CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 10896	**Date: July 21, 2021**
	Change Request 12282

Transmittal 10801, dated May 20, 2021, is being rescinded and replaced by Transmittal 10896, dated, July 21, 2021 to add business requirements 12282.13, 12282.14, 12282.15, 12282.16 and 12282.17. All other information remains the same.

SUBJECT: Additional Payment Edits for DMEPOS Suppliers of Custom Fabricated and Prefabricated (Custom Fitted) Orthotics. Update to Change Request (CR) 3959, CR 8390, and CR 8730

I. SUMMARY OF CHANGES: The purpose of this CR is to communicate the addition of HCPCS codes which require the use of a licensed/certified orthotist or prosthetist for furnishing of orthotics or prosthetics under the following product and service codes:

1. OR01 Orthoses: Custom Fabricated
2. OR02 Orthoses: Prefabricated (Custom Fitted)

EFFECTIVE DATE: October 1, 2021
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: October 4, 2021

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
N/A	N/A

III. FUNDING:

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One Time Notification

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 10896	Date: July 21, 2021	Change Request: 12282

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SUBJECT: Additional Payment Edits for DMEPOS Suppliers of Custom Fabricated and Prefabricated (Custom Fitted) Orthotics. Update to Change Request (CR) 3959, CR 8390, and CR 8730

EFFECTIVE DATE: October 1, 2021
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IMPLEMENTATION DATE: October 4, 2021

I. GENERAL INFORMATION

A. Background: The Centers for Medicare & Medicaid Services (CMS) issued Transmittal 656, Change Request (CR) 3959 on August 19, 2005. This CR instructed Durable Medical Equipment Regional Contractors (DMERCs, since changed to Durable Medical Equipment Medicare Administrative Contractors, or DME MACs) to implement claims processing edits to ensure compliance with CMS regulations found at 42 Code of Federal Regulations § 424.57(c)(1). Such regulations require Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) suppliers wishing to bill Medicare to operate their business and furnish Medicare-covered items in compliance with all applicable Federal and State licensure and regulatory requirements.

As a result of CR 3959, the DME MACs implemented an edit, which was programmed to deny claims for prosthetics and certain custom-fabricated orthotics when those items were furnished by personnel who were not licensed/certified as a orthotist or prosthetist by the State in which they practice. At the time, CR 3959 was issued and the DME MACs implemented the edit. There were nine (9) states, which required the use of a licensed/certified orthotist or prosthetist for furnishing of orthotics or prosthetics. Since that time, five (5) additional states have instituted requirements for the use of a licensed/certified orthotist or prosthetist for furnishing of orthotics or prosthetics. These five (5) states are Arkansas, Georgia, Kentucky, Mississippi, and Tennessee. Since these five (5) states were not originally programmed into the edit implemented via CR 3959, it is possible that DME MACs have been inappropriately paying for prosthetics and certain custom-fabricated orthotics when personnel who were not properly licensed/certified by the State in which they practice furnished those items. CR 8390 instructed the DME MACs to revise the programming edits so that Arkansas, Georgia, Kentucky, Mississippi, and Tennessee are added to the logic, in accordance with CR 3959.

CR 8730 instructed the DME MACs to revise the programming edits so that North Dakota, Iowa, and Pennsylvania are added to the logic, in accordance with CRs 3959 and 8390.

The purpose of this CR is to communicate the addition of Healthcare Common Procedure Coding System (HCPCS) codes, which require the use of a licensed/certified orthotist or prosthetist for furnishing of orthotics or prosthetics, under the following product and service codes:

1. OR01 Orthoses: Custom Fabricated
2. OR02 Orthoses: Prefabricated (Custom Fitted)

B. Policy: In those seventeen states that have indicated that provision of prosthetics and orthotics must be made by licensed/certified orthotist or prosthetist, Medicare payment may only be made for prosthetics and certain custom-fabricated orthotics when furnished by physicians, pedorthists, physical therapists, occupational therapists, orthotics personnel and prosthetics personnel. These specialties shall bill for Medicare services when State law permits such entity to furnish an item of prosthetic or orthotic.

- Medical Supply Company with Orthotics Personnel – Specialty Code 51;
- Medical Supply Company with Prosthetics Personnel – Specialty Code 52;
- Medical Supply Company with Orthotics and Prosthetics Personnel – Specialty Code 53;
- Orthotics Personnel – Specialty Code 55;
- Prosthetics Personnel – Specialty Code 56;
- Orthotics Personnel, Prosthetics Personnel, and Pedorthists – Specialty Code 57;
- Physical Therapist – Specialty Code 65;
- Occupational Therapist – Specialty Code 67;
- Pedorthic Personnel - Specialty Code B2;
- Medical Supply Company with Pedorthic Personnel - Specialty Code B3
- Ocularist – Specialty Code B5

If a supplier is located in one of the applicable states and wishes to bill Medicare for the prosthetics and custom-fabricated orthotics attached to this CR, it must properly enroll with the National Supplier Clearinghouse (NSC) to ensure the correct specialty code(s) is on file. A copy of the State license should be sent to the NSC if the supplier is in one of the seventeen states requiring a license. If a supplier should need to update its' file with the correct specialty, the supplier must submit a "Change of Information" on Form CMS-855S to the NSC along with all applicable licenses or certifications. The NSC is responsible for maintaining a central data repository for information regarding suppliers, which is transmitted to the DME MACs. The effective date for the new or revised specialty code for prosthetics and orthotic claims will be the date the NSC issues the specialty code. The new or revised specialty code shall not be applied retroactively.

ViPS Medicare System (VMS) shall implement system changes to load specialty codes as listed in the Business Requirements Table as required specialties for all HCPCS in the attachment to this CR. This includes the addition of the HCPCS codes in product categories OR01 (Orthoses: Custom Fabricated) and OR02 (Orthoses: Prefabricated (Custom Fitted)). This system change will allow for auto denial of claims paid for these codes unless the DMEPOS supplier has been identified as licensed and verified on their CMS-855S.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
12282.1	The VMS shall systematically load the following specialties in the VMS subsystem All Pricing, Provider, and Procedure Lookup (APPL) as required							X		

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	specialties for all HCPCS in the attachment to this CR: • Medical Supply Company with Orthotics Personnel – Specialty Code 51; • Medical Supply Company with Prosthetics Personnel – Specialty Code 52; • Medical Supply Company with Orthotics and Prosthetics Personnel – Specialty Code 53; • Orthotics Personnel – Specialty Code 55; • Prosthetics Personnel – Specialty Code 56; • Orthotics Personnel, Prosthetics Personnel, and Pedorthists – Specialty Code 57; • Physical Therapist – Specialty Code 65; • Occupational Therapist – Specialty Code 67; • Pedorthic Personnel - Specialty Code B2; • Medical Supply Company with Pedorthic Personnel - Specialty Code B3 • Ocularist – Specialty Code B5 Note: VMS has hard coded logic in place to accept the physician specialties.									
12282.2	CMS shall continue to provide the DME MACs with an updated listing of the 17 states that require use of an orthotist or prosthetist for furnishing of orthotics or prosthetics.									CMS
12282.3	Contractors shall continue their programming edits so that all 17 states listed above remain in the logic, in accordance with CR 3959, CR 8390, and CR 8730.				X					NSC
12282.4	Contractors shall provide CMS with updates to this listing, as necessary. CMS will then issue a CR to change and/or update the list of states.									NSC
12282.5	The contractor's claims processing system shall note the specific prosthetic and orthotic HCPCS Codes previously identified in CR 3959, CR 8390, and CR 8730 as well as the new codes identified via this CR and shall continue to edit claims from suppliers for the current 17 states identified in this CR.				X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
12282.6	The DME MACs shall continue to deny a claim for the prosthetics and orthotic codes previously identified in CR 3959, CR 8390, and CR 8730 if submitted by a supplier that is located in one of the current 17 states identified in this CR.				X					
12282.7	In addition to continuing to deny a claim for the prosthetics and orthotic codes previously identified in CR 3959, CR 8390, and CR 8730 if the supplier does not have the required State License, the DME MACs shall also deny a claim for the additional prosthetics and orthotic codes identified in this CR under Product and Service Codes OR01 and OR02.				X					
12282.8	The DME MACs shall exempt beneficiary submitted claims from license editing.				X					
12282.9	DME MACs shall continue to process claims with dates of service prior to the implementation date of this CR.				X					
12282.10	Adjustment claims: Claims previously approved and subsequently adjusted shall be exempt from these edits.				X					
12282.11	DME MACs shall pay claims with date of service prior to the implementation date of this CR regardless of the date the supplier is deemed licensed.				X					
12282.12	The DME MACs shall automatically deny effected line items submitted on a supplier's claim (as the supplier is liable), if the rendering DMEPOS supplier has not been identified by the NSC as being licensed to supply the specific product/service at the time of date of service (between the effective and expiration dates of licensure).				X					
12282.13	The DME MACs shall update the list of states to include the addition of five states (Connecticut, Idaho, Maryland, Minnesota, and Nevada) and the removal of one state (Rhode Island) that were previously included in CRs 3959, 8390, and 8730.				X					

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
12282.14	The NSC shall identify and provide a list of suppliers to CMS whose enrollments require the NSC to make manual updates to their specialty in order to bill for OR02.									NSC
12282.15	The NSC shall manually update the suppliers' enrollments to reflect the correct specialty.									NSC
12282.16	The NSC shall identify and provide a list of suppliers to CMS whose enrollments allow them to bill for both OR01 and OR02, but they are only licensed to bill for OR02. This shall be provided to CMS on a cumulative and ongoing quarterly basis.									NSC
12282.17	The NSC shall notify CMS of any new states or updates to previous states with OR01 and OR02 license requirements on a quarterly basis.									NSC

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
12282.18	CR as Provider Education: Contractors shall post this entire instruction, or a direct link to this instruction, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the entire instruction must be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement it with localized information that would benefit their provider community in billing and administering the Medicare program correctly.				X	

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Andrew Stouder, 410-786-0222 or Andrew.Stouder@cms.hhs.gov , Sarah Kuznear, 410-786-0967 or sarah.kuznear1@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 1

PD-210407-01

Report Type: Adhoc

Tracking Number: PD-210407-01

Report Objective:
Provide the latest HCPCS Codes pertaining to the product and service code categories OR01 & OR02.

Sorted by:
HCPCS Code

Source of Report: PDAC Reporting
Report Run Date: 04/12/2021

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Showing Sessions 1-50 of page 1 of

Sessions under which Great practices has further RSVP access: 100%

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	Session Name	Session Date	Session Time	Session Type	Session Location	Accepted Attendees	Waitlisted Attendees	Accepted	Waiting Attendees	Cancelled Attendees
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Training Session: PM-ATMEP-07

NATIONAL Code and US Gaap Journal Entries for Under MEP project 10000

Instructor: Cristina Cruzado

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	MEPEA Long	Debit Amount	Credit Amount	Posting Level	Posting Level Description	Reporting Organization	Reporting Organization Name	Company	Company Name	Company Reporting Organization
1000	Cash - Operating - Operating Cash - Operating Cash - Operating Cash

Tracking Number: PD-210407-01

Column Descriptions

Column Name	Column Description
HCPCS	The five-digit alphanumeric HCPCS code for the supplies provided, together with a KL or UE modifier for certain codes.
HCPCS Long Description	The long description of the five-digit HCPCS code for the supplies provided.
Policy Group Number	A numeric code that represents a grouping of procedure codes.
Policy Group Name	The description of the policy group.
Product and Service Code	An alphanumeric code representing a category of products and services.
Product and Service Code Description	The description of the alphanumeric product and service code.
Requires Accreditation (Y/N)	Indicating (Y/N) if the identified HCPCS code requires accreditation per Change Requests (CR) 6556/7333/9371/9904.
Crosswalk Effective Date	The effective date of the crosswalk.
Crosswalk End Date	The end date, if applicable, of the crosswalk.
HCPCS Effective Date	The most current date on which the procedure code became valid for submission.
HCPCS Termination Date	The most current termination date for the identified procedure code.

Source of Report: PDAC Reporting
Report Run Date: 04/12/2021

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