



# Home Health Agency coding, Medicare payment and coverage information



**PICO**<sup>®</sup>

Single Use  
Negative Pressure  
Wound Therapy System

Effective January 1, 2017 home health agencies will receive separate payment for negative pressure wound therapy (NPWT) that uses a disposable device, such as PICO Single Use Negative Pressure Wound Therapy System, for Medicare beneficiaries who receive home health agency services under a home health plan of care. These services may be performed by registered nurses, licensed practical nurses, physical therapists, or occupational therapists that are permitted to perform wound assessments under state law.

## CPT<sup>®</sup> codes

The American Medical Association established two (2) CPT codes for NPWT using disposable medical equipment, including the PICO Single Use Negative Pressure Wound Therapy System.

### CPT code 97607

Negative pressure wound therapy (eg, vacuum assisted drainage collection), utilizing disposable, non-durable medical equipment including provision of exudate management collection system, topical application(s), wound assessment, and instructions for ongoing care, per session; total wound(s) surface area less than or equal to 50 square centimeters.

### CPT code 97608

Negative pressure wound therapy (eg, vacuum assisted drainage collection), utilizing disposable, non-durable medical equipment including provision of exudate management collection system, topical application(s), wound assessment, and instructions for ongoing care, per session; total wound(s) surface area greater than 50 square centimeters.

CPT codes 97607 and 97608 include reimbursement for the disposable equipment and, therefore, should only be reported when a new PICO NPWT Pump with a 7-day battery is furnished to the patient and a wound assessment and instructions for ongoing care is performed by a licensed nurse (RN or LPN), physical therapist, or occupational therapist in accordance with state law. The home health agency should report either 97607 or 97608 on a separate claim using Bill Type 34X (with the appropriate revenue code for the licensed nurse [0559], for the physical therapist [042X], or for the occupational therapist [043X]). Visits performed solely for the purposes of furnishing NPWT using a new disposable device should not be reported on the home health prospective payment system (HH PPS) claim using Bill Type 32X.

If the home health agency furnishes a new PICO NPWT Pump during the course of an otherwise covered home health agency visit (for example, while also furnishing a catheter change), the home health agency must not include the time spent furnishing NPWT in their visit charge or in the length of time reported for the visit on the HH PPS claim using Bill Type 32X. In this situation, the home health agency should submit two claims for this service:

1. A claim for the new PICO NPWT Pump and related service using Bill Type 34X with the appropriate 97607 or 97608 code as described above; and
2. A HH PPS claim using Bill Type 32X, only for the time spent furnishing the services unrelated to the provision of NPWT.

Any follow-up visits for wound assessment, wound management, and replacement of a NPWT fluid management system, where a new PICO NPWT Pump is not furnished, must be included on a HH PPS claim using Bill Type 32X.

## Calendar Year (CY) 2017 Medicare Home Health Agency (HHA) payment system

For CY 2017 home health agencies' payment for NPWT furnishing a new disposable PICO<sup>®</sup> NPWT Pump as well as a wound assessment and instructions for ongoing care is based on the current year's Hospital Outpatient Prospective Payment System (OPPS) allowable rate for CPT codes 97607 and 97608. The payment amount for these codes will be subject to the area wage adjustment policies in place under the current year's OPPS. Each home health agency should check with their administration to learn their specific agency's Medicare allowable rate. The amount paid to the home health agency by Medicare will be equal to 80 percent of the lesser of the actual charge or the payment amount as determined by the current year's OPPS. The patient or their secondary insurance will pay the remaining 20 percent to the home health agency.

**Medicare Home Health Agency Payment Rates\* for PICO Single Use Negative Pressure Wound Therapy System, when covered by the MAC:**

CPT <sup>®</sup> Code <sup>1</sup>	Total Medicare Allowable Rate under OPPS*	Medicare Payment Rate to Home Health Agencies**	Patient Coinsurance
97607	\$292.62	\$234.09	\$58.53
97608	\$292.62	\$234.09	\$58.53

\* The national average 2017 Medicare rates for the hospital outpatient setting are calculated from the 2017 Hospital Outpatient Prospective Payment System (OPPS), November 2016. Any payment rates listed are Medicare national averages that may be subject to change without notice. Payment rates do not account for sequestration.

\*\* Home Health Agency payment rates are 2017 national average rates calculated as 80% of 2017 OPPS payment rates that may be subject to change without notice. Actual payment to a home health agency will vary based on geographic location and may also differ based on policies and fee schedules outlined as terms in the patient's health plan and/or payer contracts. Payment rates do not account for sequestration.

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## Coverage and questions

- + Before applying PICO Single Use Negative Pressure Wound Therapy System, all home health agencies should confirm or clarify coverage and coding from each patient's insurance plan, as each payer may have differing formal or informal policies or decisions. For assistance with insurance benefit verification or any questions, call **1-888-705-0061 Monday through Friday 8:00 am to 5:00 pm EST.**

For detailed product information, including indications for use, contraindications, effects, precautions and warnings, please consult the product's Instructions for Use (IFU) prior to use.

References: 1. CPT Copyright 2016 American Medical Association. All rights reserved. CPT is a registered trademark of the American Medical Association.

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