

Published by the Health Services Analysis Section

PROVIDER BULLETIN: 10-04

Title: Medical and Surgical Supply Coverage and Payment Policy

To:

DME Suppliers
Home Health Agencies
Pharmacies
Nursing Homes/Residential Care Facilities
Physical Therapists
Prosthetists/Orthotists
Self-Insured Employers

From: (Contact)

Aaron Huff BS CHES
Medical Program Specialist
Labor and Industries
Olympia, WA
Phone: 360-902-4259
E-mail: hufa235@lni.wa.gov
Provider Hotline 1-800-848-0811 or
from Olympia 902-6500

Affects: State Fund claims Self-Insured claims
 Crime Victims Compensation Program All locations

Effective Date: July 1, 2010 **Removal from Web Date:** July 1, 2011

Provider Bulletins are temporary communications to announce changes to rule, law, policy, coverage decision or programs. For access to **updated** and complete information to this rule/coverage decision/policy etc., please visit the 2010 L&I fee schedule at:

<http://www.lni.wa.gov/ClaimsIns/Providers/Billing/FeeSched/default.asp>

Purpose

The Provider Bulletin describes the department's new Medical and Surgical Supply Program.

The new medical and surgical supply program changes the way the department pays for purchased Medical and Surgical Supplies (MSS).

This bulletin pertains to claims made against both the State Fund and self-insured employers (insurers) and to the Crime Victims Compensation Program.

The authority for payment of MSS is found in RCW 51.04.030, and WAC 296-23-165.

Background Policy Information

Prior to 1988, the Department of Labor and Industries (L&I) paid for all durable medical equipment, prosthetics and orthotics, and medical and surgical supplies by report. This began to change when a contract was established to obtain Transcutaneous Electrical Nerve Stimulator (TENS) units in 1988. A Prosthetics and Orthotics fee schedule was adopted in 2003 and then a DME fee schedule in 2005. The department has continued with its effort to establish a MSS fee schedule.

It is the department's intent to create a MSS fee schedule that will:

- Not increase costs to the insurer,
- Minimize administrative burdens for both the providers and insurer staff,
- Be consistent, fair and equitable to DME providers, and
- Not impact injured workers access to required medical care

What is changing?

Effective July 1, 2010, medical and surgical supplies will be paid at maximum fee schedule. **Codes and fee schedules will be posted by close of business, June 1, 2010.** For a complete listing of the codes please visit:

<http://www.Lni.wa.gov/ClaimsIns/Providers/Billing/FeeSched/default.asp>.

Choose 2010 Fee Schedules, and then, Medical and Surgical Supply Codes HCPCS, A4206-A9999.

Revision to L&I's medical and surgical supply program and policies include:

- Establishing fees for MSS

The policies and fees apply to all MSS purchased on or after July 1, 2010.

For dates of service prior to July 1, 2010 supplies will be paid according to the 2009 fee schedule which can be found at:

<http://www.lni.wa.gov/ClaimsIns/Providers/Billing/FeeSched/2009/default.asp>

What HCPCS 'A' codes are affected?

This bulletin states policies for the purchase of all HCPCS 'A' codes between A4206-A9999. The maximum allowable fees can be found in the 2010 Professional and Facility Service Fee Schedule website:

<http://www.Lni.wa.gov/ClaimsIns/Providers/Billing/FeeSched/default.asp>.

Choose 2010 fee schedules then Medical and Surgical Supply Codes HCPCS A4206-A9999.

What are the authorization requirements?

Some medical surgical supplies require prior authorization. A listing of those supplies that need prior authorization can be found in (Appendix A). Those codes that require prior authorization and do not have it will be denied. Prior authorization for L&I claims can be obtained by calling the claim manager or the Provider Hotline. The Provider Hotline can be reached at 1-800-848-0811 or from Olympia 902-6500.

For prior authorization on self-insured claims, contact the self-insured employer.

Which HCPCS 'A' codes are non-covered?

For a listing of all HCPCS 'A' codes which L&I no longer covers (see Appendix B).

What are the billing rules?

Providers must bill their “usual and customary” charge for supplies and equipment with the appropriate HCPCS code including delivery charges, shipping and handling charges, and tax. Delivery charges, shipping and handling charges, and tax are not payable separately, and should be included in the total charge for the supply.

Bills for self-insured claims must be submitted directly to the self-insured employer.

Bills for Crime Victims must be submitted to:
Department of Labor and Industries
PO Box 44520
Olympia, WA 98504-4520

Billing Rules Continued

Medical and Surgical Supplies, miscellaneous A9999

- A. HCPCS code A9999 will be paid by report
- B. A description must be on the remarks section of the electronic bill
- C. A9999 must be an appropriate item relative to the injury or type of treatment being received by the injured worker

Appendix A:

HCPCS 'A' codes requiring prior authorization.

A4210	A7001
A4220	A9180
A4221	A9274
A4222	A9275
A4223	A9276
A4265	A9277
A4290	A9278
A4606	A9279
A4642	A9501
A4650	A9502
A4690	A9504
A4870	A9505
A4890	A9510
A5500	A9512
A5501	A9521
A5503	A9524
A5504	A9526
A5505	A9536
A5506	A9537
A5507	A9541
A5508	A9547
A5510	A9548
A5512	A9551
A5513	A9554
A6000	A9560
A6550	A9562
A7000	

Appendix B

HCPCS 'A' codes no longer covered by L&I

A4261
A4264
A4266
A4267
A4268
A4269
A4281
A4282
A4283
A4284
A4285
A4286
A4561
A4562
A4570
A4580
A4590
A4633
A4634
A4638
A4639
A4931
A4932
A7025
A7026
A9150
A9152
A9153
A9180
A9270
A9282
A9300
A9604

Copyright information: Many *Provider Bulletins* contain CPT® codes. CPT® five-digit codes, descriptions, and other data only are copyright 2010 American Medical Association. All Right Reserved. No fee schedules, basic units, relative values or related listings are included in CPT®. AMA does not directly or indirectly practice medicine or dispense medical services. AMA assumes no liability for data contained or not contained herein.

CPT® Codes and descriptions only are copyright 2010 American Medical Association.