



O&P Risk Advisor

RISK MANAGEMENT NEWSLETTER FOR THE ORTHOTICS & PROSTHETICS BUSINESS OWNER

Are you up to date on the 2011 Medicare changes?

When the New Year rang in, it carried with it a number of Medicare changes made by the Centers for Medicare & Medicaid Services (CMS). Here's a look at those of interest to orthotics and prosthetics providers.

Competitive bidding

Perhaps the biggest news is that Medicare has launched the first phase of its Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Competitive Bidding Program. Under the program, beneficiaries living in nine competitive bidding areas (CBAs) must now obtain selected medical equipment and supplies only through suppliers that have a contract with Medicare. Otherwise, Medicare won't pay for the item. The plan applies to beneficiaries in Original Medicare, not Medicare Advantage Plan, which has its own list of approved suppliers.

The CBAs are Charlotte-Gastonia-Concord (North and South Carolina), Cincinnati-Middletown (Ohio, Kentucky, Indiana), Cleveland-Elyria-Mentor (Ohio), Dallas-Fort Worth-Arlington (Texas); Kansas City (Missouri, Kansas), Miami-Fort Lauderdale-Pompano Beach and Orlando-Kissimmee (Florida), Pittsburgh (Pennsylvania), and Riverside-San Bernardino-Ontario (California). Find out if your clients are in a CBA by calling (800)633-4227 or going online at www.cms.gov/DMEPOSCompetitiveBid/01A2_Contract_Supplier_Lists.asp. Beneficiaries who travel to a CBA must obtain items from a contract supplier whether or not they permanently reside in a CBA.

The specified product categories include walkers and related accessories; standard

Stay on top of the 2011 Medicare requirements

Be sure you—and your staff—know about and implement the new Medicare requirements:

- Provide staff education.
- Check if your clients are in a CBA.
- If you're in a CBA, develop procedures for clients who travel to your area from other CBAs or nonCBAs.
- Determine if each client is in Original Medicare or the Medicare Advantage Plan.
- Update paper and electronic files with the new fee schedule and codes.

power wheelchairs, scooters, and related accessories; oxygen supplies and equipment; and support surfaces including certain mattresses and overlay (Miami, Fort Lauderdale, and Pompano Beach only). For a complete list, go to www.cms.gov/Partnerships/03_DMEPOS_Toolkit.asp.

The program contains a provision for patients who require a specific brand of item. In that case, the physician or treating practitioner (such as physician assistant, clinical nurse specialist, or nurse practitioner) must document in the medical record why the brand is necessary to avoid an adverse medical outcome. The contract supplier must then provide the specified item.

The program isn't without controversy. It's supposed to save money for Medicare and other taxpayers; ensure patients receive quality equipment, supplies, and services; and help limit fraud and abuse. However, some experts and associations doubt the program

can meet these goals and, in fact, may actually increase costs.

For more information, download Your Guide to Medicare's DMEPOS Competitive Bidding Program at www1.cms.gov/Partnerships/Downloads/11461.pdf.

New fees and codes

The 2011 Fee Schedule Update for DMEPOS, including updated labor payment rates, new modifiers for competitive bid items (see a list at www.cms.gov/MLN MattersArticles/downloads/SE1035.pdf), and new billing codes (L8693, Q0478 and Q0479 describe items that are subject to the fee schedule for prosthetics and orthotics) became effective Jan. 1. CMS revised how it establishes the fees for the shoe modification codes A5503 through A5507, and ocularists now have their own DMEPOS specialty code—B5. For more information, download transmittal 2118 "Pub 100-04 Medicare Claims Processing" at <http://www.cms.gov/transmittals/downloads/R2118CP.pdf>.

What's ahead

Get ready for increased emphasis for patient satisfaction if your clients include hospital patients. On Jan. 7, CMS issued a proposed rule to establish a hospital value-based purchasing program that would use patient outcomes and patient satisfaction to determine reimbursement. CMS will accept comments until March 8 and issue a final rule later this year.

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