality of the pictures we gave them and the SADMERC to analyze. We clarified our methodology for this report to show that we excluded the poor quality pictures from our analysis.

We made technical changes suggested by HCFA and AOPA. The full text of their comments can be found in appendix E.

Survey Response Rates

Overall Sample						
	Suppliers		Claims		Beneficiaries	
	#	%	#	%	#	%
Sampled	126	100	299	100	289	100
Undeliverable	18	14.3	41	13.7	38	13.1
Non-Respondents	23	18.3	74	24.7	74	25.6
Final Response Rate	85	67.5	184	61.5	177	61.2

Coding Issue						
	Suppliers		Claims		Beneficiaries	
	#	%	#	%	#	%
Sampled	85	100	184	100	177	100
Non-Respondents	23	27.1	31	16.8	31	17.5
Response Rate	62	72.9	153	83.2	146	82.5

Overpayments from Upcoding

Potential Excess Cost Resulting from Upcoding							
Survey/ Supplier #	# of Claims	AOPA Claims improper coding	SADMERC Claims improper coding	Med Avg Allwd Chg	According to SADMERC: Amt Medicare should have Allwd	Excessive Cost Per Claim	Total Excess Cost To Medicare
2	1	0	1	\$1,004	\$371	\$633	\$633
3	1	1	0	\$998	\$998	\$0	\$0
4	1	0	0	\$1,004	\$1,004	\$0	\$0
5	1	0	0	\$990	\$990	\$0	\$0
6	1	0	0	\$1,004	\$1,004	\$0	\$0
7	2	0	2	\$1,081	\$161	\$920	\$1,840
8	10	0	0	\$1,081	\$1,081	\$0	\$0
9	1	0	0	\$1,081	\$1,081	\$0	\$0
10	1	1	1	\$1,004	\$136	\$868	\$868
11	1	1	1	\$1,004	\$136	\$868	\$868
11.1	1	1	1	\$1,100	\$136	\$964	\$964
13	1	1	1	\$1,004	\$136	\$868	\$868
14	2	2	2	\$1,004	\$136	\$868	\$1,737
15	1	0	1	\$1,004	\$339	\$665	\$665
17	1	0	0	\$966	\$966	\$0	\$0
18	1	1	1	\$966	\$136	\$830	\$830
19	1	0	1	\$1,094	\$339	\$755	\$755
21	1	0	0	\$1,096	\$1,096	\$0	\$0
21.1	1	0	0	\$1,096	\$1,096	\$0	\$0
22	1	0	1	\$938	\$373	\$565	\$565
23	1	0	0	\$1,004	\$1,004	\$0	\$0
24	1	0	0	\$1,081	\$1,081	\$0	\$0
26	24	0	0	\$1,081	\$1,081	\$0	\$0
27	2	0	0	\$1,004	\$1,004	\$0	\$0
30	1	0	0	\$1,081	\$1,081	\$0	\$0
31	2	0	0	\$1,081	\$1,081	\$0	\$0
32	4	0	0	\$1,081	\$1,081	\$0	\$0
36	14	0	0	\$1,081	\$1,081	\$0	\$0
37	1	0	0	\$900	\$900	\$0	\$0
38	2	2	2	\$937	\$131	\$806	\$1,611
38.1	2	2	2	\$1,050	\$131	\$919	\$1,837
39	3	3	3	\$1,050	\$131	\$919	\$2,756
41	2	0	2	\$1,096	\$339	\$757	\$1,514
43	1	0	0	\$945	\$945	\$0	\$0
44	1	0	1	\$1,004	\$339	\$665	\$665
45	1	0	0	\$900	\$900	\$0	\$0
47	3	3	3	\$1,081	\$144	\$937	\$2,812
48	15	0	15	\$1,081	\$339	\$742	\$11,127
49	1	0	1	\$1,081	\$161	\$920	\$920
50	1	0	1	\$1,081	\$373	\$708	\$708
51	7	0	0	\$1,081	\$1,081	\$0	\$0
52	2	0	0	\$1,167	\$1,167	\$0	\$0
53	1	0	0	\$1,081	\$1,081	\$0	\$0
55	1	0	1	\$937	\$339	\$598	\$598
56	1	0	0	\$1,004	\$1,004	\$0	\$0
59	1	0	0	\$1,094	\$1,094	\$0	\$0
60	2	0	0	\$998	\$998	\$0	\$0
61	1	0	1	\$1,004	\$363	\$641	\$641
62	1	0	1	\$1,167	\$430	\$737	\$737
64	1	0	1	\$1,167	\$143	\$1,024	\$1,024
67	1	0	1	\$1,081	\$339	\$742	\$742
68	1	0	1	\$998	\$411	\$587	\$587
72	1	0	1	\$998	\$339	\$659	\$659
72.1	1	0	1	\$969	\$339	\$630	\$630
73	1	0	0	\$899	\$899	\$0	\$0
79	1	0	1	\$945	\$371	\$574	\$574
80	1	0	0	\$937	\$937	\$0	\$0
80.1	1	0	0	\$1,096	\$1,096	\$0	\$0
82	1	0	0	\$1,004	\$1,004	\$0	\$0
83	1	0	1	\$1,004	\$123	\$881	\$881
84	5	0	5	\$1,081	\$339	\$742	\$3,709
85	7	7	7	\$1,050	\$131	\$919	\$6,431
Totals:	153	25	65				\$51,756

Summary Statistics for Overpayments from Upcoding

1. \$51,756 (Total Overpayment for Sample)
2. Multiply the overpayment by .80, since Medicare pays 80% of the allowed charge.

$$\$51,756 \times .80 = \$41,405 \text{ (Loss to the Medicare program)}$$
3. Multiply the loss to the Medicare program by 20, since these figures are on a 5 percent sample.

$$\$41,405 \times 20 = \$828,100$$
4. Projected savings over 5 years:

$$\$828,100 \times 5 = \$4,140,500$$

Confidence Intervals

Sample Size	% of Upcoded Orthotic Body Jackets	Lower 95% Confidence Interval	Upper 95% Confidence Interval
153	42%	34.2%	49.8%

Sample Size	Estimated Overpayment	Lower 95% Confidence Interval	Upper 95% Confidence Interval
153	\$828,100	\$672,882	\$983,318

Total Projectable Costs of Code L0430 in Sample

1. \$161,793 (Total Cost of 153 Orthotics Body Jackets in Sample)

2. \$161,793
 x 20 (Multiply by 20 since it is a 5 Percent Sample)

 \$3,235,860 (Total Projectable Costs in Sample)

3. \$3,235,860
 x .80 (Medicare Pays 80%)

 \$2,588,688 (Total Projectable Costs in Sample of L0430 Orthotic Body Jackets)

4. \$828,100/\$2,588,688 = **32%** (Total Percentage of the dollar amount that was upcoded)

Duplicate Billings

1. \$1,050 (Average allowed cost of an orthotic body jacket in 1996)
 x 10 (Total # of beneficiaries who received two orthotic body jackets)

 \$10,500 (Potential overpayment for double billing)

2. \$10,500
 x .80 (Percent Medicare pays of the allowable charge)

 \$8,400 (Potential loss to the Medicare program)

3. Multiply the potential loss to the Medicare program by 20, since these figures are based on a 5 percent sample.

$\$8,400 \times 20 = \$168,000$ (Potential loss to the Medicare program)

4. Potential Savings over 5 years:

$\$168,000 \times 5 = \$840,000$

Confidence Interval

Sample Size	Potential Overpayment	Lower 95% Confidence Interval	Upper 95% Confidence Interval
153	\$168,000	\$65,609	\$270,391

Agency Comments

Health Care Financing Administration (HCFA)
American Orthotic and Prosthetic Association (AOPA)

**DATE:** AUG 10 1999Deputy Administrator
Washington, D.C. 20201**TO:** June Gibbs Brown
Inspector General**FROM:** Michael M. Hash
Deputy Administrator**SUBJECT:** Office of Inspector General (OIG) Draft Report: "Medicare Payments for Orthotic Body Jackets," (OEI-04-97-00390)

Thank you for the opportunity to comment on the recommendations in the above-referenced report.

The OIG inspection looked at whether or not Medicare inappropriately pays for orthotic body jackets under code L0430. The report findings indicate that Medicare claims and payments for orthotic body jackets have decreased; and that all 153 orthotic devices in the OIG sample were eligible for Medicare reimbursement. The report indicates that suppliers upcoded 42 percent of 1996 L0430 orthotic body jacket claims; and lack of uniformity and standardization may account for some of the upcoding. The report also found that 9 suppliers billed Medicare for duplicate L0430 body jackets resulting in Medicare paying \$8,400 for L0430 body jackets that were not needed by beneficiaries.

Our specific comments on the report recommendations follow:

OIG Recommendation

HCFA should review and revise the Medicare coding guidelines.

HCFA Response

We do not concur. The American Orthotic and Prosthetic Association (AOPA) is a non-governmental organization that independently publishes its own illustrated orthotic guidelines. As a national trade association, it represents the interests of prosthetists and orthotists and its interests may not necessarily coincide with the interests of the Medicare program.

Also, we do not believe it is feasible for HCFA and AOPA to formally enter into a joint effort to develop guidelines on brace codes. The requirements of the Federal Advisory Committee Act require Federal agencies to conduct any consultations with outside organizations in an open forum. As a result, if we work with AOPA to develop guidelines, it may be necessary for us to work with other groups that may have differing views than AOPA on what constitutes appropriate coding guidance.

Page 2 - June Gibbs Brown

We believe that a product classification list is an effective tool to define exactly which products should be billed under code L0430. We consider such a list to be a more effective tool than coding guidelines, which are subject to interpretation. The statistical analysis durable medical equipment and regional carrier (SADMERC) has experience in developing these types of lists and we will ask the SADMERC to develop and publish such a list for code L0430. However, there may be delays before such a list can be published because of Year 2000 and 1997 Balanced Budget Act priorities.

OIG Recommendation

HCFA should require suppliers to include on their Medicare claims detailed information on the products they provide to beneficiaries.

HCFA Response

We do not concur. We question the necessity of this recommendation, particularly if the coding issue is addressed. We believe that utilizing random beneficiary reviews conducted via telephone would be a better solution than requiring additional detailed documentation with every claim. Requiring the submission (and HCFA review) of detailed documentation would be burdensome for the providers and HCFA's contractors. We believe a more effective and efficient solution would be to conduct telephone reviews with beneficiaries and we would be interested in pursuing this option with OIG.

OIG Recommendation

HCFA should encourage the durable medical equipment regional carriers to continue, or initiate system edits that detect multiple billings of orthotic body jackets to the same Medicare beneficiary in a calendar year.

HCFA Response

We concur. There are many types of orthotic body jackets, and a beneficiary could legitimately be prescribed more than one type per year, as his or her condition either improved or deteriorated. "Multiple billing" is not the same as "identical billing." The latter, i.e., billing more than once for the identical durable medical equipment item, is always inappropriate; the former, billing for similar items, is often perfectly legitimate, and we would expect that once more specific identification for the various types of jackets becomes available, system edits will be more effective in distinguishing between the two.



**American Orthotic &
Prosthetic Association**

July 6, 1999

Ms. June Gibbs Brown
Inspector General
Office of the Inspector General
5250 Wilbur J. Cohen Bldg.
300 Independence Ave, S.W.
Washington, DC 20201

Re: OIG Report OEI-04-97-00390
Medicare Payments for Orthotic Body Jackets

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Region F
C. William Tague, CP

Robert T. Van Hook, CAE
Executive Director/Secretary

Dear Ms. Brown:

We appreciate the opportunity to work with the Office of the Inspector General on the development of this report and to provide comments on its draft. We believe that such mutual cooperation helps ensure accurate and balanced findings and recommendations that will benefit patients, those involved in the provision of orthotic and prosthetic (O&P) care, as well as those concerned with its payment.

We offer the following comments:

General Observations

Overall, we feel that this report was well done and accurate. We are pleased to see that there was significant improvement in the accuracy of claims submissions for L0430 and, in general, agree with the recommendations made to correct existing problems. We also feel that much of the incorrect coding that exists, for L0430 and other HCPCS L codes, could be significantly reduced by developing conditions of coverage for custom items, to ensure that they are being provided to Medicare beneficiaries by qualified providers. And finally, in an effort to assist with the interpretation of body jacket coding, AOPA has developed a working definition of these items that HCFA, the SADMERC, and the OIG may find helpful in future efforts. This can be found in comment number 30 below.

Specific Comments (Changes are in bold.)

Executive Report

Page 1.

1. The definition of HCPCS code L0430 under Background is not correct. The actual descriptor for L0430 reads "TLSO, anterior-posterior-lateral control, with interface material, custom fitted."
2. Remove the "and" from between Equipment and Regional in the second sentence of the second paragraph of Background.
3. In that same sentence, it should read "...to analyze claims for durable medical equipment, prosthetic and orthotic devices and supplies (DMEPOS) and identify trends..."

Page 2.

4. The first sentence of the first paragraph under "Lack of Uniformity and Standardization May Account for Some Upcoding" should read "The industry offers many different types of spinal orthotic products which may be reimbursed by Medicare under 64 different base codes."
5. In the first sentence of the second paragraph under this same section, AOPA's name is misspelled. It should read "...American Orthotic and Prosthetic Association's..."
6. In that same sentence, the word orthotics should read "orthoses." In a number of instances in this report, the terms "orthotic" and "prosthetic" are used as nouns, however the correct noun forms are orthosis/orthoses and prosthesis/prostheses.

Page 3.

7. "for further investigation" should be added to the end of the last recommendation, to preclude automatic denials without verifying the lack of medical necessity.

Detailed Report

Page 4.

Background Section

8. As in the Executive Summary, the definition of L0430 in the Background section is incorrect. See comment number 1.
9. In this same section, the second sentence should read "Sometimes constructed with an interface material, it is designed to immobilize the

- spine or to correct spinal deformity.” This makes it clear that it is the device itself, rather than just the interface, that immobilizes the patient.
10. The first sentence in the second paragraph should read **“Medicare allows payment for eight types of spinal orthoses: Cervical, Cervical-Thoracic-Lumbar-Sacral Orthoses (CTLSO), Thoracic-Lumbar-Sacral Orthoses (TLSO), Lumbar-Sacral Orthoses (LSO), Sacroiliac, Halo Procedures, Torso Supports and Thoracic-Hip-Knee-Ankle Orthoses (THKAO).”**
 11. The first sentence of the third paragraph should read **“...Prosthetics, Orthotics and Supplies (DMEPOS) Supplier Manual describes 63 Medicare codes under which suppliers can obtain reimbursement for these types of spinal orthoses.”**
 12. The last sentence of this paragraph should read **“Of those 63 codes,...”**

Orthotic Fitting Methods Section

13. The second sentence of the first paragraph of this section should read **“Custom fitted orthoses are assembled from prefabricated components.”** This makes it clear that the adjustments necessary to the prefabricated components are made for specific patients.
14. The last sentence in the first paragraph should read **“The L0430 body jacket is a custom fitted orthosis”**
15. The word orthotic should be changed to **“orthosis”** in the first sentence of the second paragraph.
16. The first sentence in the third paragraph of this section should have the word **“model”** added between **“patient”** and **“is”**.
17. The last sentence of this same paragraph should read **“The orthosis...”**

Page 5.

Previous Office of Inspector General Studies on Orthoses Section

18. In the last sentence of the third paragraph of this section, the word orthotics should be changed to **“orthoses.”**

HCFA Actions Section

19. In the first sentence of this section, the title of the SADMERC should read **“Statistical Analysis Durable Medical Equipment Regional Carrier.”**

Page 6.

Methodology Section

20. In the fifth paragraph of this page, orthotics should read "orthoses" and prosthetics should read "prostheses". In addition AOPA's name should be corrected to remove the plurals. We also question the reference to licensed providers, since as a trade organization, our membership consists of businesses, rather than individuals. Our member companies employ both certified and non-certified personnel, as well as licensed practitioners in those few states that require licensure.

Data Analysis Section

21. In the last sentence of the first paragraph, if we understand the intent of this sentence, it should read "In instances where suppliers did not answer every question, or provide needed data, we based our analysis on the number who actually provided a complete response."

Page 7.

22. In the second line on this page, AOPA's name should be corrected to remove the plurals.
23. In the last sentence of the third paragraph, the last line should read "...equipment, orthotics, prosthetics and supplies for Medicare..."

Page 9.

Medicare Claims and Payments for Orthotic Body Jackets Have Decreased Significantly Since 1994 Section

24. The first sentence on this page should read "Overall, Medicare allowed charges for some spinal orthoses (including..." This will make it clear that the dollar figures quoted are for only a small section of all spinal orthotic codes.

Page 10.

The Coding Process Section

25. The last line on this page should read "orthotics, and supplies provided to..."

Page 11.

Vague Coding Guidance Section

26. The first sentence on this page should read **“The industry offers many different types of spinal orthotic products which may be reimbursed by Medicare under 64 different base codes.”**
27. The next sentence should then be changed to read **“The Medicare guidance for coding these devices...”**
28. This paragraph also references “simplistic hand drawn pictures” in relation to our publication *The Illustrated Guide to Orthotics and Prosthetics (EIG)*. It should be noted that these drawings have purposely been kept as simple as possible. While we could have used actual photographs of devices, we felt this would incorrectly imply that the device in the photograph was the only one that could use the code. In addition, as a trade organization, we do not want to imply that we recommend the use of any specific manufacturer's products. Unfortunately, due to space limitations, it is also not possible to illustrate every device that could fall under a specific code. Thus, we have attempted to picture a simple, generic model of each device/component.
29. The second paragraph on this page notes that for some codes, two identical illustrations are used for different codes. This is correct, since there is no way to illustrate the fabrication method in a picture of the completed device. For example, L0350 and L0360, referenced on this page, both describe the same device. The only difference in the HCPCS wording is that one is custom fitted and the other is molded to a patient model. Thus, different codes are necessary to take into account the significant differences in fabrication techniques, labor, materials and therefore costs inherent in each method.

Page 12.

The Difficulty of Coding Orthotics Section

30. In the title of this section, the word “Orthotics” should read **“Orthoses”**. Also, paragraph three discusses the different opinions of the SADMERC and AOPA experts with regard to what devices would be coded under L0430. In some instances, there was simply a difference of opinion between AOPA and the SADMERC in what devices qualify for this code. In others, we made our best estimate based on the material presented, however in some cases the quality of the pictures provided to the OIG was so poor that an accurate assessment was extremely difficult.

In an effort to more clearly define body jackets, the AOPA Coding Committee has developed a working definition that you may find helpful in future work. We define a body jacket as a circumferential torso containment device, which provides anterior-posterior-lateral control, comprised of non-elastic rigid or semi-rigid material that encompasses at least 85% of the body circumference. For effective circumferential containment, the trimlines must extend at least from the pubic symphysis to within one inch of the xiphoid process.

Page 14.

3.5 Percent of Claims May Have Been for Unnecessary Duplicate Body Jackets Section

31. This section questions the short period of time between the provision of some body jackets in the sample. Since we have no knowledge of the particulars of the examples given, we have no way of knowing whether or not these duplicates were medically necessary. However, it should be noted that in some instances, a duplicate is provided in good faith by a provider because he/she has no way of knowing that the patient already has a device obtained from another source.

Page 16.

Recommendations Section

32. The first recommendation states that HCFA should work with the SADMERC and AOPA to develop guidelines to more accurately describe L0430 devices. We would be happy to work with these groups in such an endeavor, however we also believe that the definition in comment number 30 above will be of significant assistance in fulfilling this recommendation. It is also suggested that HCFA develop a product listing of brand names that meet the criteria of the various HCPCS codes. While we understand the interest in such a document, the administrative work necessary to develop and maintain it would be excessive, since new products are developed and others are taken out of production constantly. Maintaining this listing would be a full-time job and would need ongoing professional O&P input to ensure accuracy.
33. The second recommendation discusses the need for detailed information on brand names, model numbers, etc. It should be added to this recommendation that such requirements can only be fulfilled for prefabricated devices, since custom items are assembled by the provider from raw materials including, but not limited to, plastic, leather, and

metal, in addition to some prefabricated componentry. Such raw materials do not carry brand names, model numbers, etc.

Page 22. Endnotes Section

34. Under item 1, the name of AOPA should be corrected to remove the plurals.
35. Under item 8, it should read "A L0300 is less expensive and more flexible than an L0430 and does not provide the rigid support that is required of an L0430. It also lacks the interface material, required by L0430. Source..."
36. Under item 9, orthotics should be changed to "orthoses" and prosthetics should read "protheses". In addition, the second sentence should read "AOPA noted that in those few cases when the coding..."

Once again, we appreciate having the opportunity to work with the OIG and the ADMERC in this review, as well as to provide comments. If you have any questions on any of the above information, or if we may assist you in any way in the future, please contact Robert T. Van Hook, CAE, executive director of AOPA, or Kathy Dodson, director of reimbursement services at (703) 836-7116.

Sincerely,

Ralph R. Snell, CPO
President, Chairman

cc: C. Michael Schuch, CPO, FISPO, FAAOP
David C. Schultz, CPO
Robert T. Van Hook, CAE
Kimber Nation

1. Source: American Orthotic and Prosthetic Association's *Illustrated Guide to Orthotics and Prosthetics*.
2. Source: American Orthotic and Prosthetic Association.
3. The 26 codes are: L0300, L0310, L0315, L0317, L0320, L0330, L0340, L0350, L0360, L0370, L0380, L0500, L0510, L0515, L0520, L0530; orthotic body jacket codes, L0390, L0400, L0410, L0420, L0430, L0440, L0540, L0550, L0560, L0565.
4. Medicare Payments for Orthotic Body Jackets (OEI-04-92-01080).
5. Marketing of Orthotic Body Jackets (OEI-04-92-01081).
6. Medicare Payments for Orthotics (OEI-02-95-00380).
7. The codes used in this analysis: L0300, L0310, L0315, L0317, L0320, L0330, L0340, L0350, L0360, L0370, L0380, L0390, L0400, L0410, L0420, L0430, L0440, L0510, L0515, L0520, L0530, L0540, L0550, L0560, L0565; (L0500 was not a part of this analysis because the code is no longer used).
8. We selected 299 claims contained in HCFA's 1996 Common Working File which is a five percent random sample of all Medicare claims. Of the providers, 62 furnished descriptive information such as photographs and brochures for 153 of the jackets claimed under Medicare code L0430.
9. The expert is the Coordinator of the HCPCS unit of the SADMERC which has responsibility for coding reimbursable durable medical equipment for the Medicare program.
10. A L0300 is less expensive and more flexible than a L0430 and it does not provide the rigid support that is required of an L0430. It also lacks the interface material required by L0430. Source: AOPA's, *Illustrated Guide to Orthotics and Prosthetics* and a representative from the SADMERC.
11. Experts are members of the AOPA Coding Committee and AOPA members who train the SADMERC on HCPCS coding for orthoses and prostheses. AOPA noted that in cases when the coding committee could not agree if a product was appropriately billed as an L0430 the majority opinion of the group was used.