

Special Edition

DME Medicare News

DME Region A Service Office ❖ Suite 339, 320 S. Pennsylvania Blvd ❖ Wilkes-Barre, PA 18701-2215

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The Region A "DME Medicare News" is published by The Travelers Government Operations DMERC Professional Relations Unit for DMEPOS suppliers in Region A. For further information on this publication, please contact:



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Crossover

Block 9 of the HCFA-1500 form should contain the last name, first name, and middle initial of the enrollee in a Medigap policy. Only participating physicians and suppliers should complete Block 9 and its subdivisions, and only when the beneficiary wishes to assign his/her benefits under a Medigap policy to the participating physician or supplier. Do not list other supplemental coverage in Blocks 9 through 9d. Other supplemental claims are forwarded automatically to the private insurer if the private insurer contracts with the carrier to receive Medicare claim information electronically.

Block 10d should be used for Medicaid information only. If the beneficiary is entitled to Medicaid coverage, enter the Medicaid number preceded by MCD.

This information will be included as a revision to the *Supplier Manual* in the next edition of "DME Medicare News."

Supplier Number

The Medicare Regional Durable Medical Equipment carriers accept claims only from suppliers who have been issued a supplier number by the National Supplier Clearinghouse (NSC). To obtain a NSC number, write or call the NSC at: National Supplier Clearinghouse, Post Office Box 100142, Columbia, South Carolina 29202-3142. Telephone: (800) 851-3682. Suppliers not having a valid Medicare supplier billing number will not receive payment for their claims.

Suppliers with NSC numbers, who are located in a transitioned state but who submit claims via a central billing site located in a non-transitioned state [e.g., a supplier located in New Hampshire (transitioned) submits claims via its central billing office located in Massachusetts (non-transitioned)], will have the claims processed provided the name and address of the facility where the services were rendered are included in Block 32 of the HCFA-1500 form.

Omnibus Budget Reconciliation

As a result of the Omnibus Budget Reconciliation Act (OBRA) of 1993, a number of changes have occurred in the treatment of certain Durable Medical Equipment (DME). Effective January 1, 1994, the law no longer requires that certain items be categorized as "Items Requiring Frequent and Substantial Servicing." These items have been reclassified as either a "Capped Rental Item" or "Inexpensive or Other Routinely Purchased Item."

If you bill in excess of the amounts permitted under these provisions, Medicare will recover, as overpayments, any erroneous payments made for such bills.

The fees for the two new items and the new accessory code are being developed and will be published as soon as they are available.

Capped Rental Items

The following items have been reclassified as Capped Rental Items:

- E0452** Intermittent assist device
- E0601** Continuous airway pressure device
- E0570** Nebulizer, with compressor
- E0585** Nebulizer, with compressor and heater
- E0600** Suction pump

To compute the 10-month purchase option or the 15-month limit on rental for capped rental items, begin counting with the first month that the beneficiary continuously rented the equipment. If the Medicare beneficiary began renting one of these items on or after March 2, 1993, the beneficiary must be offered a purchase option now because at least one day of the tenth rental month will occur on or after January 1, 1994. If, on January 1, 1994, the beneficiary has rented one of these items for 15 months or more, billing must cease since the 15-month capped rental limitation will have been met.

Examples

1. If the beneficiary began renting the equipment between March 2, 1993 and April 30, 1993, the supplier must offer the beneficiary the purchase option during January 1994 as some portion of the beneficiary's 10th rental month will be in January.

2. If the equipment has been continuously rented beginning or before October 1992, no further rental payments are made for dates of service in 1994 since 15-month rental will have occurred before January 1994. The semi-annual maintenance and service provision begins July 1, 1994.

If the 10th rental month has ended prior to January 1994, the purchase option provision cannot be offered to the beneficiary as this option may only be offered during the 10th rental month.

Two new device codes have been established, both of which will be capped rental devices:

- K0193** Continuous positive airway pressure device, with humidifier
- K0194** Intermittent assist device with continuous positive airway pressure, with humidifier

Inexpensive or Other Routinely Purchased Items

The following item has been reclassified as Inexpensive or Other Routinely Purchased Items:

- E1375** Nebulizer, portable

Total payment for this item is limited to the purchase fee schedule amount. The total payment amount is calculated beginning with the first month the beneficiary continuously rented the equipment. Once the total rental payments for E1375 equals or exceeds the fee schedule purchase price, Medicare will cease making payments for dates of service in 1994. Medicare will pay for services billed in 1994 with dates of service in 1993, even if the purchase price was exceeded on that date of service.

Dispensing Fees

For dates of service on or after January 1, 1994, where pharmacies provide drugs used in nebulizers, a monthly dispensing fee for each drug may be paid, in addition to the payment for the drug, regardless of whether the nebulizer is rented or owned. The allowable Medicare reimbursement for the Dispensing Fee is \$5.00. A new HCPCS code has been established for the billing of this fee:

- Q0132** Dispensing fee for covered drug administered through DME nebulizer

Act (OBRA) 1993 Changes

Accessories

For dates of service on or after January 1, 1994, accessories used with the items noted on the opposite page should be billed separately whether the item is being rented or has been purchased. Use the following accessory codes:

DME Nebulizer Accessories

- K0168** Administration set, small volume non-filtered pneumatic nebulizer, disposable
- K0169** Small volume non-filtered pneumatic nebulizer, disposable
- K0170** Administration set, small volume non-filtered pneumatic nebulizer, non-disposable
- K0171** Administration set, small volume filtered pneumatic nebulizer
- K0172** Large volume nebulizer, disposable, unfilled, used with aerosol compressor
- K0173** Large volume nebulizer, disposable, prefilled, used with aerosol compressor
- K0174** Reservoir bottle, non-disposable, used with large volume ultrasonic nebulizer
- K0175** Corrugated tubing, disposable, used with large volume nebulizer, 100 feet
- K0176** Corrugated tubing, non-disposable, used with large volume nebulizer, 10 feet
- K0177** Water collection device, used with large volume nebulizer
- K0178** Filter, disposable, used with aerosol compressor
- K0179** Filter, non-disposable, used with aerosol compressor or ultrasonic generator
- K0180** Aerosol mask, used with DME nebulizer
- K0181** Dome and mouthpiece, used with small volume ultrasonic nebulizer
- K0182** Water, distilled, used with large volume nebulizer, 1000 ml

CPAP Device Accessories

- K0183** Nasal application device, used with CPAP device
- K0184** Nasal pillows/seals, replacement for nasal application device, pair
- K0185** Headgear, used with CPAP device
- K0186** Chin strap, used with CPAP device
- K0187** Tubing, used with CPAP device
- K0188** Filter, disposable, used with CPAP device
- K0189** Filter, non-disposable, used with CPAP device

Suction Pump Accessories

- K0190** Canister, disposable, used with suction pump
- K0191** Canister, non-disposable, used with suction pump
- K0192** Tubing, used with suction pump

Questions & Answers

1. **How does the supplier exercise the purchase option on those codes which are now capped rental items?**

If the beneficiary began renting the capped rental item on or after March 2, 1993, the supplier *must* offer the beneficiary the purchase option in the 10th month.

2. **How does the ownership title of an item pass from the supplier to the beneficiary once the beneficiary's payments reach the purchase price of the item?**

This issue must be resolved between the beneficiary and the supplier.

3. **What will the fees be for the new items and for those items which have been reclassified?**

The local fee amounts for the reclassified items will be included in the fee disclosures for 1994. Fees for the two new capped rental codes and the new accessory code will be gap-filled and published as soon as calculations have been completed.

Parenteral and Enteral Nutrition

Certificate of Medical Necessity

A current CMN must be submitted with the first Parenteral and Enteral Nutrition (PEN) claim submitted for each beneficiary to the DMERC. The CMN is necessary to price the claim and to adjudicate the medical necessity of the category of formula being administered for both parenteral and enteral nutrition. The CMN questions can be answered from information available in the supplier's records. The physician's signature is not required, and the supplier may indicate "physician signature on file." For parenteral nutrition, all questions on CMN DMERC 10.01 must be answered and signed by the physician on or before May 1, 1994. After May 1, 1994, these claims will be denied.

Pumps for Enteral Nutrition

HCFA has determined that the only acceptable ICD-9 codes for enteral nutrition infusion pumps, Codes B9000 or B9002 are: 001.0-008.8, 009-009.3, 250.0-250.9, 428.0, 536.0, 636.8, 558.1-558.9, 654.2, or V44.4. Enteral pumps with other diagnoses will be denied as not medically necessary.

Procedure Code E0776 - IV Pole

When submitting claims for procedure code E0776 - IV Pole for Parenteral and Enteral Nutrition therapy, use the following codes. The XA modifier indicates PEN therapy.

- E0776NUXA
- E0776UEXA
- E0776RRXA

If submitting claims for procedures other than PEN therapy, use codes:

- E0776NU
- E0776UE
- E0776RR

(NU = New; UE = Used; RR = Rental)

Elevating Leg Rests

A temporary Level II HCPCS Code for Elevating Leg Rests is being added. The following are the four existing Level II HCPCS codes for Elevating Leg Rests for wheelchairs:

- E0990** Elevating Leg Rest, Each
- K0046** Elevating Leg Rest, Lower Extension Tube, Each
- K0047** Elevating Leg Rest, Upper Hanger Bracket, Each
- K0048** Elevating Leg Rest, Complete Assembly

The wheelchair codes being phased out (i.e., the current "E" codes for wheelchairs) include codes for wheelchairs with or without elevating leg rests (pair). These codes are located in the capped rental class of DME. Code E0990 has historically been used to bill for the add-on, replacement, or maintenance of a single elevating leg rest and is located in the inexpensive or routinely purchased class of DME. Code K0048, which replaces code E0990, is also per leg rest and is located in the inexpensive or routinely purchased class of DME. The wheelchair codes being phased in (i.e., the "K" codes) only include wheelchair base codes for wheelchairs without elevating leg rests.

The following temporary HCPCS Level II code identifies elevating leg rests that are used with the capped rental wheelchair bases. Use of this code permits payment of the elevating leg rests as part of the capped rental class of DME:

- K0195** Elevating Leg Rests, Pair (for use with Capped Rental Wheelchair Base)

Use K0195 in association with the "K" codes for capped rental wheelchair bases. Claims for K0195 that are submitted in association with "E" codes for capped rental wheelchairs will be denied.

Code K0048 is the appropriate code to use when billing for the repair or replacement of an elevating leg rest for a patient-owned wheelchair.

The actual average allowed charge for elevating leg rests during the base year period is used in establishing the fee schedule for K0195. The base fees that are derived for code K0195 are consistent with base year catalog pricing for elevating leg rests.

Three Ways to Faster Payments

Correct and Complete Claims

Claims with incomplete or inaccurate information are suspended in our claim processing system. All of these require investigation of the missing information and/or correction of inaccurate information. In some instances, the accurate information can be obtained through our computer system. Some situations can be resolved through telephone calls. Many other situations require mailing of letters and the pending of the claim until a reply is received. Every suspended claim results in a delay in payment.

The following situations are frequently billed incorrectly and cause delays in our resolution of significant numbers of claims. Please review your billing procedures to ensure your claims are submitted with complete and accurate information. In general, the situations described below apply to both paper and electronic media claims. These are the correct ways to complete the claim.

- If using a "Miscellaneous" code, be sure to also enter a narrative description.
- The UPIN number and name of the referring physician must be entered in Blocks 17 and 17a, respectively, and, if omitted, results in the denial of assigned claims and investigation of non-assigned claims.
- Claims submitted to the DMERC must be accompanied by CMNs, if required.
- All CMN questions appropriate for the item being supplied must be answered.
- When using a Place of Service Code 99, the claim must show where the equipment is being used; e.g., home.
- End Stage Renal Disease claims must show the type of dialysis. This information should be carried by the Common Working File, but in many cases, is missing. The appropriate dialysis types are: hemodialysis, continuous ambulatory peritoneal dialysis, continuous cycling peritoneal dialysis, and peritoneal dialysis.
- Where appropriate, be sure to use "K" modifiers; e.g., KH = first-month rental, KI = second and third-month rental, and KJ = fourth through fifteenth-month rental.

- Use only current DMERC HCPCS codes.
- Dates of service for a one-month rental must have the same date for both the From and the Through date. For example, show 11/02/93 - 11/02/93. **Do not show** 11/02/93 - 12/02/93. Number of service must be equal to 1.
- Signed EMC agreements must be returned to the DMERC before electronic media claims can be received and processed by the DMERC.

Electronic Claim Submission

Electronic Claim Submission provides many benefits to the supplier.

- Control over the quality of the data
- 14-day payment floor for electronic claims versus 27 days for paper claims
- Availability of Electronic Remittance Notice and Electronic Fund Transfer
- Elimination of time required for mailing and handling by the postal service and the DMERC
- Availability of DMERC EMC free software and Help Desk services

Electronic Remittance and Fund Transfer

Payment information is available in electronic format. When integrated with the supplier's billing system, accounts can be automatically updated. Electronic Remittance Notice is only available to suppliers who submit their claims electronically.

Electronic Fund Transfer is available to suppliers who have opted to receive Electronic Remittance Notice. With Electronic Fund Transfer, Medicare payments are transferred electronically to the supplier's bank and automatically deposited to their account.

Both Electronic Remittance Notice and Electronic Fund Transfer specifications are available from the DMERC. Our EMC Help Desk staff will be happy to discuss this opportunity. For additional information or assistance with Electronic Media Claim, please call: (800) 842-1305.

Post-Transition Workshops

The Travelers Region A DMERC will be holding Post-Transition Workshops throughout Region A. A workshop schedule, including the dates and locations, is shown on the following page. Two workshops will be held per day.

Morning Session - Registration 7:30 A.M.
Presentation 8:00 A.M. to 11:30 A.M.

Afternoon Session - Registration 12:30 P.M.
Presentation 1:00 P.M. to 4:30 P.M.

Reservations are required. Complete the form on the bottom of this page. Return the form by FAX or mail to the address shown. For assistance, call our Supplier Toll-Free Number at (800) 842-2563

The workshops will address issues suppliers have encountered in transitioning from local to regional carriers. Each workshop will feature a discussion on topics such as Electronic Media Claims, Claims Submission (including examples) and Medical Policy, along with a Question and Answer session. Please bring the following materials to the workshop:

- DMERC Region A *Supplier Manual*
- HCFA-1500 Form
- National Supplier Clearinghouse Number
- Writing Materials



(Cut here)

Post-Transition Workshop Registration Form

NAME: _____

REPRESENTING: _____

ADDRESS: _____

PHONE NUMBER: _____ NSC NUMBER (required to attend) _____

CHECK THE SUPPLIER TYPE: DME O&P OXYGEN PEN OTHER

SPECIALTY: _____

WORKSHOP DATE AND LOCATION: _____

SESSION: A.M. P.M. NUMBER ATTENDING: _____ (maximum 4)

PLEASE COMPLETE THIS FORM AND MAIL OR FAX TO:

MAIL TO: THE TRAVELERS REGION A DMERC
P. O. Box 6800
WILKES-BARRE, PA 18701
ATTN: PROFESSIONAL RELATIONS

FAX TO: PROFESSIONAL RELATIONS
(717) 820-5750

Workshop Schedule

State	City	Meeting Site		Date of Seminar	Date of Transition
CT	Trumbull	Marriott Hotel, 180 Hawley Lane	(203) 378-1400	02/07/94	11/01/93
	Farmington	Marriott Hotel, 15 Farm Springs Road	(203) 678-1000	02/08/94	
RI	Providence	Marriott Hotel, Charles at Ormes Street	(401) 272-2400	02/11/94	
VT	Burlington	Ramada Inn, 1117 Williston Road	(802) 658-0250	02/21/94	12/01/93
NH	Bedford	Sheraton Tara Wayfarer, 121 South River Road	(603) 622-3766	02/23/94	
ME	Portland	Ramada Inn, 1230 Congress Street, Int 295	(207) 774-5611	02/25/94	
DE	Dover	Sheraton Inn, 1570 North Dupont Highway	(302) 678-8500	03/08/94	01/01/94
NJ	Freehold	Freehold Gardens Hotel, Rt 130 & N/S Freeway	(908) 780-3870	03/14/94	
	Morristown	Governor Morris Hotel, 2 Whippany Road	(201) 539-7300	03/30/94	
PA	Philadelphia	Sheraton Inn Northeast, 9461 Roosevelt Blvd	(215) 671-9600	04/06/94 & 04/07/94	02/01/94
	Harrisburg	Marriott Hotel, 4650 Lindle Road	(717) 564-5511	04/08/94	
	Wilkes-Barre	Genetti Best Western, 77 Market Street	(717) 823-6152	04/11/94	
	Monroeville	Radisson Hotel, 101 Mall Blvd	(412) 373-7300	04/13/94 & 04/14/94	
NY	Jamaica	Holiday Inn, 144-02 135 Avenue	(718) 659-0200	05/02/94	03/01/94
	Jamaica	Holiday Inn, 144-02 135 Avenue	(718) 659-0200	05/03/94	
	Schnectady	Best Western Roitterdam, 2788 Hamburg Street	(518) 355-1111	05/09/94	
	Syracuse	Quality Inn North, 1308 Buckley Road	(315) 451-1212	05/11/94	
	Buffalo	Raddison Hotel, 4243 Genesee Street	(716) 634-2300	05/16/94	
	Elmira	Holiday Inn (Downtown Elmira), East Water Street	(607) 734-4211	05/18/94	
MA	Boston	Tremont House Hotel, 275 Tremont Street	(617) 426-1400	06/01/94	
	Springfield	Sheraton Hotel, 1 Monach Road	(413) 781-1010	06/03/94	

Important

1994 DME Fee Schedules Enclosed