



Allied Health • Durable Medical Equipment and Medical Supplies

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Medi-Cal Training Seminars

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'Adjudication Response Notice' and Other TAR Updates

As announced in the May and June 2007 *Medi-Cal Update*, providers will no longer receive TAR-adjudication results on a paper *Treatment Authorization Request* (TAR). Instead, providers will receive an *Adjudication Response* notice (ARN) with the following information, as appropriate:

- The status of the requested services
- Information required to submit a claim for TAR-approved services
- The reason(s) for the decision(s)
- TAR decisions resulting from an approved or modified appeal
- The TAR consultant's request for additional information, if necessary

The provider manual is being updated with ARN information, including instructions for providers to substitute an ARN for a paper TAR when submitting claims for certain services. For example, if a copy of a paper TAR was required when submitting a claim for medical supplies, now an ARN will be required with the claim instead. Providers will also submit an ARN with a new TAR for an appeal and with requests for TAR updates and/or corrections.

Provider Telecommunications Network

Several Provider Telecommunications Network messages have been updated to include ARN instructions.

eTARs

Certain providers can create, update and inquire on TARs through the online eTAR system. The eTAR system's online screen displays field office consultant's response(s). The eTAR system is not available for all provider types or for all services at present, but is being activated on a phased-in basis.

Assembly Bill 2877

Additionally, text concerning "prior" authorization is continuing to be updated as a result of Assembly Bill 2877 (July 2000) and *California Code of Regulations* (CCR), Title 22, Section 51003.1. This legislation stated that TARs would be reviewed for medical necessity only, which eliminates the previous timeliness requirements for TAR submissions. The updates include, but may not be limited to, the following:

- Revision of the term "prior authorization" to "authorization"
- Removal of many instructions related to retroactive TARs
- Removal of all instructions related to clock-stopping initial TARs

Due to the scope of "prior authorization" information in the manual, these updates will be ongoing.

This information is reflected on manual replacement pages prov tele 16, 17, 19 and 20 (Part 1), tar comp 2, 3, 8 thru 10 and 12 (Part 2), tar field 1 (Part 2) and tar submit 1 (Part 2).

2008 ICD-9-CM Code Updates Delayed

Medi-Cal providers are asked not to bill for services using 2008 ICD-9-CM codes until notified to do so in a future *Medi-Cal Update*. The Medi-Cal program has not yet adopted the 2008 updates for ICD-9-CM for Volume 1 (disease diagnoses) and Volume 3 (inpatient procedure codes) of the *2008 International Classification of Diseases, 9th Revision, Clinical Modification, 6th Edition*.

Note: Updates to the 2008 ICD-9-CM codes for Volume 1 and Volume 3 will be effective for Medicare on October 1, 2007.

Update to Oxygen Policy

Retroactive for dates of service on or after August 1, 2007, HCPCS code E1353 (regulator) is not separately reimbursable in the same month as initial purchase or rental of stationary or portable oxygen systems.

This information is reflected on manual replacement page [dura bil oxy 9](#) (Part 2).

New Oxygen Billing Examples

To assist providers in billing for oxygen-related claims, new oxygen billing examples have been added to the *Durable Medical Equipment (DME): Billing Examples* section in the Part 2 provider manual. Providers should note that although the examples reference billing with a National Provider Identifier (NPI), Medi-Cal provider numbers are still required on the claim forms until NPI is implemented for Medi-Cal.

This information is reflected on manual replacement pages [dura ex 10 thru 15](#) (Part 2).

Oximeter Replacement Probe Quantity Modification

Effective for dates of service on or after November 1, 2007, the frequency limit for oximeter probe HCPCS code A4606 (oxygen probe for use with oximeter device, replacement) is revised to six per month. This code is reimbursable for California Children's Services (CCS) clients only.

This information is reflected on manual replacement page [dura cd ccs 1](#) (Part 2).

Infusion Pump Battery Update

Effective for dates of service on or after November 1, 2007, HCPCS codes K0601 – K0605 (replacement batteries for patient-owned external infusion pumps) are not separately reimbursable with a rental or initial purchase of an external infusion pump. Claims for these codes will require documentation that the patient owns the infusion pump. Documentation of the specific pump model and number of batteries or a *Treatment Authorization Request (TAR)* is required for reimbursement of more than one battery per date of service.

This information is reflected on manual replacement pages [dura 10](#) (Part 2) and [dura bil inf 4](#) (Part 2).

Ostomy Supplies Restrictions

Effective October 1, 2007, the Department of Health Care Services (DHCS) has added the following restrictions to the ostomy supply billing codes 9913P and 9959M:

| <u>Restriction</u> | <u>Billing Code</u> | <u>Bill Quantity In Total Number of</u> |
|--|---------------------|---|
| Can only be used to bill for ONE-PIECE colostomy, fistula and ileostomy pouches. | 9913P | bags |
| Can only be used to bill for ONE-PIECE urostomy pouches. | 9959M | bags |

This information is reflected on manual replacement page mc sup lst3 10 (Part 2).

Billing Instructions Change for Codes 9999A and 9999B

Effective for claims with dates of service on or after October 1, 2007, providers are no longer required to submit a copy of the original *Treatment Authorization Request* (TAR) when billing codes 9999A (unlisted medical supplies) or 9999B (unlisted incontinence medical supplies).

Providers are still required to obtain a TAR approval when billing with codes 9999A or 9999B, but now providers need only enter the 10-digit TAR Control Number (TCN), followed by the one-digit Pricing Indicator (PI) number (as an 11th digit) on the claim. The TCN is displayed at the top of the *Adjudication Response* notice (ARN). The PI number is displayed at the far right end of each service code row.

This information is reflected on manual replacement pages incont ap 2 (Part 2), mc sup lst4 27 (Part 2) and tar comp 10 (Part 2).

CCS Service Code Groupings (SCGs) Update

Effective for dates of service on or after November 1, 2006, CPT-4 codes 90760, 90761, 90765 – 90768, 90772, 90774, 90775 and 90779 have been added to California Children’s Services (CCS) Service Code Group (SCG) 09.

The updated information is reflected on manual replacement page cal child ser 21 (Part 2).

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Remove and replace
after the *Manual*

Organization tab: *Manual Organization A-1/A-2 **

Remove and replace: cal child ser 21/22
cif co 9/10 *
dura 9/10
dura bil inf 3/4
dura bil oxy 9 thru 12
dura cd 1 thru 8 *, 13 thru 24 *, 27 thru 30 *
dura cd ccs 1

Remove: dura ex 9 thru 18
Insert: dura ex 9 thru 24

Remove and replace: enteral 1/2 *
incont ap 1/2, 3 *
incont sup 3 thru 5 *
mcs manag 1/2 *
mc sup ex 5/6 *
mc sup intro 1 thru 3 *
mc sup lst3 9/10
mc sup lst4 27
mc sup mapc 1/2 *
medi cr cms 13/14 *, 19/20 *
modif app 3/4 *
oth hlth 7/8 *
tar comp 1 thru 4, 7 thru 12
tar field 1/2
tar submit 1

* Pages updated due to ongoing provider manual revisions.