Comparative Billing Report

January 17, 2014

CBR #: CBR201401 FAX#: fax

name
street
city state zip

Dear Medicare Provider:

The Centers for Medicare & Medicaid Services (CMS) strives to protect the Medicare Trust Fund and effectively manage Medicare resources. In an effort to accomplish these goals, CMS develops Comparative Billing Reports (CBR's) to educate providers on their billing or referral patterns in comparison to other providers for selected study topics. CMS distributes this data to individual providers so they can monitor and continuously improve their billing practices in these study topics.

Attached is a CBR that is designed to reflect your billing or referral patterns compared to peer providers billing or referring the same services in your state and nationwide. We hope you find this CBR beneficial as an educational tool which may assist you in identifying opportunities for improvement. If you have any question regarding this CBR, or if you want to change the way you receive CBRs in the future, please contact the CBR Support Help Desk via:

- Calling the Toll Free Number, 1-800-771-4430;
- Sending an email to cbrsupport@eglobaltech.com;
- Visiting the website at www.cbrinfo.net.

REMINDER: If you have changed your mailing address or contact information and have not notified the National Plan and Provider Enumeration System (NPPES) and/or CMS' provider enrollment contractor via the internet or the appropriate Medicare enrollment application, please take time to review and update the system.

You can update your National Provider Identifier (NPI) on NPPES at https://nppes.cms.hhs.gov/IAWeb. If you have forgotten your User ID and/or password, or need assistance, contact the NPI Enumerator at 1-800-465-3203 or email customerservice@npienumerator.com.

For more information regarding the Medicare enrollment process or to obtain a copy of the Medicare enrollment application for your provider type, refer to http://www.cms.gov/MedicareproviderSupenroll.

We thank you for your cooperation and hope you find the attached report informative and educational.

Sincerely,

Kasey Curtis
Project Director
Comparative Billing Reports (CBR)
a CMS Program Contractor
eGlobalTech

Enclosures

Comparative Billing Report (CBR): NPI 1111111111
Positive Airway Pressure (PAP) Devices and Accessories

Introduction

This CBR focuses on durable medical equipment, prosthetics/orthotics, and supplies (DMEPOS) suppliers that provide positive airway pressure (PAP) devices and accessories to Medicare beneficiaries. National data analysis comparing claims with dates of service from July 2010 - June 2011 and July 2012 - June 2013 indicated a 23% increase in allowed charge for PAP products while the allowed charge overall for DMEPOS items showed a 2% decrease. The number of beneficiaries receiving PAP products increased 13% while the total number of beneficiaries receiving all DMEPOS products decreased by 1%. This CBR examines the following trends:

- The increased allowed charges for PAP devices and accessories
- The increased number of PAP devices and accessories per beneficiary
- The shift toward more expensive PAP devices and accessories

Healthcare Common Procedure Coding System (HCPCS) codes, categories, and descriptions included in this CBR are listed in Table 1.

Table 1: PAP Devices and Accessories
Grouped by Category and HCPCS Code

Category	HCPCS Code	Description
Filters	A7038	Filter, disposable
Filters	A7039	Filter, non-disposable
Humidifiers	E0561	Humidifier non-heated
Humidifiers	E0562	Humidifier heated
Masks	A7027	Combination oral/nasal mask
Masks	A7030	Full face mask
Masks	A7034	Nasal interface
Other	A7028	Replacement oral cushion for combo mask
Other	A7029	Replacement nasal pillows for combo mask
Other	A7031	Replacement facemask interface
Other	A7032	Replacement nasal cushion for mask
Other	A7033	Replacement nasal pillows for cannula
Other	A7035	Headgear
Other	A7036	Chinstrap
Other	A7044	Oral interface
Other	A7045	Replacement exhalation port
Other	A7046	Replacement water chamber
PAP Devices	E0470	RAD without back-up rate feature
PAP Devices	E0471	RAD with back-up rate feature
PAP Devices	E0601	Continuous positive airway pressure (CPAP) device
Tubing	A4604	Tubing with heating element
Tubing	A7037	Tubing without heating element

Documentation and Billing Overview

Suppliers must receive, and have on file, all required physician-generated documentation to ensure coverage and reimbursement. Suppliers should educate physicians on required documentation to justify PAP therapy. These documentation requirements are provided below:

Initial Coverage Documentation Requirements for PAP Therapy

- Signed and dated prescription from treating physician
- Face-to-face clinical evaluation by treating physician
- Sleep test with qualifying results
- Instructions for proper use and care of equipment to beneficiary and/or caregiver

Continued Coverage (beyond first three months) Documentation Requirements for PAP Therapy

- Signed and dated treating physician's document declaring beneficiary compliance
- Face-to-face re-evaluation dated within time frame indicating improved symptoms

Documentation Requirements for PAP Therapy Initiated Prior to Medicare Enrollment

- Prior sleep test with qualifying results
- Post Medicare enrollment face-to-face evaluation with qualified diagnosis
- Continued improvement of symptoms
- Beneficiary compliance

Proof of Delivery (POD) Documentation (based on delivery method)

- Delivered directly to beneficiary: POD must be a legibly signed and dated delivery slip containing the beneficiary name and address, a detailed description of item(s) delivered, the quantity delivered, the date delivered, and a dated beneficiary signature
- Delivered via a shipping or delivery service to the beneficiary: POD must also include information tracking item(s) from the supplier to the beneficiary (e.g., package identification number or supplier invoice number) and evidence of delivery
- Delivered to a nursing facility: the supplier must also have information from the nursing facility to verify that item(s) delivered were provided and used by the beneficiary

KX, GA, GZ Modifiers

- Claims for the first three months: the KX modifier is required only if all initial coverage requirements have been met
- Claims beyond the first three months: the KX modifier is required only if all initial coverage requirements AND continued coverage requirements have been met
- Missing coverage requirements: the GA modifier is required if advance beneficiary notice (ABN) is obtained; the GZ modifier is required if no ABN is obtained

A4604, A7027-A7046 DMEPOS Product Refill Requirements

- Suppliers may NOT automatically ship and refill
- Beneficiaries MUST be contacted prior to dispensing
- Prior beneficiary authorization does NOT waive requirement
- No more than a three month quantity may be billed at one time
- Dispensed quantities must not exceed utilization
- Refill beneficiary contacts must take place no sooner than 14 calendar days prior to delivery/shipping date

- Delivery may occur no sooner than 10 calendar days prior to end of usage of current product regardless of delivery method

PAP Device Transition

- During the initial trial if E0601 is determined ineffective, E0470/E0471 may be prescribed without a new face-to-face clinical exam or a new sleep test
- After the initial three months, re-evaluation is mandatory in order to switch to E0470/E0471

Replacement during the five-year Reasonable Useful Lifetime (RUL) (if initially received during Medicare coverage)

- If the device is replaced WITHIN the five-year RUL period, then no repeat re-evaluation, sleep test, or trial period is required
- If the device is replaced AFTER the five-year RUL period, then re-evaluation with documentation of continued use and benefit and a new prescription are required

Discontinued PAP Use

- Suppliers must ascertain discontinuation of usage and halt billing for equipment and accessories

References

Table 2 lists the local coverage determination (LCD) related to PAP devices and accessories by contractor. Follow the geographic region and contractor guidelines pertinent to your region. To review a document, visit the following link:

http://www.cms.gov/medicare-coverage-database/overview-and-quick-search.aspx

Articles related to PAP devices and accessories per contractor are listed bellow:

- CMS Internet-Only Manual, Medicare Claims Processing Manual Publication 100-04, Chapter 20
- NCD: Continuous Positive Airway Pressure (CPAP) Therapy For Obstructive Sleep Apnea (OSA) : 240.4
- LCD: Positive Airway Pressure (PAP) Devices for the Treatment of Obstructive Sleep Apnea
- PAP Article : Positive Airway Pressure (PAP) Devices for the Treatment of Obstructive Sleep Apnea : Effective February 2011
- RAD LCD : Respiratory Assist Devices (RAD)
- RAD Article : Respiratory Assist Devices (RAD)

Table 2: LCD per Contractor

Contractor	PAP LCD	PAP Art	RAD LCD	RAD Art	Other Art
CGS Administrators, LLC	L11518	A20195	L5023	A23974	
National Government Services, Inc.	L27230	A47228	L27228	A47231	
NHIC, Corp.	L11528	A19815	L11504	A23659	FAQ - A48136 Corp. A9
Noridian Healthcare Solutions, LLC	L171	A19827	L11493	A23902	

Methodology

This report is based on the latest version of claims as of November 1, 2013, for allowed services within category groupings of HCPCS codes as seen in Table 1.

Primary analysis focuses on the average allowed services per beneficiary per year for each category. Average allowed services per beneficiary within each category for you, your state (&state.), and the nation are calculated as follows:

Total Allowed Services / Total Number of Beneficiaries with Allowed Services

Further analysis focuses on the percent of allowed services for the most costly HCPCS codes within each category for you, your state (&state.), and the nation. This percent is calculated as follows:

(Total Allowed Services for Most Costly HCPCS Code / Total Allowed Services for the Category) x100

Results

Table 3 summarizes your allowed charge by category for the two indicated time periods. The percent change in your allowed charge over time for each category and for all categories combined are included. Your state and national percent change over the same time periods are listed for comparison.

Table 3: Summary of Allowed Charge by Category and Percent Change from July 2010 - June 2011 as compared to July 2012 - June 2013 Rendered by You, Your State, and Nation

Category	Your Allowed Charge July 2010 - June 2011	Your Allowed Charge July 2012 - June 2013	Your Percent Change	State Percent Change	National Percent Change
Filters	$1,082	$1,847	71%	38%	37%
Humidifiers	$4,773	$3,959	-17%	21%	12%
Masks	$12,286	$13,363	9%	22%	21%
Other	$62	$45	-27%	46%	50%
PAP Devices	$26,659	$24,689	-7%	17%	13%
Tubing	$2,652	$2,716	2%	25%	27%
Total	**$47,514**	**$46,619**	**-2%**	**24%**	**23%**

Table 4 compares your average allowed services per beneficiary to those of your state and the nation. If "Higher" is listed in the comparison column, your allowed services per beneficiary are significantly higher than the allowed services per beneficiary of your state and/or the nation.

Table 4: Statistical Comparison of Average Services per Beneficiary Rendered By You, Your State and the Nation from July 2012 - June 2013

Category	Your Average Services per Beneficiary	Your State's Average Services per Beneficiary	Comparison with Your State's Average	National Average Services per Beneficiary	Comparison with the National Average
Filters	10.4	7.9	Higher	7.5	Higher
Humidifiers	1.5	2.2	Does Not Exceed	2.3	Does Not Exceed
Masks	2.2	2.1	Does Not Exceed	1.7	Higher
Other	4.3	6.0	Does Not Exceed	5.0	Does Not Exceed
PAP Devices	5.3	6.3	Does Not Exceed	5.4	Does Not Exceed
Tubing	2.0	2.1	Does Not Exceed	1.7	Higher

A T-test was used in this analysis, alpha = 0.05.

Figure 1 represents the percentage of allowed services for the most costly HCPCS codes within the filters, PAP devices, and tubing categories for you, your state, and the nation.

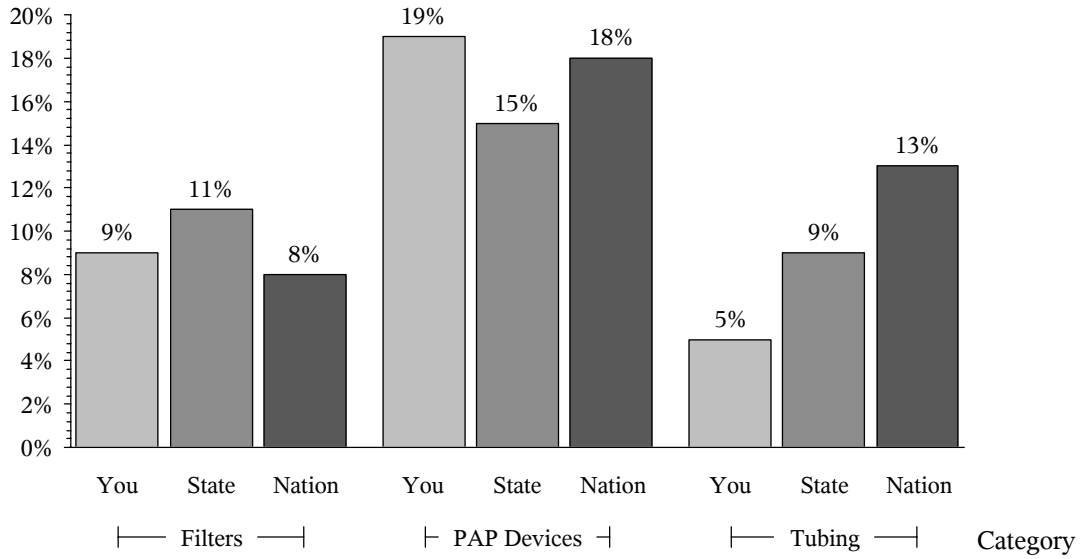

Figure 1: Percent for Your Most Costly HCPCS Code(s) by Category Compared to Your State and Nation from July 2012 - June 2013

Table 5 compares the percentage of allowed services for the most costly HCPCS codes within the filters, PAP devices, and tubing categories for you, your state, and the nation. If "Higher" is listed in the comparison column, your percentage of allowed services for the most costly items within the category is significantly higher than the percentage of your state and/or the nation.

Table 5: Comparison of Your Percentage of the Most Costly Item(s) in the Selected Categories Compared to Your State and Nation from July 2012 - June 2013

Category	Most Costly Item	Your Percentage of Allowed Services	Your State's Percentage of Allowed Services	Comparison to Your State	National Percentage of Allowed Services	Comparison to the Nation
Filters	A7039	9%	11%	Does Not Exceed	8%	Higher
PAP Devices	E0470/E0471	19%	15%	Higher	18%	Does Not Exceed
Tubing	A4604	5%	9%	Does Not Exceed	13%	Does Not Exceed

A Chi-Square test was used in this analysis, alpha = 0.05.

Resources

The following resources are pertinent to this CBR and will assist providers with developing policies to address any areas of concern:

- Medicare Learning Network® (MLN) Podcast, "Positive Airway Pressure (PAP) Devices: Complying with Documentation & Coverage Requirements"

- Continuous and Bi-level Positive Airway Pressure (CPAP/BPAP) Devices: Complying with Documentation & Coverage Requirements
- Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) Quality Standards
- Medicare Learning Network® (MLN) Fact Sheet Grandfathering Requirements for Non-Contract Suppliers
- To review frequently asked questions, visit http://www.cbrinfo.net/faqs.html

The Next Steps

We encourage you to perform a self-audit to determine the accuracy of your billing and adherence to Medicare policy guidelines. Use the Documentation and Billing Overview and Reference sections supplied above as a guide.

Join us for the CBR 201401 Teleconference on Wednesday, January 29, 2014 from 3:00 - 4:00 PM ET. Space is limited, so please register early.

- Register online at http://www.eventsvc.com/CBR/

- Register via telephone by calling (877) 692-5217 using Conference ID # 23939759.

Contact Information

If you have any questions or suggestions pertaining to this CBR, please contact the CBR Support Help Desk via email at CBRSupport@eglobaltech.com or via telephone at (800) 771-4430.