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## Reasonable Charge Update for 2009 for Splints, Casts, Dialysis Supplies, Dialysis Equipment, and Certain Intraocular Lenses

**Note: This article was revised on April 11, 2018, to update Web addresses. All other information remains the same.**

### Provider Types Affected

Physicians, providers, and suppliers billing Medicare contractors (carriers, Fiscal Intermediaries, (FIs), Medicare Administrative Contractors (MACs), and Durable Medical Equipment Medicare Administrative Contractors (DME MACs)) for splints, casts, dialysis equipment, and certain intraocular lenses.

### What You Need to Know

CR 6221, from which this article is taken, instructs your carriers, FIs, MACs, and DME MACs how to calculate reasonable charges for the payment of claims for splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses furnished in calendar year 2009. CR6221 also announces that the 2009 Inflation-Indexed Charge IIC update factor is 5.0 percent.

### Background

Payment on a reasonable charge basis is required for splints, casts, dialysis supplies, dialysis equipment, and intraocular lenses by regulations contained in 42 CFR 405.501.

For calendar year 2009, Medicare will continue to pay for splints, casts, dialysis supplies, dialysis equipment and intraocular lenses on a reasonable charge basis.

In addition, please note that: 1) Payment for intraocular lenses is only made on a reasonable charge basis for lenses implanted in a physician's office; and 2) You should

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use the Q-codes for splints and casts, when supplies are indicated for cast and splint purposes. This payment is in addition to the payment made under the Medicare physician fee schedule for the procedure for applying the splint or cast.

The 2009 payment limits for splints and casts will be based on the 2008 limits that were announced in CR 5740 last year, increased by 5.0 percent (the percentage change in the consumer price index for all urban consumers for the 12-month period ending June 30, 2008). (The MLN Matters article related to CR 5740 is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM5740.pdf>.)

Change Request 6221 instructs your carrier or MAC to: 1) Compute 2009 customary and prevailing charges for the V2630, V2631, and V2632 (Intraocular Lenses Implanted in a Physician's Office) using actual charge data from July 1, 2007, through June 30, 2008; and 2) Compute 2009 Inflation-Indexed Charge (IIC) amounts for these codes that were not paid using gap-filled payment amounts in 2008.

The 2009 Inflation-Indexed Charge IIC update factor is 5.0 percent.

For codes identified in the following four tables, CR 6221 instructs DME MACs to compute 2009 customary and prevailing charges using actual charge data from July 1, 2007 through June 30, 2008; and will compute 2009 IIC amounts for the codes that were not paid using gap-filled amounts in 2008.

**Table 1**  
**Dialysis Supplies Billed With AX Modifier**

|       |       |       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|-------|
| A4215 | A4216 | A4217 | A4244 | A4245 | A4246 | A4247 | A4248 |
| A4450 | A4452 | A4651 | A4652 | A4657 | A4660 | A4663 | A4670 |
| A4927 | A4928 | A4930 | A4931 | A6216 | A6250 | A6260 | A6402 |

**Table 2**  
**Dialysis Supplies Billed Without AX Modifier**

|       |       |       |       |       |       |       |       |       |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| A4653 | A4671 | A4672 | A4673 | A4674 | A4680 | A4690 | A4706 | A4707 |
| A4708 | A4709 | A4714 | A4719 | A4720 | A4721 | A4722 | A4723 | A4724 |
| A4725 | A4726 | A4728 | A4730 | A4736 | A4737 | A4740 | A4750 | A4755 |
| A4760 | A4765 | A4766 | A4770 | A4771 | A4772 | A4773 | A4774 | A4802 |
| A4860 | A4870 | A4890 | A4911 | A4918 | A4929 | E1634 |       |       |

**Table 3**  
**Dialysis Equipment Billed With AX Modifier**

|         |       |       |       |
|---------|-------|-------|-------|
| E0210NU | E1632 | E1637 | E1639 |
|---------|-------|-------|-------|

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**Table 4**  
**Dialysis Equipment Billed Without AX Modifier**

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

Your contractors will make payment for splints and casts furnished in 2009 based on the lower of the actual charge or the payment limits established for these codes. They will use the 2009 reasonable charges or the attached 2009 splints and casts payment limits to pay claims for items furnished from January 1, 2009 through December 31, 2009. **Please refer to Attachment A, at the end of this article for a detailed list of the applicable HCPCS codes and 2009 payment limits.**

### Additional Information

Detailed instructions for calculating:

- **Reasonable charges** are located in the *Medicare Claims Processing Manual*, Chapter 23 (Fee Schedule Administration and Coding Requirements), Section 80 (Reasonable Charges as Basis for Carrier/DMERC Payments);
- **Customary and prevailing charges** are located in *Medicare Claims Processing Manual*, Chapter 23 (Fee Schedule Administration and Coding Requirements), Sections 80.2 (Updating Customary and Prevailing Charges) and 80.4 (Prevailing Charge); and
- The **IIC** are located in *Medicare Claims Processing Manual*, Chapter 23 (Fee Schedule Administration and Coding Requirements), Sections 80.6 (Inflation Indexed Charge (IIC) for Nonphysician Services).

The *Medicare Claims Processing Manual* is available at

<http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html>.

For complete details regarding this Change Request (CR) please see the official instruction (CR 6221) issued to your Medicare FI, carrier, MAC, or DME MAC. That instruction is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R1613CP.pdf>.

If you have any questions, please contact your FI, carrier, MAC, or DME MAC at their toll-free number, which is available at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html>.

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## Document History

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- October 4, 2008 – Initial article released.
- April 11, 2018 – The article is revised to update Web addresses. All other information remains the same.

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## Attachment A

| Code  | Payment Limit | Code  | Payment Limit |
|-------|---------------|-------|---------------|
| A4565 | \$7.75        | Q4025 | \$34.07       |
| Q4001 | \$44.11       | Q4026 | \$106.37      |
| Q4002 | \$166.75      | Q4027 | \$17.04       |
| Q4003 | \$31.69       | Q4028 | \$53.19       |
| Q4004 | \$109.71      | Q4029 | \$26.05       |
| Q4005 | \$11.68       | Q4030 | \$68.58       |
| Q4006 | \$26.33       | Q4031 | \$13.03       |
| Q4007 | \$5.86        | Q4032 | \$34.28       |
| Q4008 | \$13.17       | Q4033 | \$24.30       |
| Q4009 | \$7.80        | Q4034 | \$60.44       |
| Q4010 | \$17.56       | Q4035 | \$12.15       |
| Q4011 | \$3.90        | Q4036 | \$30.23       |
| Q4012 | \$8.78        | Q4037 | \$14.83       |
| Q4013 | \$14.20       | Q4038 | \$37.14       |
| Q4014 | \$23.95       | Q4039 | \$7.43        |
| Q4015 | \$7.10        | Q4040 | \$18.56       |
| Q4016 | \$11.97       | Q4041 | \$18.02       |
| Q4017 | \$8.21        | Q4042 | \$30.77       |
| Q4018 | \$13.09       | Q4043 | \$9.02        |
| Q4019 | \$4.11        | Q4044 | \$15.39       |
| Q4020 | \$6.55        | Q4045 | \$10.46       |
| Q4021 | \$6.07        | Q4046 | \$16.83       |
| Q4022 | \$10.96       | Q4047 | \$5.22        |
| Q4023 | \$3.06        | Q4048 | \$8.42        |
| Q4024 | \$5.48        | Q4049 | \$1.91        |

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