

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
OFFICE OF DIRECTOR

ACTION REFERRAL

TO <i>Grise</i>	DATE <i>3-18-13</i>
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<b>DIRECTOR'S USE ONLY</b>		<b>ACTION REQUESTED</b>	
1. LOG NUMBER <i>000277</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____	<input checked="" type="checkbox"/> Prepare reply for appropriate signature DATE DUE <i>3-21-13</i>	<input type="checkbox"/> FOIA DATE DUE _____
2. DATE SIGNED BY DIRECTOR	<input type="checkbox"/> Necessary Action		

<b>APPROVALS</b> (Only when prepared for director's signature)	<b>APPROVE</b>	<b>* DISAPPROVE</b> (Note reason for disapproval and return to preparer.)	<b>COMMENT</b>
1.			
2.			
3.			
4.			



PO Box 1367  
Effingham IL 62401  
Phone(USA Only): 800-879-0117  
Phone: 217-342-3412  
Fax: 217-347-3384  
[www.jointactivesystems.com](http://www.jointactivesystems.com)

March 7, 2013

SCDHHS  
PO Box 8206  
Columbia, SC 29202

To Whom It May Concern,

I am writing on behalf of Joint Active Systems, Inc. (JAS) and would like to request a review of your current Durable Medical Equipment Fee Schedule for specific HCPCS codes.

JAS is the manufacturer and supplier of a full line of Bi-directional Static Progressive Stretch (SPS) devices that help restore lost range of motion (ROM). The HCPCS codes used for these devices are E1801, E1806, E1811, E1816, E1818 and E1841. The JAS devices were reviewed by the HCPCS National Panel and the codes were assigned by The Centers for Medicare & Medicaid Services in response to a request that we sent to them to establish codes for our products. The SPS codes were added to the HCPCS Level II standard national code set several years ago and were assigned a pricing indicator of a capped rental item. The HCPCS Level II code set is used by Medicare, Medicaid and private health insurers.

The HCPCS codes mentioned above are not listed on the current DME Fee Schedule for South Carolina Medicaid, with the exception of E1841, and are therefore not covered. I would like to request that consideration be given to add the remaining codes. JAS is currently enrolled with South Carolina Medicaid, however, due to this we are limited on the services that we are able to provide.

I would also like to request that the Qualified Medicare Beneficiary (QMB) section in Section 2 Policies and Procedures of the Durable Medical Equipment Provider Manual be reviewed and clarified. This section states that if a dual eligible beneficiary is also a QMB, providers may bill SC Medicaid for the Medicare cost sharing for services that are covered by Medicare without regard to whether the service is covered by SC Medicaid. We have found this to be inaccurate. We have billed for services provided to QMB members and they consistently get denied. We are told by SC Medicaid representatives that our claims will not be paid if the code is not listed on their fee schedule.

JAS continually receives requests to provide SPS devices for your members, and our goal is to be able to do this in an efficient and cost effective manner. The key objective we seek to accomplish is to offer you a means to improve the clinical outcomes, and to reduce the overall rehab costs for your members being treated for joint stiffness and/or lost range of motion.

I have enclosed copies of the letters received from CMS showing where the SPS codes were assigned for JAS products and a brochure of those products. You can also obtain additional information by visiting our website at [www.jointactivesystems.com](http://www.jointactivesystems.com). I have also enclosed a copy of a page from the Provider Manual that cost sharing should be covered for QMB members. Please feel free to contact me at 217-342-3412, extension 439 if you have any questions. Thank you in advance for your time.

Sincerely,

A handwritten signature in cursive script that reads "Lori Workman".

Lori Workman  
Governmental Affairs

HCPCS ALPHA-NUMERIC EDITORIAL PANEL

Business Address:

CMS/CMM/DOPC  
C5-08-27  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Cooperating Parties:

Centers for Medicare & Medicaid Services  
Blue Cross/Blue Shield Association  
and  
Health Insurance Association of America

OCT 25 2002

Michael Holz, PT  
Joint Active Systems, Inc.  
2600 S. Raney  
Effingham, Illinois 62401

Re: #01.28 -1 Request to establish HCPCS codes for devices that utilize the principles of static progressive stretch ("SPS"), and for the replacement cuffs. Trade Name: Joint Active Systems ("JAS") Devices

Dear Mr. Holz:

Your recommendation for modification to alpha-numeric Healthcare Common Procedure Coding System (HCPCS) was considered along with many other suggestions received this year. Enclosed is a list of changes that in-part reflect your recommendation. These changes are effective January 1, 2002.

Coding instructions for particular products are determined by insurance contractors. If you have concerns regarding coding of a particular product under the Medicare system, please contact your Medicare contractor. For coding questions under private sector health insurance systems, please contact the appropriate contractor in whose jurisdiction a claim would be filed.

Sincerely,



C. Kaye Riley, MS, BSN, RNC  
Chairperson,  
HCPCS Alpha-Numeric Editorial Panel

Enclosure

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# Palmetto GBA



DMERC

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### Joint Contracture Devices: New and Revised HCPCS Codes

Several new HCPCS codes have been established for devices used in the management of joint contractures:

E1801 Bi-directional static progressive elbow stretch device with range of motion adjustment, includes cuffs

E1806 Bi-directional static progressive wrist stretch device with range of motion adjustment, includes cuffs

E1811 Bi-directional static progressive knee stretch device with range of motion adjustment, includes cuffs

E1816 Bi-directional static progressive ankle stretch device with range of motion adjustment, includes cuffs

E1818 Bi-directional static progressive pronation/supination stretch device with range of motion adjustment, includes cuffs

E1821 Replacement soft interface material/cuffs for bi-directional static progressive stretch device

These HCPCS codes are effective for dates of service on or after January 1, 2002. Claims for these items for dates of service prior to January 1, 2002 will continue to be billed using HCPCS codes E1800 (elbow), E1805 (wrist), E1810 (knee), E1815 (ankle), E1399 (forearm pronation/supination), E1820 (replacement cuffs). The new HCPCS codes are considered durable medical equipment and are in the capped rental payment category (except for HCPCS code E1821, which is in the inexpensive or routinely purchased category). The rental allowance for HCPCS codes E1801, E1806, E1811, E1816, and E1818 includes cuffs and any other interface material that is needed.

HCPCS code E1821 would be payable only in situations in which a medically necessary device is owned by the patient. Examples of products billed using these HCPCS codes are the JAS devices by Joint Active

## HCPPCS NATIONAL PANEL

**Business Address:**

Centers for Medicare & Medicaid Services  
CS-08-27  
7500 Security Boulevard  
Baltimore, MD 21244-1850

**Cooperating Parties:**

Centers for Medicare and Medicaid Services  
Blue Cross/Blue Shield Association  
and  
America's Health Insurance Plans

**0 1 NOV 2004**

Dean Kremer  
Joint Active Systems, Inc.  
2600 S. Raney  
Effingham, Illinois 62401

Re: Request #04.82

Request to establish a code for an orthotic limb brace, trade name: Joint Active Systems.

Dear Mr. Kremer:

On behalf of the Healthcare Common Procedure Coding System (HCPPCS) National Panel, I would like to thank you for your application to modify the HCPPCS Level II code set. The HCPPCS Level II code set is available for use by all payers, and maintained by the HCPPCS National Panel, a tripartite, non-government entity comprised of members representing the private insurance industry and Medicare and Medicaid. The HCPPCS National Panel reserves final decision-making authority for approving modifications to the HCPPCS Level II code set.

The HCPPCS National Panel has reviewed this product category and made a consensus decision. The National Panel is pleased to make you aware that the following modification has been made to the HCPPCS Level II standard, national code set:

Establish code E1841 MULT-DIRECTIONAL STATIC PROGRESSIVE STRETCH  
SHOULDER DEVICE, WITH RANGE OF MOTION ADJUSTABILITY, INCLUDES CUFFS

All changes to the code set are effective January 1, 2005, unless an earlier effective date is specified in the 2005 Annual HCPPCS Update. The entire 2005 HCPPCS Annual Update is available and can be downloaded free of charge at:  
[www.cms.hhs.gov/medicare/hcpPCS/default.asp](http://www.cms.hhs.gov/medicare/hcpPCS/default.asp)

The code set is searchable using the edit function and key words or code numbers.

The HCPPCS Level II codes describe categories of like items. The code set is not intended to be an exhaustive listing of all products on the market. While the National Panel believes new code E1841 describes the product that is the subject of your request, as a general rule, the National Panel does not classify individual products under code categories. Individual insurance contractors have the necessary flexibility to classify specific products into HCPPCS Level II code

categories and establish their own coding instructions in accordance with their policies and program operating needs. Questions regarding classification of products into HCPCS Level II code categories should be submitted to the contractor in whose jurisdiction a claim would be filed. For private sector health insurance systems, please contact the individual private insurance contractor. For Medicaid systems, please contact the Medicaid Agency in the state in which the claim is being filed.

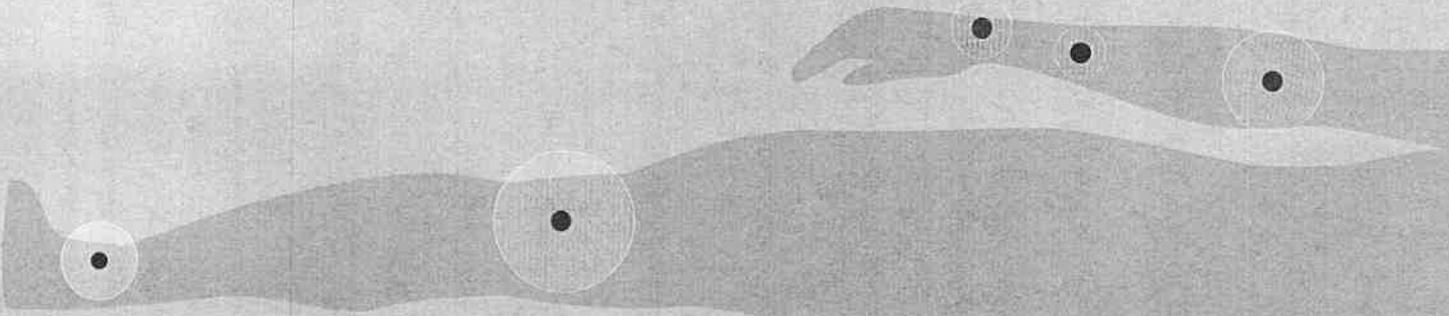
For confirmation of appropriate code assignment for Medicare billing, you may contact the Statistical Analysis Durable Medical Equipment Regional Carrier (SADMERC) toll free at 877-735-1326. For your convenience, the SADMERC has begun compiling a product classification matrix that lists individual products by brand name under code categories. This matrix is available at [www.palmnetogba.com](http://www.palmnetogba.com). If you do not find your product listed on the SADMERC matrix, you may request a coding verification for your product by contacting SADMERC at the toll free telephone number listed above. Under contract to the Centers for Medicare and Medicaid Services (CMS), the SADMERC provides coding verifications for the purpose of billing Medicare.

Sincerely,



Cynthia Hake  
Chairperson  
HCPCS National Panel

877-267-2323



## THE JAS SYSTEM SUPERIOR DESIGN. PROVEN OUTCOMES.

JAS systems comfortably and effectively stretch your patients beyond what is possible with the recuperator. The key to success is in product design. Our patented motion tower unlocks the joint, generating partial compression. JAS gradually applies soft-tissue distraction and stretch forces to the extremity through the entire range of motion. JAS systems deliver pain-free, patient-directed stress relaxation therapy through a greater arc of motion than any other brand of stretch device. Move beyond convention and see the proven outcomes achievable with JAS.

### • • • • • HIGH-PERFORMANCE SOLUTIONS FOR ROM RECOVERY

#### **JAS Shoulder**

135° Abduction • 100° External Rotation • 90° Internal Rotation

#### **Effective for Use Following:**

- Adhesive Capsulitis
- Rotator Cuff Tear/Repairs
- Total/Hemi Shoulder Replacements
- Humeral Fractures
- Bankhart Procedures
- Mastectomy



#### **JAS Elbow** 138° Flexion • 10° Hyperextension

#### **Effective for Use Following:**

- Post-Traumatic Contracture
- Radial Head Fractures
- Olecranon Fractures
- Distal Humerus Fractures
- Elbow Dislocation
- Tendon/Ligament Repairs



#### **JAS Pronation/Supination** 110° Pronation • 130° Supination

#### **Effective for Use Following:**

- Elbow Fractures
- Radial Head Fractures
- Wrist Fractures
- Tendon/Ligament Repairs
- Crush Injuries
- Burns



#### **JAS Wrist** 90° Flexion • 90° Extension

#### **Effective for Use Following:**

- Distal Radius/Ulna Fractures
- Carpal Fractures
- Ligament/Tendon Repairs
- Crush Injuries
- Burn Injuries



#### **JAS Knee** 160° Flexion • 21° Hyperextension

#### **Effective for Use Following:**

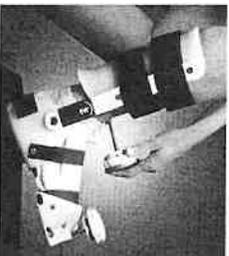
- Total Knee Replacement
- Ligament Repairs (ACL, PCL)
- Post-Tibial/Femur Fractures
- Meniscectomy
- Arthrofibrosis
- Burns



#### **JAS Ankle** 55° Dorsiflexion • 45° Plantarflexion

#### **Effective for Use Following:**

- Fractures
- Achilles Tendon Rupture/Repair
- Burns
- Neurologic Conditions
- Plantar Fasciitis



Joint Active Systems, Inc. / Telephone: 217.342.3412 or 800.879.0117 / [info@jointactivesystems.com](mailto:info@jointactivesystems.com)

[www.jointactivesystems.com](http://www.jointactivesystems.com)

## SECTION 2 POLICIES AND PROCEDURES

### PROGRAM SERVICES

#### QUALIFIED MEDICARE BENEFICIARY (QMB)

Medicaid beneficiaries who are also eligible for Medicare benefits are commonly referred to as "dually eligible." Providers may bill SC Medicaid for Medicare cost sharing for Medicaid-covered services for dually eligible beneficiaries. Some dual eligibles are also Qualified Medicare Beneficiaries (QMB). If the dually eligible beneficiary is also a QMB, providers may bill SC Medicaid for the Medicare cost sharing for services that are covered by Medicare without regard to whether the service is covered by SC Medicaid. Reimbursement for these services will be consistent with the SC State Medicaid Plan. Please refer to Section 3 of this manual for instructions regarding billing procedures for dually eligible beneficiaries. Please refer to the Medicaid Web-Based Claims Submission Tool, in Section 1, for instructions on how to access beneficiary information, including QMB status.

#### COVERED SERVICES/ITEMS

##### Rental Services

The beneficiary's prognosis is a deciding factor in approving equipment rental. In order to continue the rental, the treating/ordering physician, nurse practitioner, or physician assistant must submit a recertified MCMN request before the initial rental period has expired. At that point, a DME program coordinator makes the determination to either continue renting or convert to purchase. If purchase is decided, the approved dollar amount will reflect the allowable purchase price less the amount already paid in rental. **The provider must then bill the approved amount.**

##### Maintenance of Rented Equipment

Maintenance of rented equipment is not reimbursable by Medicaid. Parts and supplies used in the maintenance of rented equipment are included in the rental payment of the equipment.

##### Rent to Purchase

For dually eligible and Medicaid-only beneficiaries, Medicaid will rent most equipment for a maximum of ten months and the item is considered purchased thereafter. Medicaid does not reimburse for maintenance fees.

##### Warranties

The provider is required to honor all manufacturers' warranties for all new equipment, supplies, parts, and