CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 613

Department of Health & Human Services

Centers for Medicare & Medicaid Services

Date: JULY 22, 2005

Change Request 3931

Transmittal 548, CR 3761, dated April 29, 2005 is rescinded and replaced by Transmittal 613, CR 3931, dated July 22, 2005.

SUBJECT: New HCPCS Codes and Systems Edits for Supplies and Accessories for Ventricular Assist Devices - Full Replacement of CR 3761

I. SUMMARY OF CHANGES: This is a full replacement of CR 3761. Business requirement 3761.5 is being revised and four new business requirements are being added.

NEW/REVISED MATERIAL :
EFFECTIVE DATE : October 01, 2005
IMPLEMENTATION DATE : October 03, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R = REVISED, N = NEW, D = DELETED

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

One-Time Notification

Unless otherwise specified, the effective date is the date of service.

Attachment – One-Time Notification

Pub. 100-04	Transmittal: 613	Date: July 22, 2005	Change Request 3931

Transmittal 548, CR 3761, dated April 29, 2005 is rescinded and replaced by Transmittal 613, CR 3931, dated July 22, 2005.

SUBJECT: New Healthcare Common Procedure Coding System (HCPCS) Codes and Systems Edits for Supplies and Accessories for Ventricular Assist Devices (VADs) – Full Replacement of CR 3761

I.   GENERAL INFORMATION

A.   Background: This CR is a full replacement of CR 3761. Transmittal 548, CR 3761 is rescinded. All information contained below is identical to CR 3761 except that business requirement 3761.5 is modified, and four new business requirements (3931.6, 3931.7, 3931.8, and 3931.9) are added. Place of service (POS) indicator 22 was added to business requirement 3761.3. Instructions regarding billing units for replacement filters under code Q0500 and billing for replacement supplies and accessories for external VADs are also added. A revised provider education article for this CR is necessary.

The DMEPOS fee schedules are updated on a quarterly basis in order to implement fee schedule amounts for new codes and to revise any fee schedule amounts for existing codes that were calculated in error. The quarterly updates process for the DMEPOS fee schedule is located in the Medicare Claims Processing Manual (Pub. 100-04), Chapter 23, §60. New codes are being added to the HCPCS effective October 1, 2005, to describe replacement accessories and supplies for VADs. There are systems changes associated with implementing these new codes (i.e., logic or interface changes that require new coding by the systems maintainers). Therefore, these changes are not included in the normal routine quarterly update. These changes are being addressed through this One-Time Notification separate from the routine quarterly update instructions.

B.   Policy: Payment on a fee schedule basis is required for prosthetic devices by Section 1834(h) of the Social Security Act. The following codes are being added to the HCPCS effective October 1, 2005, to describe replacement accessories and supplies for VADs.

Q0480	Driver for use with pneumatic ventricular assist device, replacement only
Q0481	Microprocessor control unit for use with electric ventricular assist device, replacement only
Q0482	Microprocessor control unit for use with electric/pneumatic combination ventricular assist device, replacement only
Q0483	Monitor/display module for use with electric ventricular assist device, replacement only
Q0484	Monitor/display module for use with electric or electric/pneumatic ventricular assist device, replacement only
Q0485	Monitor control cable for use with electric ventricular assist device, replacement only
Q0486	Monitor control cable for use with electric/pneumatic ventricular assist device, replacement only

Q0487   Leads (pneumatic/electrical) for use with any type electric/pneumatic ventricular assist device, replacement only
Q0488   Power pack base for use with electric ventricular assist device, replacement only
Q0489   Power pack base for use with electric/pneumatic ventricular assist device, replacement only
Q0490   Emergency power source for use with electric ventricular assist device, replacement only
Q0491   Emergency power source for use with electric/pneumatic ventricular assist device, replacement only
Q0492   Emergency power supply cable for use with electric ventricular assist device, replacement only
Q0493   Emergency power supply cable for use with electric/pneumatic ventricular assist device, replacement only
Q0494   Emergency hand pump for use with electric or electric/pneumatic ventricular assist device, replacement only
Q0495   Battery/power pack charger for use with electric or electric/pneumatic ventricular assist device, replacement only
Q0496   Battery for use with electric or electric/pneumatic ventricular assist device, replacement only
Q0497   Battery clips for use with electric or electric/pneumatic ventricular assist device, replacement only
Q0498   Holster for use with electric or electric/pneumatic ventricular assist device, replacement only
Q0499   Belt/vest for use with electric or electric/pneumatic ventricular assist device, replacement only
Q0500*   Filters for use with electric or electric/pneumatic ventricular assist device, replacement only
Q0501   Shower cover for use with electric or electric/pneumatic ventricular assist device, replacement only
Q0502   Mobility cart for pneumatic ventricular assist device, replacement only
Q0503   Battery for pneumatic ventricular assist device, replacement only, each
Q0504   Power Adapter for pneumatic ventricular assist device, replacement only, vehicle type
Q0505   Miscellaneous supply or accessory for use with ventricular assist device

* Replacement filters described by code Q0500 are furnished in boxes of varying quantities by different manufacturers. Therefore, the base unit for code Q0500 for billing purposes is per each filter.

The CMS will be calculating the fee schedule amounts for these codes using the standard gap-filling process. Therefore, local carriers do not need to gap-fill base fees for these codes. Instructions regarding implementation of the fee schedule amounts for these codes will be provided as part of the October quarterly DMEPOS fee schedule update instructions.

The VADs are implanted in an inpatient setting; therefore, Medicare payment is made under Part A on the basis of the prospective payment system for hospital inpatient services. Payment for supplies and accessories for the VAD provided in the inpatient setting are included in the Part A payment. This includes all the accessories necessary for the VAD to function. After the patient is discharged from the hospital, Medicare payment, under Part B, can be made for the medically necessary supplies and replacement accessories, unless these items are covered under a manufacturer's warranty. Claims for

replacement of supplies and accessories used with the VAD that are furnished by suppliers should be billed to the local carriers. Claims for replacement of supplies and accessories that are furnished by hospitals and other providers should be billed to the intermediaries.

Claims for replacement of accessories and supplies for VADs implanted in patients who were not eligible for coverage under Medicare Part A or had other insurance that paid for the device and hospital stay at the time that the device was implanted, but are now eligible for coverage of the replacement supplies and accessories under Part B should be submitted using HCPCS code L9900 and will be manually reviewed.

In rare instances it may be appropriate to pay for replacement of supplies and accessories for external VADs used by patients who are discharged from the hospital. In addition, in some rare instances, it may be necessary for a patient to have an emergency backup controller for an external VAD. Coverage of these items is at the discretion of the contractor. Claims for replacement of supplies and accessories used with an external VAD that are furnished by suppliers should be billed to the local carriers. Claims for replacement of supplies and accessories used with an external VAD that are furnished by hospitals and other providers should be billed to the intermediaries. These items should be billed using code L9900 so that the claims can be manually reviewed.

Based on information furnished by VAD manufacturers, we have determined that the lifetime of the batteries is 6 months and the lifetime of all other accessories is 1 year. Therefore, we are establishing CWF edits to deny claims before the lifetime of the item has expired (i.e., 6 or 12 months following discharge from the hospital or previous Part B payment for replacement of the item). It is the responsibility of the local carrier or intermediary to determine whether specific replacement supplies and accessories identified by the HCPCS codes above can be covered before the lifetime of the item has expired in cases where the item is lost, stolen, or irreparably damaged. Irreparable damage refers to a specific accident or to a natural disaster (e.g., fire, flood, etc.) and not wear or deterioration sustained from day-to-day usage over time where a specific event of damage cannot be identified. Suppliers and providers will need to add HCPCS modifier RP (Replacement and Repair) to the claims for codes Q0480 thru Q0499 and Q0501 thru Q0504 in all cases where the item being replaced was lost, stolen, or irreparably damaged. If the local carrier or intermediary determines that the replacement of the lost, stolen, or irreparably damaged item is reasonable and necessary, then payment for replacement of the item can be made at any time. Use of the RP modifier will bypass the CWF edit in these cases where the replacement occurred prior to the end of the reasonable lifetime of the item established in these program instructions.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement
"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3931.1	Local carriers and FIs shall add the HCPCS codes listed below to their claims processing systems. Q0480 thru Q0505 TOS = P BETOS = D1F POS = 04, 11, 12, 13, 14, 20, 21, 22, 23, 31, 32, 33, 49, 54, 55, 56 HCPCS Coverage Indicator = C HCPCS Pricing Indicators = 38 for codes Q0480 thru Q0504, 46 for code Q0505 Claims for replacement of supplies and accessories used with the VAD that are furnished by suppliers should be billed to the local carriers. Claims for replacement of supplies and accessories that are furnished by providers (bill types 12X, 13X, 22X, 23X, 32X, 33X, 34X, 74X, 75X, and 85X) should be billed to the FIs.	X		X						
3931.1.1	FIs shall require hospitals and other providers to bill HCPCS codes Q0480 thru Q0505 with revenue code 0274.	X								
3931.1.2	The FI system maintainer shall set up codes Q0480 thru Q0505 to default to the 01 locality for easier fee rate downloading, maintenance and application.				X					

Requirement Number	Requirements	FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3931.2	HCPCS codes Q0480 thru Q0505 shall be added to CWF categories 3 and 67.								X	
3931.3	CWF edits shall be established to reject claims for HCPCS codes Q0496 or Q0503, without corresponding modifier RP, with dates of service within 6 months of date of discharge from the hospital stay in which a ventricular assist device is implanted, as identified by ICD-9 code 37.66 (insertion of implantable heart assist system) or 37.63 (repair/replacement of implantable heart assist system). CWF edits shall also reject claims for HCPCS codes Q0496 or Q0503, without corresponding modifier RP, with dates of service within 6 months of the date of the service for a previous paid claim for replacement of the item under Part B. The shared systems maintainers shall adjust the FI and local carrier systems to accommodate these edits.					X	X		X	
3931.3.1	Contractors shall use the following messages: MSN message 16.29 - Payment is included in another service you have received. Remit: reason code 97 - Payment is included in the allowance for another service/procedure. Group Code CO	X		X			X			
3931.3.2	Local carriers and FIs shall instruct suppliers and providers to add HCPCS modifier RP to the claim for HCPCS codes Q0496 or Q0503 if the item being replaced was lost, stolen, or irreparably damaged.	X		X						

Requirement Number	Requirements	FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3931.3.3	Claims containing HCPCS modifier RP shall not be rejected by the edit established by requirement 3761.3.								X	
3931.4	CWF edits shall be established to reject claims for HCPCS codes Q0480 thru Q0495, Q0497 thru Q0499, Q0501, Q0502, or Q0504, without corresponding modifier RP, with dates of service within 12 months of date of discharge from the hospital stay in which a ventricular assist device is implanted, as identified by ICD-9 code 37.66 (insertion of implantable heart assist system) or 37.63 (repair/replacement of implantable heart assist system). CWF edits shall also reject claims for HCPCS codes Q0480 thru Q0495, Q0497 thru Q0499, Q0501, Q0502, or Q0504 with dates of service within 12 months of the date of the service for a previous paid claim for replacement of the item under Part B. The shared systems maintainers shall adjust the FI and local carrier systems to accommodate these edits.					X	X		X	
3931.4.1	Contractors shall use the following messages: MSN message 16.29 - Payment is included in another service you have received. Remit: reason code 97 - Payment is included in the allowance for another service/procedure. Group Code CO	X		X		X				

3931.4.2	Local carriers and FIs shall instruct suppliers and providers to add HCPCS modifier RP to the claim for HCPCS codes Q0480 thru Q0495, Q0497 thru Q0499, Q0501, Q0502, or Q0504 if the item being replaced was lost, stolen, or irreparably damaged.	X		X					
3931.4.3	Claims containing HCPCS modifier RP shall not be rejected by the edit established by requirement 3761.4.							X	
3931.5	CWF shall establish an edit to reject claims for HCPCS codes Q0480 thru Q0505 and no hospital stay in which a VAD is implanted, as identified by ICD-9 code 37.66 or 37.63, has been received in CWF.	X		X				X	
3931.5.1	Contractors shall use the following messages: MSN message 8.60 - Payment is denied because there is no hospital stay/surgery on file for implantation of the durable medical equipment or prosthetic device. Remit: reason code 107 – Claim/service denied because the related or qualifying claim/service was not previously paid or identified on this claim. Group Code CO	X		X		X			
3931.6	CWF shall send an Informational Unsolicited Response to the contractors when the Part B or outpatient claim is in CWF as denied with HCPCS codes Q0496 or Q0503 and a hospital stay is received with date of discharge that is not within 6 months in which a VAD is implanted as identified by ICD-9 code 37.66 or 37.63 or when a Part B or outpatient claim is in CWF as denied for HCPCS codes Q0480 thru Q0495, Q0497 thru Q0499, Q0501, Q0502, or Q0504 and a hospital stay is received with date of discharge that is not within 12 months in which a VAD is implanted as identified by ICD-9 code 37.66 or 37.63. Contractors shall adjust previously denied claims as appropriate based on this unsolicited response.	X		X	X			X	

3931.6.1	CWF shall send an Informational Unsolicited Response to the contractors when the Part B or outpatient claim is in CWF as denied with HCPCS codes Q0500 or Q0505 and a hospital stay is received. Contractors shall adjust previously denied claims as appropriate based on this unsolicited response.	X		X		X				X	
3931.7	CWF shall send an Informational Unsolicited Response to the contractors when the Part B or outpatient claim is in CWF as denied with HCPCS codes Q0496 or Q0503 with modifier RP and a hospital stay is received with date of discharge that is within 6 months in which a VAD is implanted as identified by ICD-9 code 37.66 or 37.63 or when a Part B or outpatient claim is in CWF as denied for HCPCS codes Q0480 thru Q0495, Q0497 thru Q0499, Q0501, Q0502 or Q0504 with modifier RP and a hospital stay is received with date of discharge that is within 12 months in which a VAD is implanted as identified by ICD-9 code 37.66 or 37.63. Contractors shall adjust previously denied claims as appropriate based on this unsolicited response.	X		X		X				X	
3931.8	Contractors shall process claims for replacement of supplies and accessories for external VADs billed under code L9900. Payment shall be based on the contractor's individual consideration of each claim.	X		X							
3931.9	Contractors shall process claims for replacement of supplies and accessories for VADs which were not covered under Part A when they are billed under code L9900. Payment shall be based on the contractor's individual consideration of each claim.	X		X							

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility ("X" indicates the columns that apply)								
		FI	RHHI	Carrier	DMERC	Shared System Maintainers				Other
						FISS	MCS	VMS	CWF	
3931.10	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X						

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E.   Dependencies: N/A

F.   Testing Considerations: N/A

V.   SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: October 1, 2005 **Implementation Date:** October 3, 2005 **Pre-Implementation and Post-Implementation Contact:** Joel Kaiser, 410-786-4499	**No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.**

*Unless otherwise specified, the effective date is the date of service.