DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

Medicare Learning Network

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CMS

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NEWS FLASH

In September 2012, the Centers for Medicare & Medicaid Services (CMS) announced the availability of a new electronic mailing list for those who refer Medicare beneficiaries for Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS). Referral agents play a critical role in providing information and services to Medicare beneficiaries. To ensure you give Medicare patients the most current DMEPOS Competitive Bidding Program information, CMS strongly encourages you to review the information sent from this new electronic mailing list. In addition, please share the information you receive from the mailing list and the link to the "mailing list for referral agents" subscriber webpage with others who refer Medicare beneficiaries for DMEPOS. Thank you for signing up!

MLN Matters® Number: MM8523

Related Change Request (CR) #: CR 8523

Related CR Release Date: December 13, 2013

Effective Date: January 1, 2014 for payment on a reasonable charge basis and April 1, 2014 for payment on a national fee schedule basis

Related CR Transmittal #: R2837CP

Implementation Date: January 6, 2014 for payment on a reasonable charge basis and April 7, 2014 for payment on a national fee schedule basis

Change to the Reasonable Charge Update for 2014 for Splints, Casts, and Certain Intraocular Lenses

Provider Types Affected

This MLN Matters® Article is intended for physicians, other providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs)) for services to Medicare beneficiaries.

Provider Action Needed

This article is based on Change Request (CR) 8523 which informs Medicare contractors about the changes in payment basis for splints, casts, and certain intraocular lenses furnished in calendar year 2014. Make sure that your billing staffs are aware of these changes.

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This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2012 American Medical Association.

Background

Payment has been made on a reasonable charge basis for splints and casts, and intraocular lenses (IOLs) inserted in a physician's office with the criteria for determining reasonable charges set forth at 42 CFR part 405, subpart E of CMS regulations. However, section 1842(s) of the Social Security Act provides the authority for replacing the reasonable charge payment methodology with statewide or other area wide fee schedules to be used for payment for these items. The final rule implementing fee schedules for splints and casts, and IOLs inserted in a physician's office was published on December 2, 2013. Effective for dates of service on or after April 1, 2104, payment for splints and casts, and IOLs inserted in a physician's office will be made using national fee schedule amounts, and reasonable charges will no longer be calculated for these items.

For payment of splints and casts furnished from April 1, 2014, through December 31, 2014, regulations at 42 CFR 414.106 require national fee schedules be established based on 2013 reasonable charges updated by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June 2013. For subsequent years, the fee schedule amounts will be updated by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the preceding year, reduced by the productivity adjustment as described in section 1886(b)(3)(B)(xi)(II) of the Act. The splints and cast Q-codes are to be used when supplies are indicated for cast and splint purposes. This payment is in addition to the payment made under the physician fee schedule for the procedure for applying the splint or cast.

For payment of IOLs inserted in a physician's office furnished from April 1, 2014, through December 31, 2014, regulations at 42 CFR 414.108 require national fee schedules be established based on the national average allowed charge for the item from January 1, 2012, through December 31, 2012, updated by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 24-month period ending with June 2013. For subsequent years, the fee schedule amounts will be updated by the percentage increase in the consumer price index for all urban consumers (United States city average) for the 12-month period ending with June of the preceding year, reduced by the productivity adjustment as described in section 1886(b)(3)(B)(xi)(II) of the Act.

The reasonable charge amounts for splints and casts that are effective for dates of service January 1, 2014 through March 31, 2014 are shown in Attachment A of CR8523, which is available at http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2837CP.pdf on the Centers for Medicare & Medicaid Services (CMS) website. MACs will make payment for splints and casts based on the lower of the actual charge or the reasonable charge payment limits established for these codes. Payment will also be made on a reasonable charge basis for IOL codes V2630, V2631 and V2632 that are inserted in a physician's office for dates of service January 1, 2014 through March 31, 2014.

MACs shall use the national fee schedule amounts listed in Attachment B of CR8523 to pay claims for splints and casts, and IOLs inserted in a physician's office for dates of service from April 1, 2014, through December 31, 2014. Subject to coinsurance and deductibles rules, Medicare payment for

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these items is to be equal to the lower of the actual charge for the item or the amount determined under the applicable fee schedule payment methodology. Please note that beginning April 1, 2014, the applicable HCPCS codes and the national fee schedule amounts for splints and casts, and IOLs inserted in a physician's office will be included in the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) fee schedule file. For subsequent calendar years, MACs are to pay claims for splints and casts, and IOLs inserted in a physician's office using the national fee schedule amounts available in the DMEPOS fee schedule file.

Additional Information

The official instruction, CR 8523 issued to your MAC regarding this change may be viewed at http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R2837CP.pdf on the CMS website.

If you have any questions, please contact your MAC at their toll-free number, which may be found at http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html on the CMS website.

News Flash - Generally, Medicare Part B covers one flu vaccination and its administration per flu season for beneficiaries without co-pay or deductible. Now is the perfect time to vaccinate beneficiaries. Health care providers are encouraged to get a flu vaccine to help protect themselves from the flu and to keep from spreading it to their family, co-workers, and patients. Note: The flu vaccine is not a Part D-covered drug. For more information, visit:

- MLN Matters® Article #MM8433, "Influenza Vaccine Payment Allowances - Annual Update for 2013-2014 Season"
- MLN Matters® Article #SE1336, "2013-2014 Influenza (Flu) Resources for Health Care Professionals"
- HealthMap Vaccine Finder - a free, online service where users can search for locations offering flu and other adult vaccines. While some providers may offer flu vaccines, those that don't can help their patients locate flu vaccines within their local community.
- The CDC website for Free Resources, including prescription-style tear-pads that allow you to give a customized flu shot reminder to patients at high-risk for complications from the flu.

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