

Reimbursement guide



IODOSORB and IODOFLEX are Cadexomer Iodine Dressings which are available in a gel or pad format.

IODOSORB and IODOFLEX remove barriers to healing and reduce pain and odor associated with chronic wounds. IODOSORB and IODOFLEX prevent and disrupt mature biofilms (in-vitro), and provide broad spectrum bactericidal activity to reduce microbial burden.^{1,2} The unique Cadexomer matrix absorbs exudate while providing a safe sustained and controlled release of iodine.

By effectively removing bacteria, slough, debris and excess exudate, IODOSORB and IODOFLEX have been shown to facilitate autolytic debridement and create an effective wound healing environment.

IODOSORB and IODOFLEX are effective for the management of chronic exuding wounds, including infected wounds.

Reimbursement guide

General reimbursement overview

The key elements of reimbursement policy are coverage, coding, and payment. All three of these elements are essential if adequate reimbursement is to be achieved for a product or service that is billed to a payer. Without coverage, no payment may be made even if a code is assigned to a product and a payment amount is associated with the code.

Coverage	Coding	Payment
Coverage refers to the decision made by a payer to pay for an item or service. A coverage policy will define what is covered, for whom it is covered or not covered, as well as any special rules related to coverage.	Codes function as a means of communicating to a payer what items or services were provided to a patient and for what reason. The codes then are used by payers to administer coverage policies and facilitate payment when coverage criteria are met. Various types of codes are used to report wound care products and services. Primarily they are HCPCS codes for billable supplies and CPT codes to report services provided by physicians and facilities as well as ICD-9 Diagnosis codes that describe the reason for the item or service.	Payment is provided when a properly coded and covered claim is sent to the payer. Various payment methodologies exist for determining if separate payment is made for an item or service and how much is paid. Codes play an integral role in these methodologies. CPT codes will drive payment determinations in both the physician office and outpatient settings and HCPCS codes will link to payment for supplies depending upon the setting. ICD-9 procedure and diagnosis codes together determine payment for inpatient hospital stays.

Coding for IODOSORB[®] and IODOFLEX[®]

IODOSORB and IODOFLEX Dressings are described by HCPCS codes. HCPCS codes are typically used when billing for products used for patient use in the home, however, they may also be included on claims for services delivered in other settings to provide additional information about the products and services that were utilized.

Both IODOSORB and IODOFLEX have been evaluated by the PDAC, the contractor charged with assigning products HCPCS codes for use when billing Medicare. Although these code assignments were made for Medicare use, many other payers also follow PDAC recommendations. Given the variability in payer policy, providers/suppliers should always verify coding instructions with the payer prior to submitting claims. The following codes should be used to bill Medicare for IODOSORB and IODOFLEX when they are used by the patient at home.³

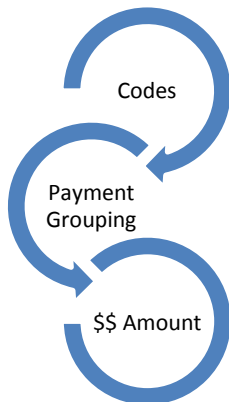
HCPCS codes

	Code	Description
IODOFLEX [®]	A6222	Gauze, impregnated with other than water, normal saline, or hydrogel, sterile, pad size 16 sq. In. or less, without adhesive border, each dressing
IODOSORB [®]	A6261	Wound filler, gel/paste, per fluid ounce, not otherwise specified

Payment

Medicare and other payers have developed unique payment systems with specific rules that apply for virtually all sites of service. How payments are determined, what is included in the payment, and what codes are used to trigger payment vary from setting to setting, however most of the payment methods are similar.

The Medicare program is divided into several different benefit programs that beneficiaries may elect. Medicare Part A helps pay for inpatient hospital care, skilled nursing care, hospice care and other services. Part B helps pay for doctors' fees, outpatient hospital visits, and other medical services and supplies that are not covered by Part A. Medicare Part C referred to as Medicare Advantage plans enables beneficiaries to enroll in an HMO-like plan to help lower their overall costs and Part D provides the prescription drug benefit.



Under Medicare, physician services and separately billable supplies are paid based upon a fee schedule. Hospitals, Ambulatory Surgery Centers (ASCs), Home Health Agencies (HHAs) and Skilled Nursing Facilities (SNFs) are paid via prospective payment systems whereby rates are set based upon reported historical costs. Under prospective systems, procedures alone or in combination with certain diagnoses or case mix scores link to a payment group which is then linked to a payment amount that reflects the costs associated with the procedure. These payment categories are called different things, but they work the same in many ways. For inpatient stays, the payments are called Medicare Severity Adjusted Diagnosis Related Groups (MS-DRGs). For hospital outpatient and Ambulatory Surgery Centers, the payments are called Ambulatory Payment Categories or APCs. APCs and MS-DRGs are not codes; rather they are payment categories to which codes are assigned.

Private payers may adopt Medicare methodologies and rates, use variations of them, or negotiate them separately. The rates are typically all-inclusive with no additional payment for supplies such as IODOSORB and IODOFLEX. Although there are always exceptions, most payers will only provide payment for IODOSORB and IODOFLEX when they are prescribed for patient use in the home. In all other situations, the payment for the product is bundled with the payment for the procedure in which they were used.

2013 Medicare payment for IODOSORB[®] and IODOFLEX[®]

Separate payment is only available under Medicare Part B for IODOSORB or IODOFLEX when the products are used as a supply for patient use in the home, or when the patient resides in an SNF in a non-Medicare Part A covered stay. In all other situations, IODOSORB and IODOFLEX are treated as supplies with no separate payment for the products. If the patient meets coverage criteria, payment is made based upon the set rate on the Medicare DME Fee Schedule.

2013 Medicare payment for IODOSORB and IODOFLEX		
Code	Description	Medicare DME Fee Schedule Floor/ceiling ⁴
A6222	Gauze, impregnated with other than water, normal saline, or hydrogel, sterile, pad size 16 sq. in or less, without adhesive border, each dressing	\$1.96/\$2.31
A6261	Wound filler, gel/paste, per fl. oz., not otherwise specified	Not priced

Where payment amounts are not listed, contact the local DME Medicare contractor for additional information on billing and payment for these codes. Typically, the supplier is paid 80% of the fee schedule amount and the patient is responsible for the remaining 20% as a copayment. In some instances, Medicare contractors may set “unpublished rates” where they utilize historical claim data within their geographic area to set a “regional” price. Still other times, payers may request an invoice and pay the supplier invoice cost plus a mark-up. Given this variability, it is important to contact the specific payer for information on how to bill for these products and what they will pay.

All other sites of service

Medicare payment methodologies, with the exception of when IODOSORB and IODOFLEX are used by the patient in the home, do not allow for the billing of any surgical dressings when used in any other location. This means that when surgical dressings like IODOSORB and IODOFLEX are used in the physician office, hospital, ASC, or SNF during a Medicare Part A stay, or as part of care provided by a Home Health agency, no separate payment is provided. The payment is provided as part of the service with which the product was used. This is often referred to as a “bundled” payment because the payment for the supplies is “bundled” into payment for the service.

Summary of payment for surgical dressings by site of service

Separately Billable	
Patient use in Home <ul style="list-style-type: none"> •Supplier bills HCPCS Code •Paid under Medicare DME Fee Schedule •Fee Schedule for IODOSORB[®] is not published 	Non-Covered Stay in a SNF (No Part A) <ul style="list-style-type: none"> •Supplier bills HCPCS Code •Paid under DME Fee Schedule

Bundled Payment					
Physician Office <ul style="list-style-type: none"> •Supplies are not billed separately. •No HCPCS codes are reported •Payment for suppliers is included in the fee schedule payment for the service associated with the supply item 	Hospital-Inpatient <ul style="list-style-type: none"> •Hospital reports HCPCS coders on claim for cost tracking purposes •Payment is included in MS-DRG payment for the entire stay 	Hospital-Outpatient <ul style="list-style-type: none"> •Supplies are not reported on claim forms •Payment for supplies is included in the APC payment for the associated procedure 	Ambulatory Surgery Center <ul style="list-style-type: none"> •Supplies are not reported on claim forms •Payment for supplies is included in the APC payment for the associated procedure 	Skilled Nursing Facility-Part A Covered Stay <ul style="list-style-type: none"> •Supplies are listed on claim form for cost tracking purposes •Payment is included in the facility specific per diem payment determined through the patient assessment process 	Home Health Care <ul style="list-style-type: none"> •HH agency reports supplies provided on claim using HCPCS codes. •Payment is included in the 60-day episodic rate

Medicare coverage for IODOSORB[®] and IODOFLEX[®]

Medicare coverage is available for the use of both IODOSORB and IODOFLEX when they are used to treat a surgical or debrided wound. Specific coverage criteria is described in the local coverage decisions (LCDs) developed by the four DME Medicare contractors. IODOSORB and IODOFLEX are generally used in the treatment of chronic wounds that meet the definition of a surgical wound since debridement is standard of care for these patients. Thus patients who have undergone a surgical treatment or debridement of their wounds and meet the criteria in the LCDs would qualify for coverage. Documentation from the physician may be necessary and should be maintained to support the claims process and ensure patients meet the coverage guidelines.

Coverage and billing guidelines for IODOSORB and IODOFLEX

For IODOSORB or IODOFLEX to be covered by Medicare under the Surgical Dressing policy, the following criteria and guidelines should be met, followed and documented in the medical record and by the supplier.

- Written signed and dated order must be received by the supplier before a claim is submitted.
- Surgical dressings are covered for as long as they are medically necessary.
- Surgical dressings used in conjunction with investigational wound healing therapy (e.g., platelet derived wound healing formula) may be covered if all applicable coverage criteria are met based on the number and type of surgical dressings that are appropriate to treat the wound if the investigational therapy were not being used.
- Use of more than one type of wound filler or more than one type of wound cover in a single wound is rarely medically necessary and the reasons must be well documented. An exception is an alginate or other fiber gelling dressing wound cover or a saline, water, or hydrogel impregnated gauze dressing which might need an additional wound cover.
- It may not be appropriate to use some combinations of a hydrating dressing on the same wound at the same time as an absorptive dressing (e.g., IODOFLEX).
- Use of secondary dressings that require changing less frequently than the daily changes typical with IODOSORB and IODOFLEX will be denied as not reasonable and necessary.
- Dressing size must be based on and appropriate to the size of the wound. For wound covers, the pad size is usually about 2 inches greater than the dimensions of the wound. For example, a 5 cm x 5 cm (2 in. x 2 in.) wound requires a 4 in. x 4 in. pad size.
- The quantity and type of dressings dispensed at any one time must take into account the current status of the wound(s), the likelihood of change, and the recent use of dressings.
- Dressing needs may change frequently (e.g., weekly) in the early phases of wound treatment and/or with heavily draining wounds.
- Suppliers are also expected to have a mechanism for determining the quantity of dressings that the patient is actually using and to adjust their provision of dressings accordingly.
- No more than a one month's supply of dressings may be provided at one time, unless there is documentation to support the necessity of greater quantities in the home setting in an individual case. An even smaller quantity may be appropriate in the situations described above.
- Surgical dressings must be tailored to the specific needs of an individual patient. When surgical dressings are provided in kits, only those components of the kit that meet the definition of a surgical dressing, that are ordered by the physician, and that are medically necessary are covered.

Per utilization guidelines published by the local contractors, dressings and wound fillers falling under the A6222 and A6261 codes may be changed daily. Usage in excess of daily changes requires documentation in the medical record substantiating the reason for the increased utilization.

Suppliers are encouraged to use this tool to help reduce the number of denied claims and to expedite payment.

References

1. Smith & Nephew Research Center Work Report #WRP-TSG015-07-003.
2. Phillips, P.L. *et al*, Effects of Antimicrobial Agents on an (in-vitro) Biofilm Model of Skin Wounds. *Advances in Skin and Wound Care* (2010) 1: 299-304.
3. DMECS Database: PDAC-Noridian Medicare.
<https://www.dmepdac.com/dmecsapp/do/hcpcsdetail?hcpcs=A6261>
4. Centers for Medicare and Medicaid Services. 2013 Durable Medical Equipment Fee Schedule.
<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSFeeSched/DMEPOS-Fee-Schedule.html>
5. Surgical Dressing LCD. DME MAC A. Medicare National Heritage Insurance Company.
http://www.medicarenhic.com/dme/medical_review/mr_lcds/mr_lcd_current/L11471_2011-02-04_PA_2013-06.pdf

The information provided with this notice is general reimbursement information only as of (date); it is not legal advice, nor is it advice about how to code, complete or submit any particular claim for payment. Although we supply this information to the best of our current knowledge it is always the provider's responsibility to determine and submit appropriate codes, charges, modifiers and bills for the services that were rendered. This information is provided as of the date listed above, and all coding and reimbursement information is subject to change without notice. Payers or their local branches may have their own coding and reimbursement requirements and policies. Before filing any claims, providers should verify current requirements and policies with the payer.

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