

Intermediary NEWS



October 2002

**THIS PUBLICATION
SHOULD BE SHARED WITH
ALL HEALTH CARE
PRACTITIONERS AND
MANAGERIAL MEMBERS OF
THE PROVIDER/SUPPLIER
STAFF.
BULLETINS AND
INTERMEDIARY NEWS ISSUED
AFTER OCTOBER 1, 1999
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www.marylandmedicare.com**

Durable Medical Equipment

Durable Medical Equipment Ordered With Surrogate Unique Physician Identification Numbers (UPIN)

Section 1833(q) of the Social Security Act requires that all physicians who meet the §1861(r) definition of a physician must have a UPIN. All claims for services ordered or referred by a physician must include the name and UPIN of the ordering/referring physician.

A physician or supplier who bills Medicare for a service or item must show the name and UPIN of the ordering/referring physician on the claim form, if that service or item was the result of an order or referral from a physician. If the ordering physician is also the performing physician, the physician must enter his/her name and assigned UPIN as the ordering physician. If the ordering/referring physician is not assigned a UPIN, the biller may use a surrogate UPIN.

A physician or supplier who submits a claim for a service or item is responsible for ensuring that the name and UPIN of the ordering/referring physician is obtained and submitted on Form CMS-1500. Physician names and UPINs can be found in the UPIN directory. If the physician's UPIN has not yet been issued, a surrogate UPIN is to be used only until an individual UPIN has been assigned. Surrogate UPINs are used under these conditions:

- ◆ To be used when the ordering/referring physician has not yet been assigned and does not qualify for one of the other surrogate UPINs. When OTH000 is used, ensure that it is not being over utilized. Notify the suppliers, physicians, or billers if their use of surrogates is excessive. If surrogate UPINs are over utilized, the Part B contractor via the UPIN Registry will confirm that a UPIN has not been assigned to the ordering/referring physician. If a UPIN has been assigned, the physician will be notified of the assigned UPIN. If a UPIN has not been assigned, the physician will be notified of the need to file an application for a UPIN and sent an application form.

PROVIDER RELATIONS
TOLL FREE PHONE NUMBER

866-488-0545

Intermediary NEWS



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“CareFirst of Maryland, Medicare Part A publishes the Intermediary News as an informational reference source for providers furnishing services / supplies in our Medicare contract area. This information is intended to assist providers and not replace Medicare program requirements as set forth in statute, regulations and manual instructions. It is the responsibility of each provider to familiarize themselves with Medicare coverage requirements. CareFirst of Maryland, Medicare Part A makes efforts to ensure the information in this publication is accurate and current. Please note that the Medicare program is constantly changing, therefore it is the responsibility of the provider to remain informed of the Medicare program requirements.”

PROVIDER RELATIONS



TOLL FREE PHONE NUMBER

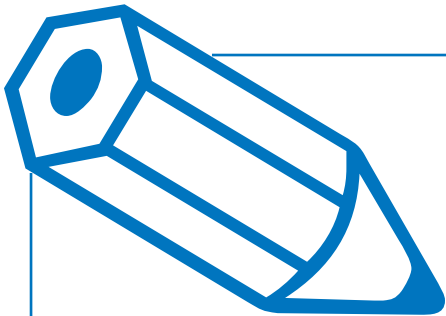
866-488-0545

Durable Medical Equipment (Continued)

- ♦ RES000: To be used by physicians meeting the description of "intern," "resident," or "fellow."
- ♦ VAD000: To be used by physicians serving on active duty in the United States military and those employed by the Department of Veterans Affairs.
- ♦ PHS000: To be used by physicians serving in the Public Health Service, including the Indian Health Service.
- ♦ RET000: To be used by retired physicians who have not been issued a UPIN. (Retired physicians who have been assigned a UPIN must use the assigned UPIN.)

It is CMS's goal to assign a UPIN to every physician/health care practitioner and group practice that meets the Medicare definition.

(Source: Program Memorandum; AB-02-125; Change Request 2268)



Important Message

to Anyone Completing and/or Signing the Credit Balance 838 Report

When completing a credit balance HCFA-838 form it is imperative that you submit two report pages, one for Part A credits and the second for Part B credits. In the top left hand corner next to " Medicare Part (Indicate A or B)"; you need to indicate the types of credits you are reporting.

The Part A report should include only the following bill types: 11X & 21X
The Part B report should include only the following bill types: 12X, 13X, 14X, 83X, 22X, 23X, 72X, 74X, & 75X

(Source: Hospital Manual 484.2, Skilled Nursing Facility Manual 319.2, Outpatient Rehabilitation 429.2 and the Renal Dialysis Manual 325)

Corrections to:

Changes to the Prospective Payment System and Consolidated Billing for Skilled Nursing Facilities – Update as published in the Federal Register, FY 2001 (66 FR 39572, July 31, 2001), and Transmittal A-01-144, December 20, 2001;

Hospice Wage Index Fiscal Year 2003, as published in the Federal Register (67 FR 56092, August 30, 2002); and

Update to the Prospective Payment System for Home Health Agencies for FY 2003; as Published in the Federal Register, (67 FR 43616, June 28, 2002)

This instruction contains additional corrections to published wage index values for Skilled Nursing Facilities (SNFs), Home Health Agencies (HHAs), and Hospice as a result of the changes outlined in PM A-02-092 dated September 27, 2002, (Change Request (CR) 2400), which revised some hospital wage indexes.

Changes to PRICER will be made to incorporate these new wage entities.

FY 2002 Revisions to the Wage Index for SNFs

The FY 2002 wage index for Killeen-Temple, TX, metropolitan statistical area (MSA) 3810, is revised from 0.8471 to 0.9764. This change is effective for discharges occurring during FY 2002 that are submitted after October 1, 2002.

TABLE 7 (as Corrected by PM A-01-144, CR 1917, Dated December 20, 2001,)

MSA	Previous Wage	Corrected Wage
3810 Killeen-Temple, TX	0.8471	0.9764

FY 2003 Revisions to the Wage Index for HHAs and Hospices

The following charts reflect corrections to the wage index for HHAs, published in Addendum B in the June 28, 2002 Federal Register (67 FR 43616). We are also making corresponding changes to Table A of the August 30, 2002 Federal Register (67 FR 56092) publishing the final wage indexes for Hospice services. These changes are all effective for FY 2003.

Addendum B – Home Health

MSA	Previous Wage	Corrected Wage
3810 Killeen-Temple, TX	0.8471	0.9764

TABLE A - Hospice

(Source: Program Memorandum A-02-101; Change Request 2428)

MSA	Previous Wage	Corrected Wage
3810 Killeen-Temple, TX	0.9008	1.0383

The effective date for this instruction is October 1, 2002.

The implementation date for this instruction is October 10, 2002.

Cost-Based Payments

Temporary Procedures for Cost-Based Payments for Certified Registered Nurse Anesthetists (CRNA) Services Furnished by Outpatient Prospective Payment System (OPPS) Hospitals

Background

Currently, the outpatient services of CRNAs furnished by hospitals subject to OPPS that qualify for cost based payment under 42 CFR 412.113(c) are made through biweekly interim payments subject to retrospective adjustments based on a settled cost report. Services rendered on or after August 1, 2000 billed under revenue code 964 have not been recognized due to system limitations. As a result, charges for CRNA services needed for reconciling cost-based payment on the cost report will not appear in the Provider Statistical and Reimbursement Report (PS&R).

Interim Instructions

The purpose of this notice is to provide interim instructions that will allow these small rural hospitals that qualify for cost-based CRNA services to bill and be properly paid for these services until related Outpatient Code Editor (OCE) and shared system changes can be made to accommodate billing of these services under revenue code 964 "Anesthetists CRNA".

Effective immediately, hospitals that qualify, must temporarily bill for CRNA services under revenue code 379 without a HCPCS code instead of under revenue code 964 for CRNA services furnished on or after August 1, 2000. One of the following interim billing procedures may be followed to handle claims containing CRNA services that you have already taken action on or are currently holding in your system.

NOTE: Providers should be instructed to only report CRNA services under revenue code 379 during this interim period. They should not report other anesthesia charges under this revenue code.

(Source: Program Memorandum A-02-089; Change Request 2326)

The effective date for this instruction is October 15, 2002.

The implementation date for this notice is October 15, 2002.

Benefit Integrity CORNER



SANCTIONED PROVIDER UPDATE

Sanctioned and reinstated providers from the surrounding states (Delaware, Pennsylvania and Virginia) have been added to the list for your convenience

The Office of the Inspector General (OIG) has notified us a recent reinstatement action involving the following providers:

Crosby, James E.

Family Physician/GP
6227 Margin Ave.
Sykesville, MD 21784
Effective Date: August 15, 2002

Crosby, James E.

Family Physician/GP
700 North Market Street
Frederick, MD 21701
Effective Date: August 15, 2002

Gainey, Waymon R.

Pharmacist
8318 Flintlock Court
Severn, MD 21442
Effective Date: August 23, 2002

Goltz, Jeffrey I.

Orthopedist
6188 Oxon Hill Rd.
Oxon Hill, MD 20745
Effective Date: September 13, 2002

Hickory Plaza Pharmacy

Pharmacy
10805 Hickory Ridge Rd.
Columbia, MD 21044
Effective Date: August 5, 2002

Pak, Jim Su

Pharmacist
12033 Distant Thurder Trail
Clarksville, MD 21209
Effective Date: August 5, 2002

Pak, Jim Su

Pharmacist
5042 Southern Star Terrace
Columbia, MD 21044
Effective Date: August 5, 2002

Patterson, Roosevelt

Dentist
P. O. Box 1223
Emporia, VA 23847
Effective Date: July 17, 2002

Psychological Connections, Inc.

Clinic
6024 Western Ave.
Chevy Chase, MD 20815
Effective Date: August 13, 2002

Sanders, Bethanne L.

Family Physician/GP
5515 Park St.
Chevy Chase, MD 20815
Effective Date: August 13, 2002

Sanders, Bethanne L.

Family Physician/GP
6024 Western Ave.
Chevy Chase, MD 20815
Effective Date: August 13, 2002

Scribner, Robson P.

Nurse/Nurses Aide
2225 Ridgemont Drive
Finksburg, MD 21048
Effective Date: July 11, 2002

Scribner, Robson P.

Nurse/Nurses Aide
110 Meadowlark Court
Winchester, VA 22603
Effective Date: July 11, 2002

Zaluzec, Daniel J.

Surgeon
1206 Washington Ave
Fredericksburg, VA 22401
Effective Date: September 23, 2002

Zaluzec, Daniel J.

Surgeon
1701 Fall Hill Ave.
Fredericksburg, VA 2240
Effective Date: September 23, 2002

Benefit Integrity CORNER



SANCTIONED PROVIDER UPDATE

The Office of Inspector General (OIG) has notified us of a recent administrative sanction action involving the following providers:

Barbour, Angela L.

Nurse/Nurses Aide
815 Hundley St., Apt. A
Martinsville, VA 24112
Effective Date: August 20, 2002
Type of Action: 1128(b)

Barkhurst, Jennifer L.

Nurse/Nurses Aide
3021 Allandale Drive
Richmond, VA 23224
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Bockover, Carol Frizzell

Nurse/Nurses Aide
29180 Naylor Mill Rd.
Salisbury, MD 21811
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Bradley, Tonia M.

Nurse/Nurses Aide
1809 South St., Apt. B
Franklin, VA 23851
Effective Date: October 20, 2002
Type of Action: 1128(a)1

Braswell, Bonni J.

Nurse/Nurses Aide
2260 N. Beaugard St., #13
Alexandria, VA 22311
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Bringley, Patrice R.

Nurse/Nurses Aide
387 Hickory Nut Court
Pasadena, MD 21122
Effective Date: September 19, 2002
Type of Action: 1128(b)4

Bryant, Jacqueline

Nurse/Nurses Aide
2866 Scottsville Rd.
Charlottesville, VA 22902
Effective Date: September 19, 2002
Type of Action: 1128(a)4

Cardiotel, Inc.

Laboratory
19636 Club House Rd., 120
Gaithersburg, MD 20886
Effective Date: June 20, 2002
Type of Action: 1128(b)7

Caulker, Alex

Nurse/Nurses Aide
5445 N. Morgan St., Apt. 203
Alexandria, VA 22312
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Clark, Freeman Lowell

Family Physician/GP
P.O. Box 118
Bland, VA 24315
Effective Date: October 20, 2002
Type of Action: 1128(a)4

Cole, Danielle Ruth

Nurse/Nurses Aide
4802 Eubank St.
Alexandria, VA 22309
Effective Date: September 19, 2002
Type of Action: 1128(a)4

Crouthamel, Susan L.

Nurse/Nurses Aide
182 Meadows Lane NE
Leesburg, VA 20176
Effective Date: October 20, 2002
Type of Action: 1128(b)4

Benefit Integrity CORNER



SANCTIONED PROVIDER UPDATE

Eisenband, Nancy W.

Nurse/Nurses Aide
100 Harbor View Drive
Baltimore, MD 21230
Effective Date: September 19, 2002
Type of Action: 1128(b)4

Eltringham, Teresa Ann

Nurse/Nurses Aide
603 5th St.
Saint Mary's, WV 26170
Effective Date: August 20, 2002
Type of Action: 1128(a)2

Gibson, Pamela Gaynelle

Nurse/Nurses Aide
C/O P.O. Box 177
Jonesville, VA 24111
Effective Date: August 20, 2002
Type of Action: 1128(a)4

Gibson, Pamela Gaynelle

Nurse/Nurses Aide
P.O. Box 177
Jonesville, VA 24263
Effective Date: August 20, 2002
Type of Action: 1128(a)4

Goldstein, Seymour

General Practice Physician
5506 Limeric Circle, Apt. 33
Wilmington, DE 19808
Effective Date: August 20, 2002
Type of Action: 1128(a)2

Gopalani, Hanif A.

Psychiatrist
1520 Crownsville Hospital
Crownsville, MD 21032
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Grauerholz, John E.

General Practice Physician
P.O. Box 2172
Leesburg, VA 20177
Effective Date: September 19, 2002
Type of Action: 1128(b)4

Harper, Elayne Woodall

Nurse/Nurses Aide
P.O. Box 818
Culpepper, VA 22701
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Healthwise Medical Rehab Centers

Rehab Facility
1109 S. Military Highway
Chesapeake, VA 23320
Effective Date: August 20, 2002
Type of Action: 1128(a)3

Holmberg, Melissa

Nurse/Nurses Aide
4601 Landing Circle
Richmond, VA 23236
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Juliano, Linda

Nurse/Nurses Aide
158 Tuckahoe Lane
Bear, DE 19701
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Kennedy, Sharon L.

Nurse/Nurses Aide
7196 Mill Valley Rd.
Mechanicsville, VA 23111
Effective Date: September 19, 2002
Type of Action: 1128(b)4

Benefit Integrity CORNER



SANCTIONED PROVIDER UPDATE

Lambert, Denny Ray

Psychiatrist
P.O. Box 879
Lebanon, VA 24266
Effective Date: September 19, 2002
Type of Action: 1128(a)4

Lin, Tsu-Chun

Pediatrician
313 Winfern Court
Millersville, MD 21108
Effective Date: October 20, 2002
Type of Action: 1128(b)4

Mayo, Kevin Allen

Nurse/Nurses Aide
3249 Three Chopt Rd., 177
Gum Springs, VA 23065
Effective Date: September 19, 2002
Type of Action: 1128(b)1

Mealy, Heather Leak

Nurse/Nurses Aide
3249 Three Chopt Rd., 177
Gum Springs, VA 23065
Effective Date: September 19, 2002
Type of Action: 1128(b)1

Meldrom, Carole J.

Nurse/Nurses Aide
1145 Oak View Dr.
Crownsville, MD 21032
Effective Date: October 20, 2002
Type of Action: 1128(b)4

Miller, Robert B.

Otorhinolaryngologist
P.O. Box 1000, FCI
Petersburg, VA 23805
Effective Date: April 14, 2002
Type of Action: 1128(a)1, 1128(b)7

Miller, Robert B.

P.O. Box 1000, FCI
Petersburg, VA 23805
Effective Date: October 20, 2002
Type of Action: 1128(a)1, 1128(b)7

Mubang, Theresa S.

Transportation Co. Owner
P.O. Box A, Alderson FPC
Alderson, WV 24910
Effective Date: October 20, 2002
Type of Action: 1128(b)1

Muller, Alfred

Internist/IM
4601 N. Park Dr., #411
Chevy Chase, MD 20815
Effective Date: September 19, 2002
Type of Action: 1128(b)4

Nussrallah, Stephanie Ann

Nurse/Nurses Aide
5 Tims Lane
Hockessin, DE 19707
Effective Date: October 20, 2002
Type of Action: 1128(b)4

Ogundele, Gbengo Benson

Nurse/Nurses Aide
800 Fairlawn Ave., #2
Laurel, MD 20707
Effective Date: September 19, 2002
Type of Action: 1128(a)2

Page, Catherine M.

Psychiatrist
44 Laurel Ridge Dr.
Big Stone Gap, VA 25219
Effective Date: October 20, 2002
Type of Action: 1128(b)4

Parks, Sheila Callahan

Nurse/Nurses Aide
434 Elm St., SW
Abingdon, VA 24210
Effective Date: October 20, 2002
Type of Action: 1128(b)4

Patterson, Carolyn E.

Nurse/Nurses Aide
5601 Campbell Ave.
Richmond, VA 23231
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Benefit Integrity CORNER



SANCTIONED PROVIDER UPDATE

Powell, Nicheia

Nurse/Nurses Aide
704 Winston Ave.
Baltimore, MD 21212
Effective Date: September 19, 2002
Type of Action: 1128(a)2

Rybak, John P.

Social Worker
326 5th Ave., W.
Huntington, WV 25701
Effective Date: October 20, 2002
Type of Action: 1128(a)1

Sarayba, Alberto

Interinst/IM
14810 Fox Dr.
Colonial Heights, VA 23834
Effective Date: September 19, 2002
Type of Action: 1128(b)4

Scott, Geraldine L.

Nurse/Nurses Aide
161 Richneck Rd.
Newport News, VA 23608
Effective Date: October 20, 2002
Type of Action: 1128(b)4

Serlemitsos, John Paul

Internist/IM
2033 Penderbrooke Dr.
Crownsville, MD 21032
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Sheets, Phyllis M.

Nurse/Nurses Aide
131 Dark Run Rd.
Elliston, VA 24087
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Steven M. Slan

Pharmacist
2304 Merl Circle
Virginia Beach, VA 23455
Effective Date: August 20, 2002
Type of Action: 1128(b)4

Stock, Rodolpho K.

General Practice Physician
2915 Kanawha Ave., SE
Charleston, WV 25304
Effective Date: August 20, 2002
Type of Action: 1128(a)3

Tuason, Rhonda L.

Nurse/Nurses Aide
25 Halfpenny Lane, Box 3287
Baltimore, MD 21228
Effective Date: September 19, 2002
Type of Action: 1128(b)4

Valentine, Eugene

Private Citizen
P.O. Box 867
Arnold, MD 21012
Effective Date: October 20, 2002
Type of Action: 1128(a)1

Waites, Regina

Nurse/Nurses Aide
16425 Call Hill Rd., NW
Mount Savage, MD 21545
Effective Date: October 20, 2002
Type of Action: 1128(a)1

Weitzman, Warren

Management Svcs Co. Employee
7107 Thomas Branch Dr.
Bethesda, MD 20817
Effective Date: October 20, 2002
Type of Action: 1128(a)1

Benefit Integrity CORNER



SANCTIONED PROVIDER UPDATE

Witriol, Sol

Family Practice Physician
1190 W. Northern Pkwy., Apt. 904
Baltimore, MD 21210
Effective Date: August 20, 2002
Type of Action: 1128(b)4

An employer of a sanctioned provider cannot be reimbursed under Medicare or Medicaid for the salary paid to a sanctioned provider, nor can an employer bill either program for services rendered to Medicare and Medicaid beneficiaries by this provider. In addition, a provider who hires a sanctioned individual without making the proper inquiries may be subject to Civil Monetary Penalty Law (CMPL) action by the OIG. Direct questions or inquiries to the CareFirst of Maryland, Inc., Medicare Part A Benefit Integrity Unit at 410-561-4111.

Sections of the Social Security Act Under Which Exclusions are Imposed

1128(a)(1)	Program-related conviction
1128(a)(2)	Conviction relating to patient abuse or neglect
*1128(a)(3)	Felony conviction relating to health care fraud
*1128(a)(4)	Felony conviction relating to controlled substance violations
1128(b)(1)	Conviction relating to fraud
1128(b)(2)	Conviction relating to obstruction of an investigation
1128(b)(3)	Conviction relating to controlled substances
1128(b)(4)	License revocation or suspension
1128(b)(5)	Suspension or exclusion under a Federal or State healthcare program
1128(b)(6)	Excessive claims or furnishing of unnecessary or substandard items or services
1128(b)(7)	Fraud, kickbacks, and other prohibited activities
1128(b)(8)	Entities owned or controlled by a sanctioned individual
1128(b)(9)	Failure to disclose required information
1128(b)(10)	Failure to supply requested information on subcontractors and suppliers
1128(b)(11)	Failure to provide payment information
1128(b)(12)	Failure to grant immediate access
1128(b)(13)	Failure to take corrective action
1128(b)(14)	Default on health education loan or scholarship obligation
1128(b)(15)	Individuals controlling sanctioned entities
1128Aa	Imposition of a civil monetary or assessment
1156(b)	Peer Review Organization recommendation

* Expansion of authority under the Health Insurance Portability and Accountability Act of 1996.

ADJUSTING OR CANCELING A CLAIM

Can I adjust or cancel my claim when services are rejected or denied?

When your claim is fully or partially rejected or denied it affects your ability to adjust or cancel your claim. Here are the guidelines for getting your claim adjusted or cancelled:

(Revised instructions are highlighted in blue).

First, determine why the charges were in non-covered.

This can be done by reviewing the current version of the remittance notice or through DDE.

In DDE:

Go to page 2 of DDE and using the tab key, go to the line that is in non-covered and press the F2 key. The bottom of the screen will display the non-covered charges and the "denial reason" code. For an explanation of the denial code, tab to the SC field and enter 17, then enter the denial code. The reason for charges being in non-covered will be displayed. To return to the claim press F3.

If the claim is a Partial Reject (claim status PB9997) with Line item(s) rejected:

- ♦ You can adjust but must delete the entire line and re-key it below the total charges line.
- ♦ You can cancel the claim following your normal procedures.

If the claim is a Partial Denial (PB9997) with Line item(s) denied (reason code 5XXXX):

- ♦ To adjust something other than the denied charge: submit an hard adjustment.
- ♦ Providers may not change the status of the Denied Line.
- ♦ To adjust something related to the denied charge, you must submit an appeal.
- ♦ To cancel the claim you must submit a hardcopy request with remarks indicating why you want the claim cancelled.

If the claim is a Full Reject (RB9997)

- ♦ *You can adjust claims that have posted to the Common Working File. This includes all claims where the tape to tape field is "blank" or contains a "S" or "V" code. The Adjustment Screen in the DDE system will only display these claims which can be adjusted.*
- ♦ If the claim is not posted to the Common Working File and therefore, is not coming up in the DDE Adjustment Screen, you can resubmit the claim.

If the claim is a Full Denial (DB9997):

- ♦ You cannot adjust or cancel.
- ♦ You must appeal.

Top Ten Reason Codes Returned to Providers

The following are the top ten reason codes returned to providers in the TB9997 status/location for the months of July, August and September. Providers can use this information to educate their internal billing staff or vendor.

Reason Code	Total Claims Returned to Providers During July, August and September, 2002	Type of Error	Resolution by Provider
30723 3.7%	4,681	The insured information on page 5 of the claim is not consistent with the personal patient information on file for this HIC number.	Verify patient information with HIC number and resubmit claim.
12302 2.6%	3,325	The sum of covered days plus the number of non-covered days must equal the number of days between the from and the through dates on the claim.	Educate internal billing staff or vendor.
30715 2.5%	3,220	Patient Last/First name does not match the information found in 'HIQA'	Educate internal billing staff. If HIQA has incorrect information that you are aware of you must have the patient contact Social Security, resubmit the claim once HIQA has been corrected.
12206 2.4%	3,137	The system has identified an inconsistency between the statement from and through dates, patient status code, occurrence span code(s) and/or covered and non-covered days field.	Educate internal billing staff or vendor.

CareFirst of Maryland, Inc. Medicare Part A

Reason Code	Total Claims Returned to Providers During July, August and September, 2002	Type of Error	Resolution by Provider
38119 2.3%	3,042	Sequential billing	First or prior claim in a series must finalize before next claim can be submitted. Educate internal billing staff or vendor.
32404 2.2%	2,849	HCPC billing error. Either a revenue code is present requiring a HCPCS, or a HCPCS code on the claim is no longer valid or a HCPCS code on the claim does not exist on the HCPCS file.	Educate internal billing staff or vendor.
32206 1.7%	2,249	Revenue code billed on the claim is invalid for the type of bill	Educate internal billing staff or vendor.
32242 1.7%	2,246	Revenue code is non-billable for this type of bill; covered charges are greater than zero.	Educate internal billing staff or vendor.
15701 1.7	2,221	Payer ID keyed incorrectly.	Educate internal billing staff or vendor.
15202 1.5%	1,975	Billing - units of service incorrect.	Educate internal billing staff or vendor.
Total Claims	28,945		

Advance Beneficiary Notice Compliance

Q. Is it a compliance issue if we choose not to get an Advanced Beneficiary Notice (ABN) for a particular service and not charge the patient?

A, No, it has been verified through the Office of Inspector General and the Centers for Medicare and Medicaid Services that it is not a compliance issue if you write off a charge because you choose not to get an ABN for a particular service. Furthermore, these charges can not be written off of your cost report as bad debts.

Source: CMS Regional Office & OIG/Kim Droboniku

Reasonable Charge

– Reasonable Charge Update for 2003 for Splints, Casts, Dialysis Supplies, Dialysis Equipment, Therapeutic Shoes, and Certain Intraocular Lenses

Scope

This notice provides specific instructions regarding the calculation of reasonable charges for payment of claims for splints, casts, dialysis supplies, dialysis equipment, therapeutic shoes, and intraocular lenses furnished in calendar year 2003. Instructions regarding payment for ambulance and laboratory services still subject to reasonable charges will be provided under separate cover.

Background

Payment continues to be made on a reasonable charge basis for splints, casts, dialysis supplies, dialysis equipment, therapeutic shoes, and intraocular lenses. For intraocular lenses, payment is only made on a reasonable charge basis for lenses implanted in a physician's office. With the exception of those items identified in the gap-filling section below, carriers must compute 2003 customary and prevailing charges for the items identified below using actual charge data from July 1, 2001, through June 30, 2002. All of the codes below are subject to the inflation-indexed charge (IIC); however, carriers must not compute 2003 IIC screens for items paid using gap-filled payment amounts in 2002. Carriers must compute the 2003 IIC screen in accordance with section 5025 of the Medicare Carriers Manual. The inflation increase for 2003 is 1.1 percent.

The codes on the next page are subject to the reasonable charge update:

Splints and Casts Used to Reduce a Fracture or Dislocation (Local Carrier Jurisdiction)

A4565 Q4001 Q4002 Q4003 Q4004 Q4005 Q4006 Q4007 Q4008 Q4009 Q4010 Q4011
Q4012 Q4013 Q4014 Q4015 Q4016 Q4017 Q4018 Q4019 Q4020 Q4021 Q4022 Q4023
Q4024 Q4025 Q4026 Q4027 Q4028 Q4029 Q4030 Q4031 Q4032 Q4033 Q4034 Q4035
Q4036 Q4037 Q4038 Q4039 Q4040 Q4041 Q4042 Q4043 Q4044 Q4045 Q4046 Q4047
Q4048 Q4049

Dialysis Supplies (DMERC Jurisdiction)

A4651 A4652 A4653 A4656 A4657 A4660 A4663 A4670 A4680 A4690 A4706 A4707 A4708
A4709 A4712 A4714 A4719 A4720 A4721 A4722 A4723 A4724 A4725 A4726 A4730 A4736
A4737 A4740 A4750 A4755 A4760 A4765 A4766 A4770 A4771 A4772 A4773 A4774 A4802
A4860 A4870 A4890 A4911 A4918 A4927 A4928 A4929 A4930 A4931

Dialysis Equipment (DMERC Jurisdiction)

E1500 E1510 E1520 E1530 E1540 E1550 E1560 E1570 E1575 E1580 E1590 E1592 E1594
E1600 E1610 E1615 E1620 E1625 E1630 E1632 E1635 E1636 E1637 E1639

Therapeutic Shoes (DMERC Jurisdiction)

A5500 A5501 A5503 A5504 A5505 A5506 A5509 A5510 A5511

Intraocular Lenses Implanted in a Physician's Office (Local Carrier Jurisdiction)

V2630 V2631 V2632

AX Modifier

A new modifier (AX) has been added to the HCPCS to identify supplies and equipment furnished in conjunction with dialysis services. Suppliers must attach this modifier to HCPCS codes for items that are furnished as dialysis supplies or equipment, but are not specifically identified as dialysis supplies or equipment in the HCPCS code descriptor. Effective January 1, 2003, the descriptors for codes A4656, A4657, A4660, A4663, A4670, A4712, A4927, A4928, E1637 and E1639 will no longer contain the words "for dialysis" so that these codes can also be used when these items are used for purposes other than dialysis. Therefore, suppliers must attach the AX modifier to these codes when they are used to bill for dialysis supplies or equipment. The AX modifier is effective for items furnished on or after January 1, 2003; however, carriers should allow a 3-month grace period ending on March 31, 2003, to ensure an adequate amount of time for educating suppliers on the use of this modifier. The DMERCs must identify the codes that must be submitted with the AX modifier and should furnish this list to suppliers. The list must include, but is not limited to, the following codes on the next page:

A4651 A4652 A4656 A4657 A4660 A4663 A4670 A4712 A4927 A4928 A4930 A4931 E1632
E1637 E1639

Gap-filling

For 2001 and 2002, the Medicare payment amounts for splints and casts were based on retail price data. For 2002, the Medicare payment amounts for dialysis supplies and equipment were also based on retail price data. These gap-filled payment amounts were established due to the lack of charge data for these codes, many of which were new codes added to the HCPCS in 2001 or 2002. To the extent that charge data is now available, reasonable charges must be established for 2003 for these items. With the exception of the codes for dialysis supplies or new codes added in 2002 or 2003, these calculations must be made using actual charge data from July 1, 2001, through June 30, 2002. The reasonable charge calculations for the dialysis supply codes and new codes added in 2002 must be made using actual charge data from January 1, 2002, through June 30, 2002. All valid charge data must be included in the reasonable charge calculations for the dialysis supply and equipment codes that show an allowed charge of zero. This will ensure that valid charge data from claims that were not reimbursed as a result of the monthly dialysis payment cap are included in the reasonable charge calculations.

In those cases where charge data is not available for calculating a customary charge for a supplier or physician, carriers must gap-fill the customary charge for that supplier or physician using the 50th percentile of customary charges for the item. In those cases where charge data is not available for calculating a prevailing charge for the locality, carriers must gap-fill the prevailing charge for that locality using the prevailing charge for a neighboring locality. If no charge data exists at all for an item, then carriers must gap-fill the payment amounts for 2003 using the gap-filled payment amounts for 2002, increased by 1.1 percent.

The following supply codes are new codes effective January 1, 2003:

A4653	Peritoneal dialysis catheter anchoring device, belt, each
A4930	Gloves, sterile, per pair
A4931	Oral thermometer, reusable, any type, each

The DMERCs must gap-fill 2003 payment amounts for use in paying claims for these items in those cases where they are covered as dialysis supplies.

Implementation

The DMERCs and local carriers must compute 2003 reasonable charges for the HCPCS codes identified above that fall under their jurisdiction. The reasonable charges must be computed using charge data for items furnished from July 1, 2001 through June 30, 2002, except as noted above. The 2003 reasonable charges must be used to pay claims for items furnished from January 1, 2003 through December 31, 2003.

Effective for dialysis supplies and equipment furnished on or after January 1, 2003, suppliers must begin billing the AX modifier with the HCPCS codes for general supplies and equipment used for dialysis purposes. A three-month grace period will be allowed in order to ensure that suppliers are informed about this requirement. The DMERCs must furnish suppliers with a list of HCPCS codes that must be billed with the AX modifier for use in identifying dialysis supplies and equipment.

(Source: Program Memorandum AB-02-136; Change Request 2371)

The effective date for this instruction is January 1, 2003.

The implementation date for this instruction is January 1, 2003.



"K" New "K" Codes

Special Handling of New "K" Codes K0556, K0557, K0558, and K0559

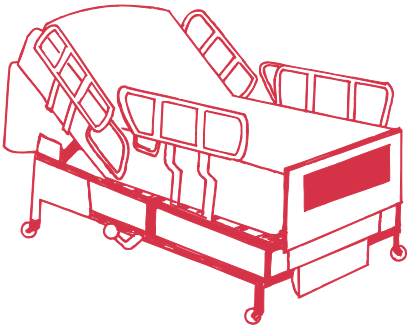
It has come to our attention that the new replacement orthotic/prosthetic "K" codes for the discontinued "L" codes listed below will not be recognized until a change is made in the OCE for the January 2003 release, even though they were effective October 1, 2002. The "L" codes that were replaced by the "K" codes are L5660, L5662, L5663, and L5664.

Since there is a grace period for the discontinued "L" codes, advise your providers to continue to bill the "L" codes for the period October 1 through December 31, 2002, and not to begin using the "K" codes. If claims containing the replacement "K" codes are submitted they will be rejected by the October OCE with edit reason code 06, "Invalid Procedure Code", and the claim will be returned to the provider. Once the January 2003 OCE is implemented, providers must start billing with the replacement "K" codes.

(Source: Program Memorandum A-02-097; Change Request 2409)

The effective date for this instruction is October 1, 2002.

The implementation date for this instruction is October 31, 2002.



Annual Update of HCPCS Codes Used for Home Health Consolidated Billing Enforcement

I. GENERAL INFORMATION

A. Background:

In April 2001, CMS established via Program Memorandum (PM) the process of periodically updating the lists of Healthcare Common Procedure Coding System (HCPCS) codes that are subject to the consolidated billing provision of the Home Health Prospective Payment System (HH PPS). Services appearing on this list submitted on claims to both Medicare fiscal intermediaries and carriers, including Durable Medical Equipment Regional Carriers (DMERCs), will not be paid on dates when a beneficiary for whom such a service is being billed is in a home health episode (i.e., under a home health plan of care administered by a home health agency). Medicare will only directly reimburse the primary home health agencies that have opened such episodes during the episode periods. Note that items incidental to physician services, as well as supplies used in institutional settings, are not subject to HH consolidated billing.

A subsequent PM, AB-02-092 (Change Request 2247) published July 2, 2002, established that updates of the HH consolidated billing code list would occur as frequently as quarterly in order to reflect the creation of temporary HCPCS codes (e.g., 'K' codes). These temporary codes may describe services subject to consolidated billing in addition to the permanent list of HCPCS codes that is updated annually.

This PM is the first quarterly HH consolidated billing update for calendar year 2003. It incorporates new temporary codes, as well as the annual update of all HCPCS codes and CPT codes that are subject to consolidated billing. Therefore, this PM is referred to as an annual update. Other updates for the remaining quarters of the calendar year will occur as needed due to the creation of new temporary codes representing services subject to HH consolidated billing prior to the next annual update.

The new coding identified in each update describes the same services that were used to determine the applicable HH PPS payment rates. No additional services will be added by these updates; that is, new updates are required by changes to the coding system, not because the services subject to HH consolidated billing are being redefined.

B. Policy:

Section 1895 of the Social Security Act codifies the HH PPS.

(Source: Program Memorandum; AB-02-137; Change Request 2402)

PROVIDER RELATIONS
TOLL FREE PHONE NUMBER

866-488-0545

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