

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



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## Manual Updates to Clarify Payment Policy Changes for Negative Pressure Wound Therapy (NPWT) Using a Disposable Device and the Outlier Payment Methodology for Home Health Services

### Provider Types Affected

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This MLN Matters® Article is intended for Home Health Agencies (HHAs) submitting claims to Home Health & Hospice Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

### Provider Action Needed

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Change Request (CR) 9898 updates the “Medicare Benefit Policy Manual” policies discussed in the Calendar Year (CY) 2017 Home Health (HH) Prospective Payment System (PPS) (HH PPS) Final Rule, published November 3, 2016. These policies relate to payment for furnishing of Negative Pressure Wound Therapy (NPWT) using a disposable device, as well as changes to the methodology used to calculate outlier payments to Home Health Agencies (HHAs). These changes relate to multiple revised sections of Chapter 7 in the “Medicare Benefit Policy Manual.” Please make sure that your billing staffs are aware of these changes.

### Background

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In the CY 2017 HH PPS Final Rule, CMS finalized clarifications and revisions to policies related to payment for furnishing of NPWT using a disposable device, as well as change to the methodology used to calculate outlier payments to HHAs.

#### Disclaimer

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## Negative Pressure Wound Therapy Using a Disposable Device

The Consolidated Appropriations Act of 2016 (Pub. L. 114-113) requires a separate payment to a HHA for an applicable disposable device when furnished on or after January 1, 2017, to an individual who receives Home Health Services for which payment is made under the Medicare home health benefit. The legislation defines an applicable device as a disposable NPWT device that is an integrated system comprised of a non-manual vacuum pump, a receptacle for collecting exudate, and dressings for the purposes of wound therapy used in lieu of a conventional NPWT DME system. The separate payment amount for a disposable NPWT device is to be set equal to the amount of the payment that would be made under the Medicare Hospital Outpatient Prospective Payment System (OPPS) using the Level I HCPCS code, otherwise referred to as Current Procedural Terminology (CPT® 4) codes, for which the description for a professional service includes the furnishing of such a device.

Payment for HH visits related to wound care, but not requiring the furnishing of an entirely new disposable NPWT device, will be covered by the HH PPS episode payment and must be billed using the HH claim. Where a HH visit is exclusively for the purpose of furnishing NPWT using a disposable device, the HHA will submit only a type of claim that will be paid for separately outside the HH PPS (Type of Bill (TOB) 34x). Where, however, the home health visit includes the provision of other home health services in addition to, and separate from, furnishing NPWT using a disposable device, the HHA will submit both a home health claim and a TOB 34x—the home health claim covering the other home health services, and the TOB 34x capturing the furnishing of NPWT using a disposable device.

**EXAMPLE:** A patient requires NPWT for the treatment of a wound. On Monday, a nurse assesses a patient's wound, applies a new disposable NPWT device, and provides wound care education to the patient and family. The nurse returns on Thursday for wound assessment and replaces the fluid management system (or dressing) for the existing disposable NPWT, but does not replace the entire device. The nurse returns the following Monday, assesses the patient's condition and the wound, and replaces the device that had been applied on the previous Monday with a new disposable NPWT device. In this scenario, the billing procedures are as follows:

For both Monday visits, all the services provided by the nurse were associated with furnishing NPWT using a disposable device. The nurse did not provide any services that were not associated with furnishing NPWT using a disposable device. Therefore, all the nursing services for both Monday visits should be reported on TOB 34x with CPT code 97607 or 97608. None of the services should be reported on the HH claim.

For the Thursday visit, the nurse checked the wound, but did not apply a new disposable NPWT device. Thus, even though the nurse provided care related to the wound, those services would not be considered furnishing NPWT using a disposable device.

Therefore, the services should be reported on TOB 32x and no services should be reported on TOB 34x.

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For instructions on billing for NPWT using a disposable device, see the “Medicare Claims Processing Manual,” [Chapter 10](#), Section 90.3, “Billing Instructions for Disposable Negative Pressure Wound Therapy Services.”

### **Outlier Payments**

The Centers for Medicare & Medicaid Services (CMS) finalized the proposal to change the methodology used to calculate outlier payments, moving from a cost-per-visit approach to a cost-per-unit approach (1 unit = 15 minutes). This approach more accurately reflects the cost of an outlier episode of care and thus better aligns outlier payments with episode costs than the cost-per-visit approach.

### **Additional Information**

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The official instruction, CR9898 issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2017Downloads/R233BP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

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