



California
Department of
Health Services

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Index: Benefits

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)
ADMINISTRATORS, MEDICAL CONSULTANTS, SUPERVISING
THERAPISTS, AND STATE CHILDREN'S MEDICAL SERVICES (CMS)
STAFF

SUBJECT: HEALTH CARE FINANCING ADMINISTRATION COMMON
PROCEDURAL CODING SYSTEM (HCPCS) CODE CHANGES
EFFECTIVE NOVEMBER 1, 2004 FOR DURABLE MEDICAL
EQUIPMENT (DME) AND DIABETIC SUPPLIES.

PURPOSE

The purpose of this Numbered Letter N.L. is to provide CCS staff with information on:

- New HCPCS codes, code deletions, and modifier changes for general DME, select DME-Rehabilitation (DME-R) items, and diabetic testing supplies, and
- Changes in Early and Periodic Screening, Diagnosis and Treatment Supplemental Services (EPSDT) DME and polycarbonate lenses.

All changes and new codes summarized in this letter become effective for dates of service (date of delivery) on or after November 1, 2004, with a phase-in grace period for DME and a similar grace period for diabetic supplies explained in the respective Policy sections below.

I. DURABLE MEDICAL EQUIPMENT AND DURABLE MEDICAL EQUIPMENT-REHABILITATION

BACKGROUND

Durable medical equipment is a benefit of the CCS Program for CCS eligible children regardless of payer source when it is determined to be medically necessary to treat the CCS medically eligible condition. The CCS Program requires prior authorization of all services including DME.

Pursuant to the federal Health Insurance Portability and Accountability Act (HIPAA), all designated healthcare-related electronic transactions must now contain only specified national standard codes sets, including HCPCS; Medi-Cal program "local" level codes (X-codes) and modifiers must be eliminated and will no longer be acceptable on any claims for DME. This local-to-national code conversion for DME and DME accessories shall be implemented on November 1, 2004. Additional annual HCPCS update code changes shall also be implemented on this date.

Code changes for DME and DME-R are extensive. This N.L. provides a summary of only those code changes generally applicable to the CCS program and changes thought to be of particular significance to the authorization of DME and DME-R for CCS. DME-related changes in EPSDT-SS are also summarized. Detailed changes in wheelchair codes and some other DME-R will be issued as upcoming revisions to the CCS Guidelines for DME-R which accompanied N.L. 09-0703. However, all CCS staff must refer to the current Medi-Cal Allied Health Provider Bulletins and the Medi-Cal Allied Health Provider Manual for a complete list of DME and DME accessory code changes and new listings. CCS staff must maintain current code lists in order to insure all authorizations issued are accurate and will support claims payment. The DME section of the Provider Manual is available at: http://files.medi-cal.ca.gov/pubsdoco/publications/masters-mtp/part2/duracd_a04a06a08p00.doc

POLICY

The code changes summarized in this N.L. become effective for **dates of service (DME delivery) on or after November 1, 2004**, as follows:

- **Effective immediately**, for both the web-based or legacy system, CCS staff must use only new codes and modifiers to issue authorizations for dates of service on or after November 1, 2004.
- Vendors may continue to claim using old codes for dates of service through December 31, 2004, **providing** the authorization was issued prior to November 1 **and** the date of service is prior to December 31, 2004.
- After December 31, 2004, claims for DME will not be paid if submitted with old codes regardless of when the authorization was issued.
- Authorizations originally issued using deleted codes or modifiers must be re-issued with new codes or modifiers when:
 - The original authorization was issued using superceded (deleted) codes or modifiers and
 - The dates of service (date of delivery) of the original authorization extend beyond December 31, 2004.

New Codes

The following new HCPCS codes have been added for items that previously did not have a specific code:

<u>New Code</u>	<u>Description</u>	<u>Pricing</u>
A4660	BP apparatus w. cuff and stethoscope.	By Report
A4663	BP cuff	By Report
A4670	Automatic BP monitor	By Report
E0293	Variable Height bed, no mattress, no rails	Price assigned*
E0295	Semi-electric, no mattress, no rails	“
E0297	Total electric, no mattress, no rails	“
E0300	Pediatric crib, hospital, fully enclosed (does not include Vail-type beds)	“
E0316	Safety enclosure frame/canopy for use with any type hospital bed	“
E0470	Bi-Pap, no back-up, non-invasive interface	“
E0471	Bi-Pap, with back-up, non-invasive interface	Rental only
E0472	Bi-Pap, with back-up, invasive	“
E0480	Percussor, electric or pneumatic, home model	Price assigned*
E0555	Humidifier, durable, glass/plastic, bottle, only for replacement of previously purchased regulator or flow meter (not for new purchase)	“
E0561	Humidifier, non-heated, used with positive airway pressure device	“
E0562	Humidifier, heated, as for E0561	“
K0108	Stairway assist device for W.C— “Scalamobile” (Wheelchair accessory code. E1399 shall not be used)	By Report
E2500, E2502, E2504, E2506, E2508, E2510, E2511, E2512, E2599:	Speech Generating Devices and access.	By Report

K0108	W.C component or access, NOS (not otherwise specified)	By Report
S8182**	Humidifier, heated, used with ventilator, Non-servo controlled; may be authorized separately from ventilator rental	By Report
S8183	Humidifier, heated, used with ventilator, dual-servo controlled; as for 8182	By Report

See DME-R section below for wheelchairs, walkers, etc.

*Medi-Cal listed item with assigned reimbursement as given in the Medi-Cal
Provider Manual.

**S codes are interim national codes

Deleted Codes

K0541 Speech Generating Devices and Accessories
thru (See listing above for new codes)
K0547

See DME-Rehabilitation section below for wheelchair code changes.

DME items which are no longer benefits of the Medi-Cal Program:

The Medi-Cal Program has determined the following items are not medical in nature and may no longer be authorized as regular Medi-Cal benefits or EPSDT-SS using any code (including the miscellaneous DME code E1399). These items are also no longer a benefit of the CCS program:

<u>Prior Code</u>	
E0274	Over bed tables
E0275-76	Bed pans
E0325-26	Urinals
X3174 and other codes	Hand-held shower attachments and diverter valves

DME items which no longer require authorization as EPSDT-SS:

The following items which were previously available only as EPSDT-SS are benefits of the Medi-Cal program for children age 21 years or younger with CCS authorization as of

November 1, 2004. The CCS County and State Regional offices may authorize these items as Medi-Cal benefits using the designated Medi-Cal HCPCS code:

<u>Code</u>	<u>Description</u>	<u>Pricing*</u>
E0445	Pulse oximeter	By report
A4606	Oximeter probes, ANY type	By report
E0482	Cough stimulator (In-Exsufflator or Coughalator)	By report
E1399	Vail-type mesh enclosed beds	By report
V2799	Polycarbonate lenses	By report

In addition, pressure support portable home mechanical ventilators (LTV950, Newport HT50, and others) are a Medi-Cal benefit effective November 1, 2004, but will continue to require review by the CCS Branch Medical Consultant prior to authorization by the County until further notice.

New modifiers for DME and modifier changes

Y2, Y3, Y5, Y8, Y9, YP are terminated.
Y1, Y6, Y7 remain but the word "DME" is removed from the description.
Y4 remains but reimbursement is calculated without regard to sales tax.

****ALL claims** for DME and DME accessories must include one of the following new modifiers:

NU New equipment purchase, including complete replacement of an owned item
RR Equipment rental
RP Repair and replacement parts for patient owned equipment

DME-Rehabilitation

There are significant changes to coding of wheelchairs and other DME-R. A summary of the most significant changes in HCPCS coding for DME-R is as follows:

- **HCPCS code descriptors for wheelchairs and other DME-R**
HCPCS code descriptors contain essential information regarding the item and what items or accessories are included in the code. CCS staff must carefully review these descriptors prior to authorization of the code. Vendors have been informed of these codes and authorization and reimbursement policy changes and are responsible for using correct codes to request all items. The coding is the same as is in use by the Medicare program. It is the responsibility of County

CCS programs and State Regional offices to verify correctness of codes prior to authorizing. However, CCS staff are requested not to guess at codes or routinely select them for the provider.

- **Authorization of accessories**

Wheelchair accessories may be separately authorized for a wheelchair if a necessary accessory is not listed in the description of the code for the base chair. The accessory may be authorized using a listed code that generally describes the item. If the item does not have a listed code, the by-report code K0108 may be used.

Accessories for non-wheelchair DME-R items shall be authorized using code A9900 if the accessory is not part of the base item and the accessory does not have a specific DME HCPCS code.

- **Deleted codes**

All "X" codes and some other previously used codes have been deleted effective for dates of service (DME delivery) on or after November 1, 2004, with the grace period for claiming effective as described in the "Policy" section above. These items include but are not limited to the following:

<u>Old code</u>	<u>New code</u>	
X3160	K0009	Unlisted manual wheelchair
"	K0014	Unlisted power wheelchair
X3162	K0108	Unlisted wheelchair accessory
X2998	E1340	Labor for repair of owned equipment
X2948	E1031	Rollabout chair (Pogon or McClaren Buggy)
X2996		Use new listed codes for replacement parts
E1399**	E0638	Standing table, prone stander

**E1399 is a valid code but no longer appropriate for standing tables or prone standers.

- **New codes**

Many new codes have been assigned for wheelchair accessories and parts, walkers, and bath equipment. CCS staff are responsible for reviewing these changes in the Medi-Cal Allied Health Provider Manual.

- **Use of new modifiers**

The new modifiers listed above must be utilized with wheelchair and other DME-R codes as follows:

- RP (Repair or replacement)—use with the HCPCS code for the piece of equipment that is being repaired (such as a footrest, trunk pad etc), to authorize miscellaneous parts without specific codes (bolts, screws, brackets, etc) when being replaced as part of the repair of the item. Labor may be authorized separately for the units of time specified to do the repair, using HCPCS code E1340.
- NU (New item)—to authorize purchase of an entire item or piece of equipment (such as a footrest, trunk pad, or entire chair). Use with the HCPCS code for the piece of equipment being added or replaced. Labor may not be authorized separately for any purchase of new items or equipment, regardless of whether installation is required.
- Modifications of a wheelchair for growth (not requiring a specific prescription) or other purpose (requires a change-specific prescription) are authorized as a new item purchase, using the HCPCS code for the item to be replaced plus the NU modifier. Labor is not separately authorized.

- **Authorization of labor**

Labor for necessary repairs may be authorized when the repair does not involve purchase of an entire new part. The vendor must specify the units of time requested and the HCPCS labor code E1340. The provider must attach documentation of miscellaneous unlisted parts required for the repair to their claim as well as other required information. As stated above, labor may not be authorized in conjunction with purchase or replacement of entire new items or equipment.

County CCS programs and State Regional offices shall refer to the Medi-Cal provider manuals for complete information on wheelchair and other DME-R codes, and are reminded to carefully read the code descriptors. For additional assistance with coding, staff may refer to the federal Statistical Analysis Durable Medical Equipment Regional

Carrier (SADMERC) Product Classification List for information on manufacturers and suppliers and application of HCPCS codes. The list is available at:

[http://www.palmettogba.com/palmetto/Other.nsf/\(Home\)/Other+Medicare+Partners+SADMERC+Home?OpenDocument](http://www.palmettogba.com/palmetto/Other.nsf/(Home)/Other+Medicare+Partners+SADMERC+Home?OpenDocument)

II. DIABETIC TESTING SUPPLIES

BACKGROUND

Medical supplies are a benefit of the CCS program for CCS eligible children regardless of payer source when it is determined to be medically necessary to treat the CCS medically eligible condition. The CCS Program requires prior authorization of all medical supplies including diabetic testing supplies. TAR-free services available for Medi-Cal beneficiaries covered by the Medi-Cal Program for certain supplies based on monthly quantity limits do not apply to the CCS program, with the exception of incontinence medical supplies as discussed in N.L.: 08-0703.

POLICY

The Medi-Cal program has implemented significant changes in the acquisition, authorization and dispensing of diabetic testing supplies. These changes become effective on November 1, 2004, subject to the phase-in grace period described below, and apply to authorizations for all CCS clients regardless of payer source. Changes are summarized as follows:

Medi-Cal has contracted with manufacturers.

As of November 1, 2004, the Medi-Cal Program will list in the Medi-Cal Allied Health Provider Manual only diabetic supplies manufactured by companies that have negotiated a contract with the Department of Health Services. CCS shall routinely authorize only supplies included in this list. This list of supplies is available at: http://files.medi-cal.ca.gov/pubsdoco/publications/masters-MTP/Part2/mcsuplst1_a04p00.doc.

The Medi-Cal list of contracted diabetic supplies is very extensive. Medical supplies not included in the contracted list may be authorized by CCS only in those unusual circumstances when no contracted supply meets the medical needs of the client, as specifically documented by the CCS paneled endocrinologist authorized to provide care for the client's diabetes.

Diabetic supplies now have NDC/UPC codes.

All contracted diabetic testing supplies have been assigned an 11-digit National Drug Code (NDC) Universal Product Code (UPC) number that identifies the specific item and manufacturer. Effective immediately, supplies must be requested and authorized using only these codes. Items from any manufacturer which do not have an NDC/UPC code

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listed in the Medi-Cal Allied Health Provider Manual may be authorized for purchase only when no listed item meets the medical needs of the client, as described in the paragraph above.

Only pharmacies may dispense diabetic testing supplies.

Only pharmacies enrolled as Medi-Cal providers may dispense diabetic test supplies as of November 1, 2004, subject to the grace period described below. CCS County programs and State Regional offices shall immediately authorize diabetic supplies only to pharmacy providers.

Grace period for claiming diabetic supplies.

Any vendor to whom an authorization for diabetic supplies was issued prior to November 1, 2004 for dates of service extending past November 1, 2004, may claim using that authorization and old codes *until the authorization expires*. Note this grace period differs from the DME grace period described above.

If you have any questions regarding this N.L., please consult your CMS Branch or CCS Regional Office Medical Consultant or Therapy Consultant (for DME-R).

Original signed by Marian Dalsey, M.D., M.P.H.

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