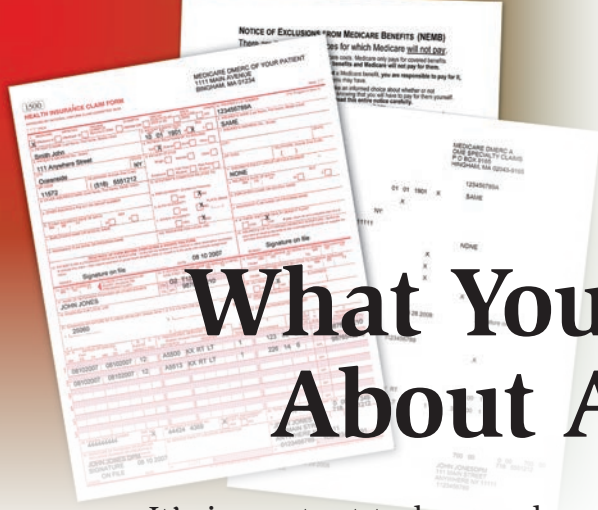

What You Need to Know About Add-on Codes

It's important to learn when these codes don't apply to dispensed AFOs.

BY PAUL KESSELMAN, DPM

Many manufacturers and vendors promoting AFOs to providers, including podiatrists, orthotists, and physical therapists, often provide coding advice materials for their products. Considering the potential impact of recent audits involving amniotic tissue products, it is extremely important to have the ability to research impartial sources. This article will provide readers with some guidance as to where to search for unbiased information and the appropriateness of those suggestions provided by AFO vendors.

All providers of orthotics have at one time or another been provided with marketing materials containing suggested billing codes for a wide variety of AFOs. The parent codes for these devices may be categorized as custom fabricated, custom fitted, or Off-the-Shelf (OTS). Many of these products are suggested to be reimbursable with two to four or more additional add-on codes/features to the parent code. These marketing materials often suggest that reimbursement for all the add-on codes is higher than for the parent code alone. This leaves one to wonder whether this billing practice is legitimate.

Similar to surgical "unbundling", it is important to understand that there are often circumstances where one can legitimately unbundle with additional "add-on" codes to an AFO parent code. There are other scenarios where use of additional "add-on" codes to AFOs is similar to the unbundling code rules in surgical coding.

The actual rules are best explained by using some familiar examples of the three different categories of devices with which all orthotic prosthetic providers are familiar. Once these categories are defined and understood, one can review some familiar HCPCS codes and study how Medicare and most insurance companies apply these rules.

- ***Custom Fabricated Devices:*** These devices require manufacturing from raw materials with minimal pre-fabricated components. They are also required to be made over a model of the extremity, which is made from measurements and/or negative impressions (scans, casts) of that extremity. These devices are manufactured with the intent of being fit and dispensed to one specific individual patient.

The Price Data Analysis Contractor (PDAC) and all four of the DME MAC Contractors designate these devices as Product Category 01.

- ***Custom Fitted Devices:*** These devices are mass produced without an intent to fit or to be dispensed to a specific patient. However, a provider with the expertise to do so then significantly modifies this device with heating, bending, trimming, etc. This results in a significantly altered device, so much so that it will fit only one specific patient. Its ultimate appearance may be quite different from the original packaged device.

The Price Data Analysis Contractor and the DME MAC Contractors designate these devices as Product Category 02.

- ***Off The Shelf (OTS) Devices:*** These devices are mass-produced without an intent to fit a specific patient. They may undergo minimal self-adjustment by someone with little expertise or by the patient. These minimal adjustments may be insignificant. Thus, the device, even after minimal self-adjustment, will closely resemble that product when it came out of its original packaging. OTS devices may inherently be used by more than the one patient to which it was dispensed.

The Price Data Analysis Contractor and the DME MAC Contractors all designate these devices as Product Category 03.

Using this analysis, it will be easy to explain whether or not the billing recommendations for add-on codes

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are appropriate for any specific device. Let's look at some examples of familiar codes and how they fit into each of the above three categories.

Custom Fabricated AFO examples: L1960 (Solid AFO) and L1970 (Hinge AFO).

Both of these devices by their very definition are listed under HCPCS as Custom Fabricated Devices. These parent codes describe custom fabricated devices which are listed as Product Category 01. The DME MAC will allow additional add-on codes to describe features of these devices. Some examples include but are not limited to:

L2820 Addition to lower extremity, molded inner boot

L2280: Molded Inner Boot

While this list is by no means comprehensive, the point to emphasize here is that additional add-on codes may be reimbursable with custom fabricated devices. This, however, is subject to medical necessity. Add-on codes for custom fabricated devices are also subject to some other restrictions.

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Billing two parent codes on the same device: It would be inappropriate to bill two parent codes (e.g., L1960 and L3000) together. Medicare and other payers would assume that the patient is using two separate devices. In the rare case that an external AFO with no foot plate was attached to a shoe, then the L3000 device placed into the shoe (two parent codes) could be used together and each would be paid. This, however, is not the usual and customary scenario use of orthotics.

Custom Fitted AFO examples:

L1932: AFO, rigid anterior tibial section, total carbon fiber or equal material, pre-fabricated, includes fitting and adjustment

L1971 Ankle foot orthosis, plastic or other material with ankle joint, pre-fabricated, includes fitting and adjustment

L4360: Walking boot, pneumatic and/or vacuum, with or without joints, with or without interface material, pre-fabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise

L4386: Walking boot, non-pneumatic, with or without joints, with or without interface material, pre-fabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise

L4396: Static or dynamic ankle foot orthosis, including soft interface material, adjustable for fit, for positioning, may be used for minimal ambulation, pre-fabricated item that has been trimmed, bent, molded, assembled, or otherwise customized to fit a specific patient by an individual with expertise

All custom fitted devices are listed as Product Service Code 02. The PDAC and all four DME MAC AFO policies all preclude any parent code with a Product Service Code 02 to be billed with any additional add-on codes. That is, any add-on feature that might have been allowed on a similar device which is custom fabricated would be precluded from being billed separately on a custom fitted AFO. Thus this device may be reimbursed only with the single parent code. The DME MAC and PDAC policy is simply that all add-on features are inherent to the device itself and thus not separately payable. This in some ways is counterintuitive to the HCPCS coding system. Many, including the author, have challenged this policy with the DME MAC without success. One also may not add HCPCS codes (whether parent or otherwise) from the prosthetic LCD (e.g., L5000) or the orthopedic footwear LCD (e.g., L3000). Thus, billing an L1932 and L5000 together on the same device is also inappropriate and perhaps is also better described by a prosthetic code. It is also inappropriate to claim L1932 and L3000 together as both are also parent codes. L30XX codes are derived from the orthopedic footwear LCD and the L3000 is also custom fabricated, whereas L1932 is custom fitted.

OTS Devices examples:

Popular AFO devices whose parent codes are described as OTS and subject to the minimal self-adjustment application include:

L4361: Walking boot, pneumatic and/or vacuum, with or without joints, with or without interface material, pre-fabricated, off-the-shelf

L4387: Walking boot, non-pneumatic, with or without joints, with or without interface material, pre-fabricated, off-the-shelf

L4397: Walking boot, non-pneumatic, with or without joints, with or without interface material, pre-fabricated, off-the-shelf

These and a myriad of other OTS devices are designated as Product Service Code Type 03. As with Product Service Code 02 (custom fitted) these are precluded from being billed with any add-on codes.

This explains why boot liners for CAM walkers, either custom fit or OTS, are precluded from being billed with any other HCPCS code at the time they are initially dispensed. Replacement liners or straps billed out months or years after the original device was provided are not subject to this product category regulation but are subject to medical necessity.

To summarize, only AFOs with parent codes described as custom fabricated (Product Service Category 01 designation) are eligible to be reimbursed with add-on codes. Thus, one should easily be able to recognize the fact that marketing materials suggesting reimbursement for add-on codes for custom fit or OTS devices are contrary to both PDAC and DME MAC policy.

One should, however, not be automatically reassured that all custom fabricated codes are eligible for reimbursement with add-on codes. This is similar to CPT unbundling policy.

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For example, despite the existence of distinctive CPT codes for a digital arthroplasty and proximal interphalangeal joint tenotomy with capsulotomy, due to unbundling preclusions, it is inappropriate to bill for both procedures performed on the same site. The rationale is because the more comprehensive procedure incorporates the lessor procedure. That is, one cannot unbundle the codes and bill for its separate components.

For example, L3000, or any foot orthotic code, should not normally be billed with a custom fabricated AFO which has its own inherent foot plate. This is because the foot plate is, with rare exceptions, an inherent part of the AFO and therefore not separately eligible for reimbursement.

A toe filler (L5000) added onto a custom fabricated AFO (e.g., L1960, L1970), should also not be billed together as an AFO. The rationale here is that there already is an existing prosthetic code which describes this type of device. L5020 describes a prosthetic type of device which incorporates both an AFO extending well superior to the malleoli and approximating the tibial tubercle, and which also incorporates a prosthetic toe filler. The device described by L5020 may allow for some other add-on codes, but not the use of an L5000. Similarly, one can describe a supra malleolar orthotic with a toe filler as an L5010, and this should not be billed as an L1907 + L5000.

Conclusion

The PDAC is only required to review a very few select AFO devices. Thus, it often does not provide many validations listed for the majority of AFO devices used by podiatrists or orthotic and prosthetic providers. The PDAC along with the DME MAC policy does assign product categories for all AFOs based on their HCPCS parent code as 01: Custom fabricated; 02: Custom fitted and 03: OTS. Only 01 product category AFOs are entitled to have add-on codes reimbursed with the parent code, subject to both medical necessity and the noted limitations. Utilizing the guidance provided in this article should help you better understand the legitimacy of billing add-on codes provided by your AFO vendor. **PM**

Dr. Kesselman is board certified by ABFAS and ABMSP. He is a member of the Medicare Jurisdictional Council for the DME MACs' NSC and provider portal subcommittees. He is a noted expert on durable medical equipment (DME) and an expert for Codingline.com and many third-party payers. Dr. Kesselman is also a medical advisor and consultant to many medical manufacturers and compliance organizations.