

DME Medicare News

DMERC Region A Service Office v P. O. Box 6800 v Wilkes-Barre, PA 18773-6800

No. 10



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Contacts

DME Region A Service Office
 The Travelers Insurance Group... (717) 820-5700
 Supplier Toll-Free Number..... (800) 842-2563
 National Supplier Clearinghouse . (800) 851-3682
 Electronic Media Claims..... (800) 842-1305
 FAX..... (717) 820-5850

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Region A DMERC
 Professional Relations - Outreach
 P. O. Box 6800
 Wilkes-Barre, PA 18773-6800

Joanne Policare, Editor (717) 820-5895

A Note From the Ombudsmen

The transition process is almost completed, and most of our ten states are on board and submitting claims. Through educational support and on-going communication, we have worked diligently throughout the transition to alleviate any concerns and problems that the supplier community has expressed. We appreciate the patience of all of the suppliers in Region A, and hope that the strong relationship that has been established will continue to develop.

We would like to acknowledge a special group of individuals who have been instrumental in our success: our national and state supplier associations, medical societies, and beneficiary organizations. These organizations have played an integral part in the transition from local carriers to new regional DMERCs. The invaluable insights received from the perspective of these organizations help to insure that the suppliers and beneficiaries in our region are kept abreast of the numerous changes taking place during the transition.

We are grateful for their participation and cooperation in this transition process and look forward to a long and mutually beneficial relationship.

Ombudsmen

<i>Doris Spencer</i>	<i>Martin Szmaj</i>	<i>Vince Temples</i>
Connecticut	Pennsylvania	New York
Maine	New Jersey	
Massachusetts	Delaware	(717) 820-5711
New Hampshire		
Rhode Island	(717) 820-5846	
Vermont		

(717) 820-5712 or
 (203) 639-3150

Surgical Dressings

As a result of changes in the national policy for coverage of Surgical Dressings (See Region A DME Medicare News, Special Edition, No. 8, April 1994, page 2 for more information), the coding system for surgical dressings has been totally revised. (See Appendix #1) Where a clear crosswalk exists from the current codes to the new codes, this is noted in the "Current Code" column. The following points summarize the major changes:

- 1) Pricing modifiers have been eliminated and the wording of the modifiers has been incorporated into the code narratives. For example, pricing modifiers KB, KC, and KD had been used with code K0150 to indicate different sizes of alginate dressings; now, 3 codes (K0196-K0198) have been created.
- 2) Several codes have been created for wound fillers. These are amorphous forms of dressing material which are placed into open wounds to eliminate dead space and absorb exudate. They may come in hydrated forms (e.g. pastes, gels), dry forms (e.g. powder, granules, beads), or other forms such as rope, spiral, pillows, etc. For certain materials unique codes have been established - e.g. alginate wound filler (K0199), foam wound filler (K0215), hydrocolloid wound filler (K0240-K0241), and hydrogel wound filler (K0248-K0249). Wound fillers not falling into any of these categories would be coded as K0261 or K0262. (See individual code narratives to determine which code is appropriate to use for a particular product.)
- 3) The units of service for wound fillers are 1 gram, 1 fluid ounce, or 6 inch length depending on the product. If the individual product is packaged as a fraction of a unit (e.g. 1/2 fluid ounce), determine the units billed by multiplying the number dispensed times the individual product size and rounding to the nearest whole number. For example, if eleven (11) 1/2 oz. tubes of a wound filler are dispensed, bill 6 units ($11 \times 1/2 = 5.5$; round to 6).
- 4) For some wound fillers, the units on the package do not correspond to the units of the new code. For example, some pastes or gels are labelled as grams (instead of fluid ounces), some wound fillers are labelled as cc. or ml. (instead of fluid

ounces or grams), some are described by linear dimensions (instead of grams). In these situations, the supplier should contact the manufacturer to determine the appropriate conversion factor or unit of service which corresponds to the new code.

- 5) When codes have been established for wound fillers, corresponding codes for flat dressing pads have been termed wound covers.
- 6) Some wound covers are made with an integrated covering and distinct adhesive border which is designed to adhere tightly to the skin. When dressings are available both without and with an adhesive border, a parallel series of codes has been established. For example, hydrocolloid wound covers without an adhesive border are coded K0234-K0236 and those with an adhesive border are coded K0237-K0239.
- 7) For wound covers with an adhesive border, the code to be used is determined by the pad size, not by the outside adhesive border dimensions. For example, a hydrocolloid dressing with outside dimensions of 6 in. X 6 in. which has a 4 in. X 4 in. pad surrounded by a 1 in. border on each side is coded as K0237, "... pad size 16 sq. inch or less ..." This is a critical new coding concept that should be carefully implemented by suppliers.
- 8) New code categories have been established for composite dressings, contact layers, impregnated gauze dressings, and specialty absorptive dressings. These categories are described as follows:
 - a) Composite dressings are products combining physically distinct components into a single dressing that provides multiple functions. These functions must include, but are not limited to: (a) a bacterial barrier, (b) an absorptive layer other than an alginate, foam, hydrocolloid, or hydrogel, (c) either a semi-adherent or nonadherent property over the wound site, and (d) an adhesive border.
 - b) Contact layers are thin sheets placed directly on an open wound bed to protect the wound tissue from direct contact with other agents or dressings applied to the wound.

- c) Impregnated gauze dressings are woven or non-woven materials with substances such as petrolatum, zinc compounds, crystalline sodium chloride, chlorhexadine gluconate (CHG), bismuth tribromophenate (BTP), water, aqueous saline, or other agents incorporated into the dressing material. However, when the dressing and the substance it is impregnated with are listed in combination in the FDA Orange Book (e.g. an antibiotic impregnated dressing which requires a prescription), then the entire item is considered a drug which is noncovered under the surgical dressing benefit and should not be coded using K0222-K0224.
- d) Specialty absorptive dressings are unitized multilayer dressings which provide (a) either a semi-adherent quality or nonadherent layer, and (b) highly absorptive layers of fibers such as absorbent cellulose, cotton, or rayon.
- 9) Codes K0250 and K0260 have been created to describe wound care items which are noncovered under the surgical dressing benefit. There is no requirement to submit a claim for these items; but if a Medicare denial statement is needed, these codes should be used for these products. Bulk saline is considered a noncovered item whether it is used to irrigate a wound or to moisten dressings left on a wound.

Paste or powder commonly used with ostomies will continue to be coded using codes K0138 and K0139 and not one of the wound filler codes. This includes but is not limited to Karaya Paste or Powder, HolliHesive Paste, Premium Paste or Powder, or Gelatin-Pectin Powder.

Enzymatic debriding agents are classified as drugs and are not covered under the surgical dressing benefit.

Appendix #2 is a preliminary, not all-inclusive list of products falling into the new codes. It represents a compilation of lists from multiple industry sources. Questions concerning the coding of items not on this list or the classification of a dressing on the list should be directed to the Statistical Analysis DME Regional Carrier (SADMERC), Palmetto Government Benefits Administrators. The SADMERC can be reached at (803) 736-6809, 9:00 A.M.-12:00 P.M. and 1:00 P.M.-4:00 P.M., Eastern Time, Monday through Friday.

Surgical dressings coded using the miscellaneous code A4649 should be limited to those listed. Other dressings should fall into established codes. When code A4649 is used for a dressing, the claim must include the brand name, product number, and size of the product.

Use the new surgical dressing codes (K0196-K0264) for claims submitted on or after June 1, 1994 for items with dates of service on or after March 30, 1994. Codes K0196-K0264 used for dates of service before March 30, 1994 will be denied as invalid codes and must be refiled with the correct current surgical dressing code(s).

Use the current surgical dressing codes (A4190-A4205, A4454, A4460, K0148-K0154) for all surgical dressing claims submitted with dates of service before March 30, 1994, regardless of the date submitted. Also use current surgical dressing codes for surgical dressing claims submitted before June 1 for dates of service March 30 and after, except codes K0152 and K0153. Claims for pastes, powders, granules, beads, contact layers and composite dressings for dates of service March 30 and after may not be submitted until June 1.

A grace period is allowed for current codes submitted before October 1, 1994 for dates of service on or after March 30, 1994. During the grace period the DMERC will crosswalk the current code to the appropriate new code. This grace period does not apply to claims for codes K0152 and K0153. Current codes received on or after October 1 for dates of service on or after March 30 will be denied as invalid and must be refiled with the correct new code(s).

(See Appendix #1 for those codes which are still valid for DMERC processing.)

DMERC CMN 05 will be required with claims submitted with the current codes and dates of service before March 30, 1994. A CMN will not be required for claims submitted with dates of service on or after March 30. **However**, the supplier must maintain current clinical information which includes at least the number(s), size(s) (including depth) of the wound(s), frequency of dressing changes, and the number of dressings per wound to support the reasonableness and necessity of the type and quantity of surgical dressings provided. This information must be readily available whenever requested by the DMERC.

Appendix 1

New Surgical Dressing Codes - Valid for Dates of Service On or After March 30, 1994

New Code:	Current Code:	Description:	New Code:	Current Code:	Description:
K0196	K0150KB	Alginate dressing, wound cover, pad size 16 sq. in. or less, each dressing	K0213	N/A	Foam dressing, wound cover, pad size more than 16 but less than or equal to 48 sq. in., with any size adhesive border, each dressing
K0197	K0150KC	Alginate dressing, wound cover, pad size more than 16 but less than or equal to 48 sq. in., each dressing	K0214	N/A	Foam dressing, wound cover, pad size more than 48 sq. in., with any size adhesive border, each dressing
K0198	K0150KD	Alginate dressing, wound cover, pad size more than 48 sq. in., each dressing	K0215	N/A	Foam dressing, wound filler, per gram
K0199	N/A	Alginate dressing, wound filler, per 6 inches	K0216	A4200KB	Gauze, non-impregnated, pad size 16 sq. in. or less, without adhesive border, each dressing
K0203	N/A	Composite dressing, pad size 16 sq. in. or less, with any size adhesive border, each dressing	K0217	A4200KC	Gauze, non-impregnated, pad size more than 16 but less than or equal to 48 sq. in., without adhesive border, each dressing
K0204	N/A	Composite dressing, pad size more than 16 but less than or equal to 48 sq. in., with any size adhesive border, each dressing	K0218	A4200KD	Gauze, non-impregnated, pad size more than 48 sq. in., without adhesive border, each dressing
K0205	N/A	Composite dressing, pad size more than 48 sq. in., with any size adhesive border, each dressing	K0219	N/A	Gauze, non-impregnated, pad size 16 sq. in. or less, with any size adhesive border, each dressing
K0206	N/A	Contact layer, 16 sq. in. or less, each dressing	K0220	N/A	Gauze, non-impregnated, pad size more than 16 but less than or equal to 48 sq. in., with any size adhesive border, each dressing
K0207	N/A	Contact layer, more than 16 but less than or equal to 48 sq. in., each dressing	K0221	N/A	Gauze, non-impregnated, pad size more than 48 sq. in., with any size adhesive border, each dressing
K0208	N/A	Contact layer, more than 48 sq. in., each dressing	K0222	N/A	Gauze, impregnated, other than water or normal saline, pad size 16 sq. in. or less, without adhesive border, each dressing
K0209	K0151KB	Foam dressing, wound cover, pad size 16 sq. in. or less, without adhesive border, each dressing	K0223	N/A	Gauze, impregnated, other than water or normal saline, pad size more than 16 but less than or equal to 48 sq. in., without adhesive border, each dressing
K0210	K0151KC	Foam dressing, wound cover, pad size more than 16 but less than or equal to 48 sq. in., without adhesive border, each dressing	K0224	N/A	Gauze, impregnated, other than water or normal saline, pad size more than 48 sq. in., without adhesive border, each dressing
K0211	K0151KD	Foam dressing, wound cover, pad size more than 48 sq. in., without adhesive border, each dressing	K0228	N/A	Gauze, impregnated, water or normal saline, pad size 16 sq. in. or less, without adhesive border, each dressing
K0212	N/A	Foam dressing, wound cover, pad size 16 sq. in. or less, with any size adhesive border, each dressing			

K0229	N/A	Gauze, impregnated, water or normal saline, pad size more than 16 but less than or equal to 48 sq. in., without adhesive border, each dressing	K0247	N/A	Hydrogel dressing, wound cover, pad size more than 48 sq. in., with any size adhesive border, each dressing
K0230	N/A	Gauze, impregnated, water or normal saline, pad size more than 48 sq. in., without adhesive border, each dressing	K0248	K0148KE	Hydrogel dressing, wound filler, gel, per fluid ounce
K0234	K0149KB	Hydrocolloid dressing, wound cover, pad size 16 sq. in. or less, without adhesive border, each dressing	K0249	N/A	Hydrogel dressing, wound filler, dry form, per gram
K0235	K0149KC	Hydrocolloid dressing, wound cover, pad size more than 16 but less than or equal to 48 sq. in., without adhesive border, each dressing	K0250	N/A	Skin sealants, protectants, moisturizers, any type, any size
K0236	K0149KD	Hydrocolloid dressing, wound cover, pad size more than 48 sq. in., without adhesive border, each dressing	K0251	N/A	Specialty absorptive dressing, wound cover, pad size 16 sq. in. or less, without adhesive border, each dressing
K0237	N/A	Hydrocolloid dressing, wound cover, pad size 16 sq. in. or less, with any size adhesive border, each dressing	K0252	N/A	Specialty absorptive dressing, wound cover, pad size more than 16 but less than or equal to 48 sq. in., without adhesive border, each dressing
K0238	N/A	Hydrocolloid dressing, wound cover, pad size more than 16 but less than or equal to 48 sq. in., with any size adhesive border, each dressing	K0253	N/A	Specialty absorptive dressing, wound cover, pad size more than 48 sq. in., without adhesive border, each dressing
K0239	N/A	Hydrocolloid dressing, wound cover, pad size more than 48 sq. in., with any size adhesive border, each dressing	K0254	N/A	Specialty absorptive dressing, wound cover, pad size 16 sq. in. or less, with any size adhesive border, each dressing
K0240	N/A	Hydrocolloid dressing, wound filler, paste, per fluid ounce	K0255	N/A	Specialty absorptive dressing, wound cover, pad size more than 16 but less than or equal to 48 sq. in., with any size adhesive border, each dressing
K0241	N/A	Hydrocolloid dressing, wound filler, dry form, per gram	K0256	N/A	Specialty absorptive dressing, wound cover, pad size more than 48 sq. in., with any size adhesive border, each dressing
K0242	K0148KB	Hydrogel dressing, wound cover, pad size 16 sq. in. or less, without adhesive border, each dressing	K0257	A4190KB	Transparent film, 16 sq. in. or less, each dressing
K0243	K0148KC	Hydrogel dressing, wound cover, pad size more than 16 but less than or equal to 48 sq. in., without adhesive border, each dressing	K0258	A4190KC	Transparent film, more than 16 but less than or equal to 48 sq. in., each dressing
K0244	K0148KD	Hydrogel dressing, wound cover, pad size more than 48 sq. in., without adhesive border, each dressing	K0259	A4190KD	Transparent film, more than 48 sq. in., each dressing
K0245	N/A	Hydrogel dressing, wound cover, pad size 16 sq. in. or less, with any size adhesive border, each dressing	K0260	N/A	Wound cleansers, any type, any size
K0246	N/A	Hydrogel dressing, wound cover, pad size more than 16 but less than or equal to 48 sq. in., with any size adhesive border, each dressing	K0261	N/A	Wound filler, not elsewhere classified, gel/paste, per fluid ounce
			K0262	N/A	Wound filler, not elsewhere classified, dry form, per gram
			K0263	A4202KF	Gauze, elastic, all types, per linear yard
			K0264	A4203KF	Gauze, non-elastic, per linear yard

Current Surgical Dressing Codes - Still Valid for Dates of Service On or After March 30, 1994

A4454	Tape, all types, all sizes
A4460	Elastic bandage, per roll (e.g. compression bandage)
K0154	Wound pouch, each

Current Codes/Modifiers - Invalid for Claim Submission to the DMERC for Dates of Service On or After March 30, 1994 (Grace period applies to all except K0152 and K0153.)

A4190	Transparent film, each
A4200	Gauze pads, medicated or non-medicated, each
A4202	Gauze, elastic, all types, <u>per roll</u>
A4203	Gauze, non-elastic, <u>per roll</u>

A4204	Absorptive dressing (e.g., hydrocolloid) adhesive or non-adhesive
A4205	Non-absorptive dressing (e.g., hydrogel) adhesive or non-adhesive
K0148	Hydrogel dressing, each
K0149	Hydrocolloid dressing, each
K0150	Alginate dressing, each
K0151	Foam dressing, each
K0152	Pastes, powders, granules, beads, contact layers
K0153	Composite dressing, each
KB	16 square inches or less
KC	More than 16, but less than or equal to 48 square inches
KD	More than 48 square inches
KE	1 ounce
KF	1 linear yard
KG	1 cubic centimeter

Appendix 2

Surgical Dressing - Product Classification (Partial listing; not all-inclusive - 5/18/94)

New Codes:

K0196 to K0198	Alginate dressing, wound cover
<u>Product</u>	<u>Manufacturer</u>
ALGIDERM	ConvaTec
ALGOSTERIL	Johnson & Johnson
CURASORB	Kendall
FORTEX	Calgon Vestal
KALTOSTAT	Calgon Vestal
SORBSAN	Dow B. Hickam

K0199	Alginate dressing, wound filler
<u>Product</u>	<u>Manufacturer</u>
ALGIDERM	ConvaTec
ALGOSTERIL	Johnson & Johnson
CURASORB	Kendall
DERMASORB	ConvaTec
KALTOSTAT	Calgon Vestal
SORBSAN	Dow B. Hickam

K0203 to K0205	Composite dressing
<u>Product</u>	<u>Manufacturer</u>
AIRSTRIP	Smith & Nephew United
ALLDRESS	Scott
COVADERM PLUS	DeRoyal
CUTIFILM PLUS	Beiersdorf
OPSITE POSTOP	Smith & Nephew United
VENTEX ABSORBENT DRESSING	Kendall
VIASORB	Sherwood

K0206 to K0208	Contact layer
<u>Product</u>	<u>Manufacturer</u>
DERMANET	DeRoyal
N-TERFACE	Winfield
TEGAPORE	3M
VENTEX VENTED DRESSING	Kendall

K0209 to K0214	Foam dressing, wound cover
<u>Product</u>	<u>Manufacturer</u>
ALLEVYN	Smith & Nephew United
EPIGARD	Ormed
EPI-LOCK	Calgon Vestal
HYDRASORB	Calgon Vestal
FLEXZAN	Dow B. Hickam
LYOFOAM	Acme United
LYOFOAM C	Acme United
LYOFOAM A	Acme United
MITRAFLEX PLUS	Calgon Vestal
MITRAFLEX SC	Calgon Vestal
NU-DERM	Johnson & Johnson

K0215	Foam dressing, wound filler
<u>Product</u>	<u>Manufacturer</u>
ALLEVYN CAVITY WOUND DRESSING	Smith & Nephew United

K0217 to K0221	Gauze, non-impregnated
<u>Product</u>	<u>Manufacturer</u>
GAUZE (WOVEN)	Multiple
COVERLET	Beiersdorf
EXCILON	Kendall
MIRASORB	Johnson & Johnson
NU-BREDE	Johnson & Johnson
NU-GAUZE	Johnson & Johnson
RELEASE	Johnson & Johnson
SOF-WICK	Johnson & Johnson
TELFA	Kendall
TELFA ISLAND DRESSING	Kendall
VERSALON	Kendall

K0222 to K0224	Gauze, impregnated, other than water or normal saline
<u>Product</u>	<u>Manufacturer</u>
ADAPTIC	Johnson & Johnson
AQUAPHOR	Beiersdorf
CURITY OIL EMULSION DRESSING	Kendall
CURITY XEROFORM DRESSING	Kendall
DERMASSIST OIL EMULSION DRESSING	Wilshire
DERMASSIST PETROLATUM GAUZE	Wilshire
IODOFORM PACKING STRIPS	Multiple
MESALT	Scott
PETROLATUM GAUZE	Multiple
SCARLET RED OINTMENT DRESSING	Sherwood
SPARTA OIL EMULSION DRESSING	Sparta
VASELINE PETROLATUM GAUZE	Sherwood
XEROFLO	Sherwood
XEROFORM PETROLATUM GAUZE	Multiple

K0228 to K0230 Gauze, impregnated, water or normal saline

<u>Product</u>	<u>Manufacturer</u>
DERMAGRAN WET DRESSING	Derma Sciences
DERMASSIST WET DRESSING	Wilshire
GENTELL ISOTONIC SALINE	MKM Healthcare
MPM WET SALINE DRESSING	MPM
WET DRESSINGS	Sparta

K0234 to K0239 Hydrocolloid dressing, wound cover

<u>Product</u>	<u>Manufacturer</u>
ACTIDERM	ConvaTec
COMFEEL	Coloplast
CUTINOVA HYDRO	Beiersdorf
DERMATELL	MKM Healthcare
DUODERM	ConvaTec
HYDRAPAD	Baxter
INTACT	Bard
REPLICARE	Smith & Nephew United
RESTORE	Hollister
SWEEN-A-PEEL	Sween
TEGASORB	3M
ULTEC	Sherwood

K0240 to K0241 Hydrocolloid dressing, wound filler

<u>Product</u>	<u>Manufacturer</u>
COMFEEL	Coloplast
DUODERM	ConvaTec
REPLICARE	Smith & Nephew United
TRIAD	Sween

K0242 to K0247 Hydrogel dressing, wound cover

<u>Product</u>	<u>Manufacturer</u>
AQUASORB	DeRoyal
CARRAGAUZE	Carrington

CLEARSITE New Dimensions in Medicine(NDM)

DERMAGRAN HYDROPHILIC WOUND DRESSING	Derma Sciences
ELASTO-GEL	Southwest Technologies
GELIPERM WET/GRANULATE	Fougera
GENTELL HYDROGEL	MKM
HYPERGEL	Scott Healthcare
MPM GEL PAD	MPM
NU-GEL	Johnson & Johnson
SECOND SKIN	Spenco
SOLO-SITE WOUND GEL	Smith & Nephew United
SPAND-GEL	Medi-Tech
TRANSORB	Brady Medical Products
VIGILON	Bard

K0248 to K0249 Hydrogel dressing, wound filler

<u>Product</u>	<u>Manufacturer</u>
BARD ABSORPTION DRESSING	Bard
BIOLEX WOUND GEL	Bard
CARRASYN V	Carrington
CARRINGTON GEL WOUND DRESSING	Carrington
CURASOL GEL	Healthpoint
DUODERM HYDROACTIVE GEL	ConvaTec
GENTELL HYDROGEL	MKM Healthcare
HYPERGEL	Scott
INTRASITE GEL	Smith & Nephew United
NORMLGEL	Scott
ROYL-DERM	Acme United
WOUN'DRES	Sween

K0251 to K0256 Specialty absorptive dressing

<u>Product</u>	<u>Manufacturer</u>
BAND-AID ISLAND DRESSING	Johnson & Johnson
COVADERM	DeRoyal
EXU-DRY	Frastec
GENTELL COVERTELL	MKM Healthcare
INTERSORB	Sherwood
MICRODON	3M
PRIMAPORE	Smith & Nephew
SOF-SORB	DeRoyal
SURGI-PAD	Johnson & Johnson

K0257 to K0259 Transparent Film

<u>Product</u>	<u>Manufacturer</u>
ACU-DERM	Acme United
BIOCLUSIVE	Johnson & Johnson
BLISTERFILM	Sherwood
DERMASSIST SITE DRESSING	Wilshire
ENSURE-IT	Deseret
HYDRODERM	Wilshire
OPRAFLEX	Professional Medical
OPSITE	Smith & Nephew United
POLYSKIN II	Kendall
PRO-CLUDE	Calgon Vestal
TEGADERM	3M
TRANSEAL	DeRoyal
UNIFLEX	Smith & Nephew United

K0261 to K0262 Wound filler, not elsewhere classified

<u>Product</u>	<u>Manufacturer</u>
CHRONICURE	ABS Life Sciences
DEBRISAN	Johnson & Johnson

HYDRAGRAN	Baxter
MEDIFIL	BioCare
MULTIDEX	Lange

K0154 Wound Pouch

<u>Product</u>	<u>Manufacturer</u>
WOUND DRAINAGE COLLECTOR	Hollister
WOUND MANAGER	ConvaTec

A4649 Surgical Supply; miscellaneous

<u>Product</u>	<u>Manufacturer</u>
BIOBRANE II	Dow B. Hickam
DERMAGRAN OINTMENT	Derma Sciences
GRANULEX	Dow B. Hickam
INERPAN	Sherwood
MEDIFIL (PAD)	BioCare
SILON	Bio Med
SKIN TEMP	BioCare

Dressings coded using A4649 should be limited to those listed. Other dressings should fall into established codes.

This appendix is a preliminary, not all-inclusive list of products falling into the new codes. Questions concerning the coding of items not on this list or the classification of a dressing on the list should be directed to the Statistical Analysis DME Regional Carrier (SADMERC), Palmetto Government Benefits Administrators. The SADMERC can be reached at (803) 736-6809, 9:00 A.M.-12:00 P.M. and 1:00 P.M.-4:00 P.M., Eastern Time, Monday through Friday.

1994 Surgical Dressings Fee Schedules

HCPCS	CT	ME	MA	NH	RI	VT	NY	NJ	PA	DE
A4460	\$0.89	\$0.89	\$0.89	\$0.89	\$0.89	\$0.89	\$0.89	\$0.89	\$0.89	\$0.89
K0154	\$12.63	\$12.63	\$12.63	\$12.63	\$12.63	\$12.63	\$12.63	\$12.63	\$12.63	\$12.63
K0196	\$9.72	\$9.72	\$9.72	\$9.72	\$9.72	\$9.72	\$9.72	\$9.72	\$9.72	\$9.72
K0197	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44	\$15.44
K0198	\$112.50	\$112.50	\$112.50	\$112.50	\$112.50	\$112.50	\$112.50	\$112.50	\$112.50	\$112.50
K0199	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39	\$4.39
K0203	\$1.58	\$1.58	\$1.58	\$1.58	\$1.58	\$1.58	\$1.58	\$1.58	\$1.58	\$1.58
K0204	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77	\$2.77
K0205	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57	\$4.57
K0206	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97	\$0.97
K0207	\$1.68	\$1.68	\$1.68	\$1.68	\$1.68	\$1.68	\$1.68	\$1.68	\$1.68	\$1.68
K0208	\$3.42	\$3.42	\$3.42	\$3.42	\$3.42	\$3.42	\$3.42	\$3.42	\$3.42	\$3.42
K0209	\$5.33	\$5.33	\$5.33	\$5.33	\$5.33	\$5.33	\$5.33	\$5.33	\$5.33	\$5.33
K0210	\$10.38	\$10.38	\$10.38	\$10.38	\$10.38	\$10.38	\$10.38	\$10.38	\$10.38	\$10.38
K0211	\$26.04	\$26.04	\$26.04	\$26.04	\$26.04	\$26.04	\$26.04	\$26.04	\$26.04	\$26.04
K0212	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62	\$6.62
K0214	\$14.63	\$14.63	\$14.63	\$14.63	\$14.63	\$14.63	\$14.63	\$14.63	\$14.63	\$14.63
K0215	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33	\$2.33
K0216	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08	\$0.08
K0217	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35	\$0.35
K0218	\$0.58	\$0.58	\$0.58	\$0.58	\$0.58	\$0.58	\$0.58	\$0.58	\$0.58	\$0.58
K0219	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27	\$0.27
K0220	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66	\$0.66
K0222	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28	\$2.28
K0223	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45
K0224	\$2.54	\$2.54	\$2.54	\$2.54	\$2.54	\$2.54	\$2.54	\$2.54	\$2.54	\$2.54
K0229	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41	\$1.41
K0234	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55	\$4.55

1994 Surgical Dressings Fee Schedules

HCPCS	CT	ME	MA	NH	RI	VT	NY	NJ	PA	DE
K0235	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65	\$10.65
K0236	\$19.59	\$19.59	\$19.59	\$19.59	\$19.59	\$19.59	\$19.59	\$19.59	\$19.59	\$19.59
K0237	\$4.48	\$4.48	\$4.48	\$4.48	\$4.48	\$4.48	\$4.48	\$4.48	\$4.48	\$4.48
K0238	\$16.97	\$16.97	\$16.97	\$16.97	\$16.97	\$16.97	\$16.97	\$16.97	\$16.97	\$16.97
K0239	\$18.24	\$18.24	\$18.24	\$18.24	\$18.24	\$18.24	\$18.24	\$18.24	\$18.24	\$18.24
K0240	\$7.96	\$7.96	\$7.96	\$7.96	\$7.96	\$7.96	\$7.96	\$7.96	\$7.96	\$7.96
K0241	\$1.49	\$1.49	\$1.49	\$1.49	\$1.49	\$1.49	\$1.49	\$1.49	\$1.49	\$1.49
K0242	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75	\$4.75
K0243	\$8.98	\$8.98	\$8.98	\$8.98	\$8.98	\$8.98	\$8.98	\$8.98	\$8.98	\$8.98
K0244	\$17.71	\$17.71	\$17.71	\$17.71	\$17.71	\$17.71	\$17.71	\$17.71	\$17.71	\$17.71
K0245	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50	\$6.50
K0246	\$11.51	\$11.51	\$11.51	\$11.51	\$11.51	\$11.51	\$11.51	\$11.51	\$11.51	\$11.51
K0247	\$21.25	\$21.25	\$21.25	\$21.25	\$21.25	\$21.25	\$21.25	\$21.25	\$21.25	\$21.25
K0248	\$12.74	\$12.74	\$12.74	\$12.74	\$12.74	\$12.74	\$12.74	\$12.74	\$12.74	\$12.74
K0249	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96
K0251	\$1.64	\$1.64	\$1.64	\$1.64	\$1.64	\$1.64	\$1.64	\$1.64	\$1.64	\$1.64
K0252	\$1.73	\$1.73	\$1.73	\$1.73	\$1.73	\$1.73	\$1.73	\$1.73	\$1.73	\$1.73
K0253	\$4.23	\$4.23	\$4.23	\$4.23	\$4.23	\$4.23	\$4.23	\$4.23	\$4.23	\$4.23
K0254	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26	\$1.26
K0255	\$1.82	\$1.82	\$1.82	\$1.82	\$1.82	\$1.82	\$1.82	\$1.82	\$1.82	\$1.82
K0257	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44	\$0.44
K0258	\$2.79	\$2.79	\$2.79	\$2.79	\$2.79	\$2.79	\$2.79	\$2.79	\$2.79	\$2.79
K0259	\$5.24	\$5.24	\$5.24	\$5.24	\$5.24	\$5.24	\$5.24	\$5.24	\$5.24	\$5.24
K0263	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16	\$0.16
K0264	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21	\$0.21

Transition Date Changes

HCFA continues to closely monitor the durable medical equipment regional carriers and their pending claims workloads. Because of continuing concerns about pending workloads, transfer schedules were adjusted. In March, the transition schedule was adjusted to have suppliers in New York transferring by May 1, 1994, and suppliers in Texas and Massachusetts transferring by June 1, 1994. The transfer date for suppliers in Florida remained unchanged at May 1, 1994.

Although the DME Region A and Region C carriers, The Travelers and Palmetto Government Benefits Administrators, respectively, are reducing their pending workloads, HCFA has again adjusted the transfer schedule. This adjustment will allow time for greater increases in claims processing productivity and will assure that suppliers are serviced appropriately.

The following paragraphs detail the transition changes. HCFA strongly encourages suppliers in Florida, Massachusetts, New York, and Texas to accelerate their preparation to bill the regional carriers. Suppliers may not bill both the local carrier and the regional carrier.

Region A - The Travelers

Suppliers in New York transferred according to carrier jurisdiction to minimize potential transition problems. The transfer dates are:

- ❑ Suppliers billing Blue Cross and Blue Shield of Western New York, Inc. transferred on May 1, 1994.
- ❑ Suppliers billing Empire Blue Cross and Blue Shield and Group Health Incorporated will transfer by June 1, 1994.
- ❑ Suppliers in Massachusetts will transfer by July 1, 1994.

Region C - Palmetto Government Benefits Administrators

Suppliers in Florida and Texas had the option of moving to the regional carrier as previously scheduled in May or June, as appropriate, or continue to bill the local carriers:

- ❑ The transfer date for suppliers in Florida has been extended to June 1, 1994.
- ❑ The transfer date for suppliers in Texas has been extended to July 1, 1994.

Railroad Board Annuitant Claims and Therapeutic Shoe Claims

- ❑ Suppliers continuing to bill the local carriers will continue to submit claims for Railroad annuitants to The Travelers.
- ❑ Suppliers continuing to bill the local carriers will continue to submit claims for therapeutic shoes to The Travelers.

New Supplier Number Applications

Some Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) and Parenteral and Enteral Nutrition (PEN) suppliers are applying for new supplier numbers in Florida, Massachusetts, Texas, and New York. As you know, the local carriers in these states are working towards completing their responsibilities in the DMEPOS area, and will not accept new suppliers. Consequently, effective immediately, all supplier number *requests in process* at these local carriers will be denied. All suppliers who have *applied for, or obtained, local carrier supplier numbers since April 1* from these local carriers must contact the National Supplier Clearinghouse (NSC) to apply for an NSC supplier billing number. Suppliers who have billing questions should contact the regional carriers for assistance.

After receiving a new supplier billing number from the National Supplier Clearinghouse:

- ❑ Suppliers submitting paper claims are to *immediately* submit claims to the appropriate regional carrier.
- ❑ Suppliers who submitted claims electronically to the local carriers were able to do so *only until May 15, 1994*. They need to contact immediately the appropriate regional carrier to assure that their billing format meets the requirements of the regional carrier.

HCFA is committed to assuring that the transfers are completed with minimal disruption to the suppliers. To that end, HCFA continues to monitor the progress of the regional carriers, and has implemented changes that will further increase carrier productivity. HCFA urges all suppliers who have not transferred to ready themselves for the upcoming transfers. Those suppliers billing electronically should begin contacting the regional carriers so that they may be scheduled for and complete testing before the appropriate transfer dates.

Revised Post-Transition Workshops

The Travelers Region A DMERC is holding Post-Transition Workshops throughout Region A. The workshop schedules are shown below.

Two workshops will be held per day. For the morning sessions, Registration will be at 7:30 A.M., and the Presentation will be held from 8:00 A.M. to 11:30 A.M. For the afternoon sessions, Registration will be at 12:30 P.M., and the Presentation will be held from 1:00 P.M. to 4:30 P.M.

The workshops address issues suppliers have encountered in transitioning from local to regional carriers. Each workshop features a discussion on topics such as Electronic Media Claims, Claims Submission (including examples) and Medical Policy, along with a Questions and Answers session. Please bring the following materials to the workshop: DMERC Region A *Supplier Manual*, HCFA-1500 Form, National Supplier Clearinghouse Number, and writing materials.

The Post-Transition Workshops for suppliers billing Blue Cross and Blue Shield of Western New York, Inc., remain as previously scheduled:

State	City	Meeting Site	Date of Seminar	Date of Transition
NY	Albany	Desmond Hotel, 660 Albany Shaker Road (518) 869-8100	07/18/94	05/01/94
	Syracuse	Quality Inn North, 1308 Buckley Road (315) 451-1212	07/20/94	
	Buffalo	Raddison Hotel, 4243 Genesee Street (716) 634-2300	07/25/94	
	Elmira	Holiday Inn (Downtown Elmira), East Water Street (607) 734-4211	07/27/94	

The Post-Transition Workshops for suppliers billing Empire Blue Cross and Blue Shield and Group Health Incorporated have been rescheduled as follows:

State	City	Meeting Site	Date of Seminar	Date of Transition
NY	Jamaica	Holiday Inn, 144-02 135 Avenue (718) 659-0200	09/12/94	06/01/94
	Jamaica	Holiday Inn, 144-02 135 Avenue (718) 659-0200	09/14/94	

The Post-Transition Workshops for suppliers billing Massachusetts have been rescheduled as follows:

State	City	Meeting Site	Date of Seminar	Date of Transition
MA	Boston	To Be Announced	10/10/94	07/01/94
	Springfield	Marriott Hotel, Boland Way & Columbus Avenue (413) 781-7111	10/12/94	

Due to the date changes for the New York and Massachusetts workshops, a new registration form must be submitted. Registration forms are available on the next page.

Workshop Registration Form

Reservations are required. Complete this form and return by FAX or mail to the address shown below. For assistance, call the Supplier Toll-Free Number at (800) 842-2563.

NAME: _____

REPRESENTING: _____

ADDRESS: _____

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

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

SPECIALTY: _____

POST-TRANSITION WORKSHOP DATE AND LOCATION: _____

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

PROSTHETIC & ORTHOTIC WORKSHOP DATE AND LOCATION: _____

ALL DAY WORKSHOP 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 18773-6800

FAX TO: PROFESSIONAL RELATIONS
(717) 820-5750

Prosthetics and Orthotics Workshops

The Region A DMERC is holding workshops focused on Prosthetics and Orthotics. These workshops address the concerns and issues Prosthetics and Orthotics suppliers have encountered as a result of the transition. Included in the workshop are instructions on how to bill for prostheses and orthotic devices. However, billing instructions on parenteral, enteral, and ostomy supplies are not included in the presentation.

Refer to the schedule shown below for dates and locations. For reservations, complete the Workshop Registration Form and return by mail or FAX. Each workshop is held from 8:30 A.M. to 3:00 P.M.

8:30 A.M. - 12:00 P.M. Instructions
1:00 P.M. - 3:00 P.M. Q&A, Individual Attention

State	City	Meeting Site		Date of Seminar
MA	Boston	Tremont House Hotel, 275 Tremont Street	(617) 426-1400	06/02/94
PA	Pittsburgh	Hilton & Towers, 600 Commonwealth Place	(412) 391-4600	06/16/94
	Philadelphia	Holiday Inn, King of Prussia, 260 Goddard Blvd, King of Prussia	(215) 265-7500	06/30/94
NY	Rochester	Holiday Inn, 1111 Jefferson Road	(716) 475-1510	06/23/94
	Jamaica	JFK Airport Hilton, 138-10 135th Avenue	(718) 322-8700	06/28/94

Medicare Fraud Alert

The DMERC Fraud Unit recently became aware of a supplier of durable medical equipment and supplies marketing incontinence care kits to other DME companies and directly to nursing homes. The marketing plan states that nursing home patients who are covered under Medicare Part B and who have a diagnosis of urinary incontinence (ICD-9 Code 788.3) qualify for the kits. In some instances, the seller reportedly states that Medicare is paying for the kits under a special pilot program. Reportedly, beneficiaries are frequently told to ignore the co-payments if they do not have insurance.

Although there seems to be some variation on the contents of the kits, generally they include most of the following items:

- Latex Exam Gloves (A4927)
- Sterile Saline (A4214 or A4323)
- Syringe, 60cc, prefilled with Peri-wash (A4213) or Irrigation Syringe (A4322)
- Skin Barrier: Liquid, Powder or Paste (A4363)
- Disposable Wash Cloth
- Lubricant (A4402)
- Diaper (A4554), (A4335) or (A4328)
- Appliance Cleaner (A5131)
- Urinary Collection Device (A4328)
- Polybag

The kits are being presented to nursing homes with diapers included. However, in some instances, the diapers are reportedly given free, in addition to the kits, to the nursing home in exchange for the names and Health Insurance Claim Numbers (HICN's) of beneficiaries. In either case, marketing representatives obtain beneficiary HICN's and order bulk quantities of supplies billed in the beneficiary's name. **However, in no case are diapers covered under Medicare.**

The marketing program states that the treatment should be three times per day, for each incontinent patient in the facility (in one carrier jurisdiction, Medicare is being billed \$1,800 per month, per beneficiary). Whether or not the patient has an indwelling catheter does not seem relevant; everyone apparently gets the same supplies. Clearly some of the above supplies are appropriate only if the patient has an ostomy or indwelling catheter.

The DMERC Fraud Unit will be reviewing claims for incontinence kits and supplies to ensure Medicare program guidelines are met.

This alert is provided for educational and informational purposes only. It is intended to assist interested parties in obtaining additional information concerning potential fraud and to alert affected parties to the nature of the suspected fraud. It is not intended to be used as a basis for the denial of any claims or any adverse action against any provider or supplier. Such decisions must be based on facts developed independent of this alert. This alert is not intended to indicate, suggest or imply that any particular individual or entity, or group of individuals or entities, are associated with the activity described herein.

If you have any information regarding the aforementioned billing practices, please contact the Fraud Unit at the following address:

The Region A DMERC
The Travelers Insurance Group
Fraud and Abuse Unit
Post Office Box 6800
Wilkes-Barre, PA 18773-6800

Electronic Media Claims

Weekly Status Report

The EMC weekly status report is available upon request by contacting the EMC Unit. This report lists all pending claims that are in the system at the end of the weekly period and those claims that were adjudicated during the week. The report, which shows the patient's HIC number, name, HCPCS codes, submitted charges, and the paid amount, can be downloaded from the Bulletin Board System (BBS). The weekly report covers only assigned claims and does not reflect deductibles and coinsurance. Paid claims will not appear on the report until the check is released for payment.

To request the weekly status report, call the EMC Unit at (800) 842-1305

Additional Documentation

Additional documentation for electronic claims should only be submitted when the narrative field (HA0 record) cannot contain all of the information necessary to process the claim. The following procedures should be used when submitting additional documentation for an electronic claim:

1. Indicate within the documentation field (HA0):
 - If additional documentation was submitted
 - How it was submitted - either FAX or mail
 - Date the documentation was submitted
2. Make sure the paper documentation includes:
 - The supplier's NSC number
 - The beneficiary's HIC number
 - The billing dates
3. The documentation should be FAX'd to the EMC Unit at (717) 820-5850 on the same day the claim is transmitted. If mailed, the documentation should be mailed 3 to 5 days prior to electronic submission of the claims. Please use the following mailing address:

Region A DMERC
The Travelers Insurance Group
P.O. Box 6800
Wilkes Barre, PA 18773-6800
Attn: EMC Unit/Additional Doc.

Place a red line or dot in the lower left corner of the envelope for identification purposes.

Note: CMNs should be transmitted electronically. They are not considered additional documentation.

If you have any problems or questions regarding this procedure, please call the EMC Unit at 800-842-1305.

Electronic Remittance Notices/ Electronic Fund Transfer

Electronic Remittance Notices (ERNs) are available to those suppliers submitting electronically. This information has capabilities of being posted to the patient's account. Along with ERNs, the suppliers will still receive paper EOMBs.

The ERN matrix is available upon request from the EMC Unit by calling 800-842-1305. Suppliers using Accelerate must also have another program to develop this remittance information and to post the information to their patients' accounts.

Electronic Fund Transfers (EFTs) are also available. However, you must be receiving ERNs for 90 days. With EFTs, you will receive paper EOMBs for the first 30 days after converting to EFTs. If you are interested in receiving ERNs and EFTs, please call the EMC Unit at 800-842-1305.

Paper Submitters

If you are not submitting electronically, now is the time to ask whether or not you can continue to afford the inefficiency of paper claim preparation and processing. More and more suppliers/providers are taking advantage of the benefits of Electronic Media Claim (EMC) Submission. The following page lists some of the advantages of electronic billing.

Advantages of Electronic Billing

- ❑ **13-Day vs. 27-Day Payment Floor.** This begins on the date of receipt of the claim(s). Submitting claims electronically can be done 24 hours a day, 7 days a week, including holidays. The paper claim payment floor is 27 days. The 27 days begins after the mailroom receives the claim.
- ❑ **Increases Cash Flow.** Receive faster payment as a result of a 13-day payment floor.
- ❑ **Reduces Cost.** Handling time and postage of paper claim submission is eliminated.
- ❑ **Reduces Errors.** Data is received precisely as input by your office, eliminating the chance of processing errors.
- ❑ **Electronic CMNs.** CMNs can be transmitted electronically.
- ❑ **ERNs and EFTs.** Electronic Remittance Notices and Electronic Funds Transfers are available.

How to Get the EMC Advantage

EMC is available to both participating and non-participating providers. Assigned and

non-assigned claims are accepted. The Travelers EMC Support Team can assist in becoming an electronic submitter. Call one of our team members at 800-842-1305.

You can also complete the form on the bottom of this page to receive additional information on electronic billing.

Place Of Service Indicator

Place of Service indicators identify where the equipment is going to be used. If the Place of Service is other than 11 or 12 (office or home, respectively) the supplier needs to indicate the facility name and address.

EMC submitters who use the Accelerate software will need to answer the Facility field with a Y. This will cause a pop-up window to appear, and the facility information can be placed in this area. Those EMC submitters using in-house programmers or vendors need to contact their programming staff to determine where this facility information can be placed within their software.



Cut Here

Request for EMC Information

SUPPLIER NAME: _____
ADDRESS: _____
PHONE NUMBER: _____
CONTACT PERSON: _____
NSC #: _____

_____ I HAVE A COMPUTER SYSTEM THAT CAN SUPPORT ELECTRONIC CLAIM SUBMISSION VIA MODEM. I WOULD LIKE TO RECEIVE THE TRAVELERS FREE SOFTWARE PROGRAM. MY A: DISK DRIVE SIZE IS _____ 3 1/2" OR _____ 5 1/4" (please check the appropriate size).

_____ I WOULD LIKE MORE INFORMATION ON ELECTRONIC BILLING. PLEASE HAVE AN EMC SUPPORT TEAM MEMBER CALL ME.

_____ I HAVE A COMPUTER SYSTEM WHICH IS SUPPORTED BY _____ (indicate name of vendor). I WOULD LIKE TO BE SET UP FOR ELECTRONIC SUBMISSION.

PLEASE COMPLETE THIS FORM AND MAIL OR FAX TO:

FAX TO: THE TRAVELERS REGION A DMERC
(717) 820-5850
ATTN: EMC UNIT

MAIL TO: THE TRAVELERS REGION A DMERC
P.O. BOX 6800
WILKES-BARRE, PA 18663-6800
ATTN: EMC UNIT

Medical Policy

Tracheal Suction Catheters in SNFs

Tracheal Suction Catheters (A4624) are to be considered supplies for Durable Medical Equipment. Therefore, when supplied to beneficiaries in Skilled Nursing Facilities, Place of Service Codes 31 and 32, they will be denied as non-covered. This change in policy will go into effect as of August 1, 1994.

Corrections to March Supplier Manual Revision 003

In the March Revision #003 to the DMERC Region A *Supplier Manual*, the "Documentation" section of the following policies erroneously stated that the Certificate of Medical Necessity required completion by the physician:

- Ankle-Foot/Knee-Ankle-Foot Orthoses (Questions #1-6);
- Immunosuppressive Drugs;
- Incontinence Appliances and Care Supplies.

The CMNs for these items may be completed by suppliers, with the physician signing and dating them, after reviewing them for accuracy and completeness.

In the "Documentation" section of the osteogenic stimulator policy, the first sentence should read: "A Certificate of Medical Necessity (CMN) which has been filled out, signed, and dated by the ordering physician, must be kept on file by the supplier." It is no longer necessary for the supplier to obtain both a written order and a CMN.

(Please also remember that there is presently a grace period for physician CMN completion in effect for other items of DME until December 1, 1994, except for Power Operated Vehicles, Transcutaneous Electrical Nerve Stimulators, Seat Lift Mechanisms, Oxygen and Oxygen Equipment, Alternating Pressure Pads and Mattresses, and Air-Fluidized Beds. These last six items presently require physician completion, along with physician date and signature.)

HCPCS codes, listed at the beginning of the Enteral Nutrition Policy (pages 13-111), listed codes XX059-XX072 as Category IV formulae. These are Category V formulae.

K Codes for Wheelchair Leg Rests

A new K code for elevating leg rests for wheelchairs has been created. **K0195** should be used to identify a pair of elevating leg rests that are used with the capped rental wheelchair bases (K codes only). **K0048** is per leg rest and is the appropriate code to use when billing for an elevating leg rest for a purchased wheelchair. The same medical necessity criteria apply to K0195 as to K0048.

New Q Code for Therapeutic Shoes

A new HCPCS code (Q0133) has been established for miscellaneous modifications to therapeutic shoes for diabetics:

Q0133 - For diabetics only, not otherwise specified modification (including fitting) of off-the-shelf depth-inlay shoe or custom-molded shoe, per shoe.

This code is used to report any modification other than rigid rocker bottom, roller bottom, metatarsal bars, wedges, or offset heels to either a depth-inlay shoe or a custom-molded shoe for diabetic individuals who qualify for the therapeutic shoe benefit.

Any local codes for miscellaneous modifications to therapeutic shoes should no longer be used. Miscellaneous modifications must be billed under this new Q code.

Cytomegalovirus Immune Globulin

Payment for Cytomegalovirus Immune Globulin (CIG) will no longer be reimbursed under the Intravenous Infusion Pump Policy after August 1, 1994. Because of the medical necessity of very close patient monitoring during administration, it is not appropriate for administration in the home setting. It will be denied as not medically necessary.

Increased Allowance In Monthly Ostomy Supplies

Because of the Region A DMERC's experience in adjudicating the medical necessity of ostomy supply claims, some of the internal guidelines have been liberalized to allow for higher monthly quantities for certain items, before added medical necessity documentation will be required.

Non-Covered Ostomy Deodorants

Ostomy Deodorants: Code XX006 is not to be used to bill for oral deodorant pills (such as bismuth sulfate) nor for aerosol (room) deodorants. Use code A9270, which will be denied as non-covered.

Revision of Grandfathering for Enteral/Parenteral Nutrition

Because of changes in the schedule of states transitioning over to the DMERC, revisions have been made to that section of the published grandfathering policy which applies to claims for enteral and parenteral nutrition. That section of the policy appears below and becomes effective immediately. (The changes have been underlined):

E) Parenteral/Enteral Nutrition

For parenteral nutrition, if it has been approved by the prior regional carrier, payment will be continued by the DMERC at least through dates of service before September 1, 1994. With the first claim it submits to the DMERC, the PEN supplier must include information about the current parenteral nutrition order. This should be conveyed with DMERC CMN 10.01. Questions 2-6 may be answered from information available in the supplier's records. In this specific situation, the physician signature is not required and the supplier may put "Physician Signature on File" on the CMN. (Question 1 should not be answered unless the CMN is reviewed and signed by the ordering physician.)

If a fully completed DMERC CMN which has been reviewed and signed by the ordering physician is not

submitted with the first claim (i.e., if just the order information is submitted), then the full CMN would be required with the claim with a 9/1/94 date of service. When a fully completed CMN signed by the ordering physician is received, if the DMERC policy criteria are met, the next recertification date will be 9 or 24 months from the start date of parenteral nutrition therapy depending on the interval since that start date. If the DMERC policy criteria are not met, coverage will be grandfathered through August 31, 1994 date of service. When parenteral nutrition coverage is grandfathered, payment for special formulae (B5000 - B5200) that have been approved by the prior carrier will be continued.

For enteral nutrition, if it has been approved by the prior regional carrier, payment will be continued for as long as it is ordered by the physician. With the first claim it submits to the DMERC, the PEN supplier must include information about the current enteral nutrition order. This should be conveyed with a DMERC CMN 10.01. Questions 2, 6 and 9-13 and the estimated length of need may be answered from information available in the supplier's records. In this specific situation, the physician's signature is not required and the supplier may put "Physician Signature on File" on the CMN. When enteral nutrition therapy is grandfathered, further routine recertifications with a fully completed CMN will not be required, though revised certifications should continue to be submitted as required in the Enteral Nutrition policy. When enteral nutrition coverage is grandfathered, payment for the specific enteral product that the patient was on at the time of transition will be continued if it had been approved by the prior carrier. This payment will continue until such time as revised national coverage policy for special enteral formulae becomes effective. If the patient is subsequently changed to a different specialty formula, the DMERC policy applies.

Dynamic Adjustable Orthoses: YY001 - YY006

In the March newsletter, notice was given that these items had been recategorized as DME, because they can be reused for different patients. YY005, the soft interface material, although not reusable, is still an accessory to DME. Therefore, when these items are supplied to patients in institutions other than their homes, they will no longer be reimbursed by the DMERC.

K0115 AND K0116: Custom Fabricated Seating Systems for Attachment to Wheelchairs

HCFA has determined that these items, because of their attachment to wheelchairs, are to be recategorized as DME (Inexpensive or Routinely Purchased). Therefore, after July 18, when these items are supplied to patients in institutions other than their homes, they will no longer be reimbursed by the DMERC.

Newsletter Correction

The April Edition of *DME Medicare News*, No. 8 (page 9), published information received from the SADMERC regarding commonly asked coding questions. After further investigation, please note that the correct code to use when billing for a Geri-Chair (Rollabout Chair) is E1031, not K0002 (Standard Hemi Wheelchair) as previously reported.

1994 Orthotic and Prosthetic Fee Schedules

REVISED 1994 DME FEE SCHEDULES - CAPPED RENTAL ITEMS

RENTAL	CT	ME	MA	NH	RI	VT	NY	NJ	PA	DE
K0001	\$42.46	\$46.66	\$46.66	\$45.06	\$46.66	\$39.66	\$45.32	\$45.64	\$45.64	\$46.13
K0002	\$68.20	\$68.38	\$66.44	\$62.74	\$62.68	\$65.56	\$71.54	\$73.74	\$73.74	\$73.74
K0003	\$78.50	\$78.50	\$78.50	\$78.00	\$66.73	\$78.50	\$70.51	\$67.97	\$67.97	\$78.50
K0004	\$100.22	\$117.45	\$117.45	\$112.34	\$117.45	\$117.45	\$117.45	\$117.45	\$117.45	\$100.30
K0006	\$107.56	\$107.56	\$107.56	\$107.56	\$91.43	\$107.56	\$107.56	\$107.56	\$107.56	\$107.56
K0010	\$333.57	\$333.57	\$333.57	\$333.57	\$283.53	\$333.57	\$283.53	\$283.53	\$283.53	\$289.21
K0101	\$38.10	\$32.88	\$32.39	\$32.39	\$32.39	\$32.39	\$38.10	\$38.10	\$38.10	\$37.27
K0195	\$8.87	\$8.87	\$8.87	\$8.94	\$8.87	\$10.43	\$10.43	\$10.43	\$10.43	\$10.43

NEW 1994 DME FEE SCHEDULES - INEXPENSIVE OR ROUTINELY PURCHASED ITEMS

NEW	CT	ME	MA	NH	RI	VT	NY	NJ	PA	DE
E0669	\$152.99	\$159.08	\$152.99	\$159.08	\$159.08	\$152.99	\$159.08	\$152.99	\$152.99	\$152.99
K0115	\$764.06	\$764.06	\$764.06	\$764.06	\$764.06	\$764.06	\$764.06	\$764.06	\$764.06	\$764.06
K0116	\$1,594.77	\$1,594.77	\$1,594.77	\$1,594.77	\$1,594.77	\$1,594.77	\$1,594.77	\$1,594.77	\$1,594.77	\$1,594.77

USED	CT	ME	MA	NH	RI	VT	NY	NJ	PA	DE
E0669	\$114.74	\$120.85	\$114.74	\$120.85	\$119.33	\$114.74	\$120.48	\$114.74	\$114.74	\$114.74
K0115	\$573.05	\$573.05	\$573.05	\$573.05	\$573.05	\$573.05	\$573.05	\$573.05	\$573.05	\$573.05
K0116	\$1,196.09	\$1,196.09	\$1,196.09	\$1,196.09	\$1,196.09	\$1,196.09	\$1,196.09	\$1,196.09	\$1,196.09	\$1,196.09

RENTAL	CT	ME	MA	NH	RI	VT	NY	NJ	PA	DE
E0669	\$15.31	\$16.11	\$15.31	\$16.11	\$15.90	\$15.31	\$16.07	\$15.31	\$15.31	\$15.31
K0115	\$76.42	\$76.42	\$76.42	\$76.42	\$76.42	\$76.42	\$76.42	\$76.42	\$76.42	\$76.42
K0116	\$159.49	\$159.49	\$159.49	\$159.49	\$159.49	\$159.49	\$159.49	\$159.49	\$159.49	\$159.49

REVISED 1994 DME FEE SCHEDULES - SUPPLIES/ACCESSORIES

NEW	CT	ME	MA	NH	RI	VT	NY	NJ	PA	DE
A4253	\$37.41	\$37.41	\$37.41	\$37.41	\$35.02	\$37.41	\$37.41	\$37.41	\$37.41	\$35.01
A4557 (NEW MEXICO ONLY)										
A4558	\$4.79	\$4.07	\$4.07	\$4.07	\$4.79	\$4.07	\$4.07	\$4.79	\$4.07	\$4.07

REVISED 1994 P & O FEE SCHEDULES

NEW	CT	ME	MA	NH	RI	VT	NY	NJ	PA	DE
L1844	\$1,112.95	\$1,112.95	\$1,112.95	\$1,112.95	\$1,112.95	\$1,112.95	\$1,065.46	\$1,065.46	\$1,057.88	\$1,057.88

Pricing

Infusion Pumps

J9250	Methotrexate Sodium 5 mg	\$.68
J9260	Methotrexate Sodium 50 mg	\$6.80
J9094	Cyclophosphamide Lyophilized 200 mg (Ajtozan)	\$10.10
J9095	Cyclophosphamide Lyophilized 500 mg	\$21.20
J9096	Cyclophosphamide Lyophilized 1 gram	\$42.40
J9097	Cyclophosphamide Lyophilized 2 g	\$85.00
J9080	Cyclophosphamide 200 mg	\$10.80
J9090	Cyclophosphamide 500 mg	\$27.00
J7799	Acyclovir 500 mg	\$48.90
J7799	Amphotericin B	\$37.06
J3370	Vancomycin HCl 500 mg	\$10.97
J9625	Paclitaxel 30 mg (Taxol)	\$182.63
J9268	Pentostatin 10 mg (NIPENT)	\$1440.00
J9290	Mitomycin 20 mg (Mutamycin)	\$418.74
J9291	Mitomycin 40 mg (Mutamycin)	\$846.05
J9280	Mitomycin 5 mg (Mutamycin)	\$123.99
J9185	Fludarabine Phosphate 50 mg	\$169.35
J9181	Etoposide 10 mg	\$13.60
J9182	Etoposide 100 mg	\$136.49
J9000	Doxorubicin 10 mg (Adriamycin)	\$45.00
J9110	Cytarabine 500 mg (Ara-C)	\$25.00
J9100	Cytarabine 100 mg (Ara-C)	\$6.20
J9140	Dacarbazine 200 mg (DTIC-DOME)	\$21.10
J9130	Dacarbazine 100 mg (DTIC-DOME)	\$13.10
J9375	Vincristine Sulfate 2 mg (Oncovin)	\$69.22
J9380	Vincristine Sulfate 5 mg (Oncovin)	\$156.21
J9370	Vincristine Sulfate 1 mg (Oncovin)	\$34.62
J1455	Foscarnet Sodium 1000 mg	\$12.20
J1570	Ganciclovir Sodium 500 mg	\$34.80
J0895	Deferoxamine Mesylate 500 mg (Desferal)	\$9.40
J1170	Hydromorphone up to 4 mg	\$1.37
J9010	Doxorubicin HCL 50 mg (Adriamycin)	\$225.40
J9062	Cisplatin 50 mg (Platinol)	\$153.54
J9060	Cisplatin 10 mg (Platinol)	\$32.85
J0640	Calcium Leucovorin injection 50 mg	\$20.56
J9040	Bleomycin Sulfate 15 units	\$276.29
J9190	Fluorouracil 500 mg	\$1.60
J9200	Floxaridine 500 mg	\$118.16
J9360	Vinblastine Sulfate 1 mg	\$14.50
J2270	Morphine Sulfate injection up to 10 mg	\$.64
J2275	Morphine Sulfate injection PF per 10 mg	\$10.70
J3010	Fentanyl Citrate injection 2 ml	\$3.56
J2175	Meperidine injection 100 mg	\$.70
XX009	Dobutamine (Dobutrex)	\$49.53

Immunosuppressive Drugs

J2920	Methylprednisolone Sodium Succinate injection up to 40 mg	\$2.00
J2930	Methylprednisolone Sodium Succinate injection to 125 mg	\$5.31
K0119	Azathioprine oral tab 50 mg	\$1.13
K0120	Azathioprine Parenteral 100 mg	\$88.42
K0121	Cyclosporine oral 25 mg	\$1.25
K0122	Cyclosporine Parenteral 250 mg	\$22.28
K0123	Lymphocyte Immune Globulin, Antithymocyte Globuline Parenteral 250 mg	\$262.24
K0124	Monoclonal Antibodies Parenteral 5 mg	\$535.00
K0125	Prednisone Oral 5 mg	\$.03
K0166	Methylprednisolone oral 4 mg	\$.48
K0167	Prednisolone oral 5 mg	\$.03

Nebulizer

J7610	Acetylcysteine 10% per ml	\$1.25 per ml
J7615	Acetylcysteine 20% per ml	\$1.29 per ml
J7620	Albuterol Sulfate .083% per ml	\$.40 per ml
J7625	Albuterol Sulfate .5% per ml	\$.68 per ml
J7630	Cromolyn Sodium 20 mg	\$.76
J7640	Epinephrine 2.25% per ml	\$.69 per ml
J7650	Isoetharine Hydrochloride .1% per ml	\$.16 per ml
J7651	Isoetharine Hydrochloride, .125% per ml	\$.14 per ml
J7652	Isoetharine Hydrochloride .0167% per ml	\$.19 per ml
J7653	Isoetharine Hydrochloride .2% per ml	\$.23 per ml
J7654	Isoetharine Hydrochloride .25% per ml	\$.39 per ml
J7655	Isoetharine Hydrochloride 1% per ml	\$.54 per ml
J7660	Isoproterenol Hydrochloride .5% per ml	\$2.22 per ml
J7665	Isoproterenol Hydrochloride 1.0% per ml	\$2.32 per ml
J7670	Metaproterenol Sulfate .4% per 2.5 ml	\$1.05 per 2.5 ml
J7672	Metaproterenol Sulfate .6% per 2.5 ml	\$1.08 per 2.5 ml
J7675	Metaproterenol Sulfate 5.0% per ml	\$1.29 per ml
J2545	Nebupent	\$98.78
A4323	Saline Solution unit dosage per ml	\$.03 per ml

Medicare Secondary Payer

The Omnibus Budget Reconciliation Act of 1993, section 13561(c), contained several changes to the Medicare Secondary Payer (MSP) provisions. The purpose of this article is to summarize those changes which have the greatest impact on providers.

Change in ESRD Coordination Period

Under prior law, Medicare became the primary payer at the point of dual Medicare entitlement. For example, if a beneficiary with ESRD entitlement became entitled to Medicare on the basis of age or disability, Medicare became the primary payer. Effective August 10, 1993, OBRA 1993 provides that Medicare will remain the secondary payer throughout the entire 18 month ESRD coordination period, even if the beneficiary becomes entitled to Medicare based on disability or age before the coordination period ends.

In addition, a new coordination period will start for working aged or disabled beneficiaries if the ESRD provision begins to apply. Upon completion of the 18-month coordination period, Medicare becomes the primary payer and remains the primary payer as long as ESRD based eligibility/entitlement continues.

Example 1

If an individual became entitled to Medicare based on ESRD, effective January 1, 1993, Medicare would have become secondary payer on that date under the ESRD MSP provision. If the individual turned age 65 during June 1993, Medicare would have become the primary payer on June 1, 1993 under the dual entitlement provisions prior law. However, on August 10, 1993, Medicare would again become the secondary payer and remain secondary through June 30, 1994, the end of the 18th month of ESRD based entitlement. On July 1, 1994, Medicare would become the primary payer.

Example 2

If an individual entitled to Medicare based on age became eligible for Medicare based on ESRD effective May 1, 1992, Medicare would have become the primary payer (or remained the primary payer in the case of a retired beneficiary) on that date. However, on August 10, 1993, the group plan would become primary and remain primary through October 31, 1993, the end of the 18 month ESRD coordination period. On November 1, 1993, Medicare becomes the primary payer.

Vow of Poverty Provision

OBRA 1993 makes the exemption from MSP provisions for individuals who have taken a vow of poverty retroactive to 1981. Employers must certify that an individual has taken a vow of poverty respecting the work activity that is the basis for qualifying for the group health plan.

Change in MSP Disability Provision

Effective August 10, 1993, the law abolishes the concept of "active individual" under the disability provision. MSP status for a disabled Medicare beneficiary is now determined by the existence of large group health plan (LGHP) coverage based on the "current employment status" of the beneficiary, their spouse or other family member. An individual has "current employment status" with an employer if the individual is an employee, is the employer, or is associated with the employer in a business relationship.

Those disabled beneficiaries who have LGHP coverage as a result of their own or a family member's "current employment status," will continue to have Medicare as the secondary payer. Those disabled beneficiaries who do not have primary coverage with the LGHP because they do not have nor does their family member have "current employment status," will have Medicare as the primary payer.

On August 10, 1993 disabled Medicare beneficiaries who had primary coverage with the LGHP because they, or their family member, were considered under prior law an "active individual" even though they were not currently employed, will have Medicare as the primary payer. In other words, to be considered to have "current employment status" an individual must be currently employed. If a change to the beneficiary's record is necessary due to the change in the law, this will not occur automatically. It is the employer's responsibility to notify the Medicare carrier, in the state where the employer's home office is located, of any necessary changes in the employment status of their disabled beneficiaries.

Crossover

OCNA Number Updates

The three insurance companies listed below are no longer accepting crossover from The Travelers Region A DMERC. Please remove their names and OCNA numbers from your Medigap list (located on page 4-21 of the *Supplier Manual*). The change in their status is due to their contacting the Region A DMERC and indicating that they are not Medigap insurers and will not accept the transfer of claims from the Region A DMERC.

Name:	OCNA Number:
Security Trust Life Insurance	27702S001
Administrative Services Inc.	30345A001
Metropolitan Life Insurance	08807M001

The crossover status of the insurers listed below has changed from Medigap to Complementary. These insurers no longer require an OCNA number for crossover to occur, and they can be removed from the OCNA listing found on pages 4-21 through 4-42 of the *Supplier Manual*.

Name:	OCNA Number:
BC/BS Alabama	35244B001
BC/BS Delaware	19801B001
BC/BS Michigan	48226B001
BC/BS New York (Western)	14240B001
BC/BS Pennsylvania	17089B001
BC/BS Rhode Island	02903B001
AARP/Prudential	18936A001
American General	37250A001
The Hartford (ITT)	06104H001
United American	75221U001

Complementary: The insurers listed directly above are now Complementary insurers; therefore, information is not needed in Blocks 9 through 9D of the HCFA-1500 Form. When submitting EMC, the secondary information is not required to process the claim. Please keep in mind that if any information is written on the HCFA-1500 Form, or correctly keyed in the secondary insurance area and has been accepted into the system for EMC, your claims will not be denied for this reason.

Note

AARP/Prudential does have a Complementary agreement with the Region A DMERC. AARP/Prudential is a group whose members are insured under differ-

ent types of policies which include Medigap and Supplemental.

- Under Supplemental, AARP/Prudential sends the DMERC an eligibility file and the DMERC will crossover participating/assigned and non-participating/non-assigned claims for those members on the eligibility file.
- Under the Medigap policy, the Region A DMERC will crossover only participating/assigned claims for those members. Those members with a Medigap policy are not included as part of the complementary agreement. The *Supplier Manual* identifies OCNA number 18936A002 for members with a Medigap policy.

Additional OCNA Numbers

The following Medigap insurers, with their respective OCNA numbers, should be added to your OCNA list:

Name:	Address:	OCNA Number:
NJ Blue Shield	Box 810 Florham Park, NJ	07932N001
BC/BS of NJ	65 Special Dept. 25 Vreeland RD #B Florham Park, NJ	07932B001
BC/BS NJ	310 Plaza Newark, NJ	08206B001
BC/BS NJ	33 Washington St. P.O. Box 1609 Newark, NJ	07101B001

BC/BS RHODE ISLAND

The OCNA number for Plan 65 of BC/BS Rhode Island is 02903B001. BC/BS Rhode Island Plan 65 is Complementary. When submitting for secondary benefits under this plan, an OCNA number is not required.

- For the Claim Adjustment Department OCNA number 02903B002, the terminology used with BC/BS Rhode Island is "Carveouts" or "RIBS."

- For National Accounts OCNA number 02903B003, the terminology used with BC/BS Rhode Island is "CCERT."
- For FEP Department OCNA number 02903B004, the terminology used with BC/BS Rhode Island is "FEP."

The above three plans are not under the Complementary agreement and, therefore, should be added to the Medigap OCNA number list.

If you have beneficiaries who have one of these three accounts with BC/BS Rhode Island and you are participating and accept assignment with Medicare, please include the Medigap information in Blocks 9 through 9D of the HCFA-1500 Form when submitting your claims on paper. If submitting claims via Electronic Claim Submission, be sure to include the secondary Medigap information on the secondary insurance screen in order for crossover to occur.

The Region A DMERC only receives eligibility information on those members of BC/BS Rhode Island covered under Plan 65.

Reminder

No changes have occurred with New Jersey Medicaid (MCD) in regard to J, K, and Q codes. The claims will be forwarded to NJ MCD, and the Explanation of Medicare Benefits (EOMB) will state that these claims were forwarded to NJ MCD. NJ MCD, however, cannot currently process these claims until system changes are made. Therefore, Region A DMERC and NJ MCD advise that the Supplier/Physician forward these claims directly to NJ MCD using the procedure NJ MCD requests.

Connecticut Medicaid

Connecticut Medicaid is currently unable to process the claims we are forwarding to them for secondary coverage. However, the Region A DMERC and Connecticut Medicaid are keeping the lines of communication open to keep apprised of when Connecticut Medicaid has resolved this issue.

PA Medicaid

The Travelers Region A DMERC has received eligibility tapes from Pennsylvania Medicaid. If the tapes are accepted into the DMERC Region A system, PA Medicaid will be in production on June 13, 1994.

Complementary Insurers

The following is a list of Complementary insurers with the Region A DMERC which accept participating/assigned and non-participating/non-assigned claims:

<input type="checkbox"/> AARP/Prudential	18936A001
<input type="checkbox"/> APWU (American Postal Workers Union)	20904A001
<input type="checkbox"/> Aetna	06457A001
<input type="checkbox"/> American General	37250A001
<input type="checkbox"/> BC/BS Alabama	35244B001
<input type="checkbox"/> BC/BS Delaware	19801B001
<input type="checkbox"/> BC/BS Michigan	48226B001
<input type="checkbox"/> BC/BS New York (West)	14240B001
<input type="checkbox"/> BC/BS Pennsylvania	17089B001
<input type="checkbox"/> BC/BS Rhode Island Plan 65	02903B001
<input type="checkbox"/> Mutual of Omaha	68131M001
<input type="checkbox"/> NALC (National Association of Letter Carriers)	22093N001
<input type="checkbox"/> Olympic Health Mgmt	98227O001
<input type="checkbox"/> The Hartford (ITT)	06104H001
<input type="checkbox"/> United American	75221U001

Note: Mutual of Omaha is listed in the *Supplier Manual* with an OCNA number of 68175M001. This is incorrect. The correct number is 68131M001.

Claims Processing

Rent/Purchase Option

When a beneficiary has been renting a Capped Rental Item for 10 continuous rental months, Medicare requires the supplier to give the beneficiary the option of converting the rental agreement to a purchase agreement. If the beneficiary decides to purchase the equipment, Medicare will continue making rental payments for the equipment for 3 additional months.

After the additional rental payments are made, title to the equipment is transferred to the beneficiary. The beneficiary has one month from the date of notification by the supplier to elect the purchase option. If the beneficiary decides not to elect the purchase option, Medicare will continue making rental payments for an additional 5 months rental. After a total of 15 rental month payments have been paid, title to the equipment remains with the supplier; however, the supplier may not charge the beneficiary any additional rental amounts.

When the beneficiary is making a rent/purchase decision, the beneficiary should know that, for purchased equipment, they will be responsible for 20 percent of the service charge each time the equipment is actually serviced. However, for equipment that has been rented for 15 months, the responsibility for the service is limited to 20 percent coinsurance on a maintenance and servicing fee, payable twice per year whether or not the equipment is actually serviced.

Modifiers

The following modifiers are used to indicate a beneficiary response:

- BR Beneficiary has been notified of the rent/purchase option and has decided to rent the equipment.
- BP Beneficiary has been notified of the rent/purchase option and has decided to purchase the equipment.
- BU Beneficiary has been notified of the rent/purchase option and has not responded. (In this instance, Medicare will assume a rental decision by the beneficiary and continue to make rental payments up until the fifteenth month).

Avoid Oral Anti-Cancer Drug Claims Processing Delays

The following are tips to ensure your oral anti-cancer drug claims are paid.

When claims are submitted for reimbursement for oral anti-cancer drugs and off-label uses of anti-cancer drugs, the carrier will be looking for certain information on the HCFA-1500 Form. If the following information is missing, the claim can be delayed or denied.

- Item 17 Name of the physician or other practitioner licensed to prescribe the oral anti-cancer drug.
- Item 17a Unique physician identification number (UPIN) for physicians or the surrogate UPIN "NPP000" for practitioners.
- Item 21 or Item 24e ICD-9 diagnosis code for cancer for which the patient is receiving the drug.
- Item 24d National Drug Code number for the oral anti-cancer drug.
- Item 24f The charge.
- Item 24g The number of units dispensed. Each tablet or capsule is equal to one unit.
- Item 33 Supplier number and billing number issued by the National Supplier Clearinghouse.

Injectable forms (parenteral route) of oral anti-cancer drugs must be submitted on a separate HCFA-1500 Form and sent to the local carrier. Claims for the oral drugs go to the DME regional carriers.

If a local carrier receives a claim with both an oral and parenteral anti-cancer drug, the carrier will process the parenteral drug (incident to a physician's service) and deny the claim for the oral drug. If the same thing happens at the DMERC, the DMERC will process the claim for the oral drug and deny the claim for the parenteral drug.

Billing For K0110 and K0111

Claims for IV Infusion Pumps and their associated supplies are often being improperly billed. All supplies used in the care of the catheter site, including dressings, tape, topical antibiotics and antiseptics, needles, syringes, and flush solutions such as saline or heparin are to be billed together, as one unit of K0110, per week. Similarly, all supplies related to administration of the drug, such as bags or cassettes, IV tubing and administration sets, diluting solutions, port cap changes, and compounding and preparation charges, are to be billed together, as one unit of K0111, per cassette or bag. These items are not to be separately billed on different lines of the claim. Doing so represents unbundling.

As an example, if Vancomycin were given twice a day for one week, K0111 would be billed on one line, with 14 units of service, while K0110 would be billed on one line, with one unit of service.

K0110 may be billed weekly throughout the period that drugs are being infused by an infusion pump, and for four weeks between infusions.

Drugs used in the infusion pumps are billed using the proper J code, if available. Otherwise, use J7799 with a description of the drug. To properly bill number of units of the drug, divide the total amount used during the billing period by the amount defined by the HCPCS J code.

Hints for Completing the HCFA-1500 Form

- Block 17 of the HCFA-1500 Form must be completed with the name (first, initial, last name) of the referring physician, and Block 17a must be completed with the physician's UPIN number.
- Make sure your National Supplier Clearinghouse (NSC) number is indicated in Block 33 of the HCFA-1500 Form. Note that this is a 10-digit number and all 10 digits must be reported.
- When billing Not Otherwise Classified (NOC) codes, be sure to provide a narrative description of the item(s) provided.
- Block 31 of the HCFA-1500 Form must be completed with the provider's name and address. Providing this information will improve the timeliness of claims payment and will provide more efficient customer service.
- All DMEPOS claims to be processed by the Region A DMERC must be mailed to: The Travelers Region A DMERC, P.O. Box 6800, Wilkes-Barre, PA 18773-6800. Mailing claims to other Travelers offices or the Health Care Financing Administration (HCFA) causes delays in the processing of your claims.

HCPCS Helpline

The HCPCS Helpline is available to answer coding questions Monday through Friday, from 9:00 A.M. to 12:00 P.M. and 1:00 P.M. to 4:00 P.M., Eastern time. Have your supplier number available when calling the Helpline so that telephone representatives can immediately begin to research your coding questions.

If you require coding assistance on numerous products and/or items, it would be beneficial to submit these questions in writing.

All correspondence should be addressed to:

SADMERC/HCPCS Unit
Palmetto Government Benefits Administrator
P.O. Box 100143
Columbia, SC 29202-3143

Telephone: (803) 736-6809

Certificate of Medical Necessity

Completing a CMN

- ❑ A patient's height and weight must be provided on the CMN if indicated in the Medical Policy.
- ❑ Responses to the question sets need to be a (Y) for Yes, (N) for No, or (D) for Does Not Apply. A check mark is not acceptable. All questions in a question set must be answered.
- ❑ The supplier's NSC number and the patient's Health Identification Number must be indicated on the CMN.
- ❑ When Medical Policy dictates a CMN is required, please be sure to provide the necessary information (completed CMN) with the initial claim. Use of the DMERC CMN is strongly suggested.
- ❑ When claims are received without complete or proper information, the claim(s) will be denied if they are assigned and/or developed if they are non-assigned.
- ❑ When using the DMERC 10.01 CMN for Parenteral or Enteral nutrition, answer question #6 with a Y for "Yes" or a N for "No."

DMERC CMN Use Encouraged

Although suppliers are not required to use the CMNs developed by the DMERC, there are several good reasons for doing so. Use of other CMNs:

1. May result in claims being denied or requiring development due to the absence of answers to key questions contained on DMERC CMNs;
2. Results in lack of uniformity, slowing claims processing, and usually necessitating DMERC medical review;
3. Confuses physicians, who would otherwise become accustomed to the uniform DMERC CMN format;
4. Requires more physician work to complete, due to the need for narrative answers and unnecessary attention to questions not asked on DMERC CMNs. It is ultimately in the supplier's best interest to utilize DMERC CMNs.

Electronic CMNs

The Travelers Region A DMERC has identified a situation causing denials and/or delays with claims from suppliers who are incorrectly submitting CMNs electronically to the DMERC. The problem occurred when CMN dates (length of need dates) fell between the dates for a CMN already on file or if the from date of the incoming CMN record was exactly equal to the from date on an existing CMN already on file. This caused claims to be denied/developed as having no valid CMN. The Region A DMERC has modified their processing system to address this situation instead of denying or developing the claim as having no valid CMN. The modification went into effect on May 16, 1994 through May 21, 1994. Therefore, electronic claims submitted on or after May 17, 1994 will not be impacted.

Suppliers who have received no valid CMN denials for claims which were submitted with an electronic CMN should do either of the following:

1. Resubmit the claims and CMN electronically.
2. FAX or mail copies of the EOMB, CMNs and a brief memo describing the situation to:

The Travelers Region A DMERC
PO Box 6800
Wilkes-Barre, PA 18773-6800
Attn: Review Department

FAX: (717)820-5850

Suppliers who received development letters for claims submitted with an electronic CMN should FAX or mail copies of the CMNs, and the development letter to the address or FAX listed above.

Miscellaneous

MEDPARD Directories

Medicare participating physician/supplier directories, or MEDPARDs, are available at the Region A DMERC. This directory lists the names and addresses of those physicians and suppliers who accept assignment for all covered services which they provide to Medicare patients. The physicians and suppliers listed in this book accept the amount approved by Medicare as total payment for the covered services. Beneficiaries who receive equipment from these suppliers are only responsible for the annual deductible and the 20% coinsurance.

If you wish to receive a MEDPARD directory, call the Region A DMERC at 800-842-2563.

Workshop Schedules

The Orthotics and Prosthetics Workshops scheduled for Pennsylvania and New York throughout the month of June are not divided into A.M. and P.M. sessions. These workshops will begin at 8:00 A.M. and will end at approximately 3:00 P.M. If you inadvertently requested registration for an "afternoon session," you are registered for the all-day session.

The Post-Transition Workshops being held in September and October, however, are not all-day sessions. Morning and afternoon sessions will be held for the Post-Transition Workshops.

Newsletter Correction

The article "Calculating Calories/kg" in the April edition of *DME Medicare News* (page 8), stated in the first sentence that the patient's intake must fall within a range of 25 to 35 calories/kg to fall within Medicare guidelines. The sentence should state that the patient's intake must fall between 20 to 35 calories/kg (inclusive) to fall within Medicare guidelines.

Supplier Manual Revision Pre-release

Sections 1.1 through 1.4, "Information Contacts, Telephone Numbers, Addresses," of the *Supplier Manual* have been revised. For your convenience, a pre-release copy is included with this newsletter.

The revised pre-release pages are found on pages 29 and 30 of this newsletter. Please insert this information into your *Supplier Manual* until a formal revision is issued with the next *Supplier Manual* update.

1.1 DME Region A Service Office

**DME Region A Service Office
P.O. Box 6800
Wilkes-Barre, PA 18773-6800**

Supplier Toll-Free Line
(800) 842-2563

Electronic Media Claims
(800) 842-1305

Beneficiary Toll-Free Line
(800) 842-2052

Connie Parry
District Manager

Steven Crittenden
Assistant District Manager

William Davis
Manager, Resolutions, Accounting, Medicare Secondary Payor

Karen Furman
Manager, Quality Assurance

Sherry Melonas
Manager, Medical Review/Hearings

Mike Tushup
Manager, Claim Entry, Night

Beth Chabala
Manager, Electronic Media Claims

Paul Metzger, M.D.
Medical Director

Geraldine Ram
Manager, Fraud and Abuse

Mary Boggs
Manager, Telephone Services

Cheryl Snow
Manager, Mail and Control

John Van Sicklin
Manager, Performance Management

Lon Melonas
Manager, Training

Victoria Bacso
Manager, Professional Relations

Dwayne Thomas
Manager, Claim Entry, Night

Terrance Southward
Manager, Claim Entry, Day

1.2 Ombudsmen

Ombudsmen have been assigned to specific regions and are your personal contacts for any questions concerning the transition policies, procedures and training.

Doris Spencer
New England
(CT, MA, ME, NH, RI, VT)
Meriden, CT
(203) 639-3150 *or*
(717) 820-5712

Martin Szmal
Pennsylvania, New Jersey,
and Delaware
Wilkes-Barre, PA
(717) 820-5846

Vince Temples
New York
Wilkes-Barre, PA
(717) 820-5711

1.3 DMERC Regional Offices

- Region A Connecticut, Delaware, Maine, Massachusetts, New Hampshire
New Jersey, New York, Pennsylvania, Rhode Island, Vermont
- The Travelers Insurance Company
P.O. Box 6800
Wilkes-Barre, PA 18773-6800
- Region B District of Columbia, Illinois, Indiana, Maryland, Michigan, Minnesota, Ohio, Virginia,
West Virginia, Wisconsin
- AdminaStar Federal, Inc.
P.O. Box 7078
Indianapolis, IN 46207-7078
- Region C Alabama, Arkansas, Colorado, Florida, Georgia, Kentucky, Louisiana, Mississippi,
New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, Virgin Islands
- Palmetto Government Benefits
Administrators
Medicare DMERC Operations
P.O. Box 100141
Columbia, SC 29202-3141
- Palmetto Government Benefits Administrators (Palmetto GBA) is now the operational name for Blue Cross and Blue Shield of South Carolina in the administration of the Medicare Regional DMEPOS contract for Region C.
- Region D Alaska, Arizona, California, Guam, Hawaii, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada,
North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming
- CIGNA
Medicare Region D DMERC
P.O. Box 690
Nashville, TN 37202

1.4 National Supplier Clearinghouse (NSC)

- NSC National Supplier Clearinghouse
P.O. Box 100142
Columbia, S.C. 29202-3142
800-651-3682

RETIRED