DME HCPCS Miscellaneous Codes

The following HCPCS miscellaneous codes are not on the Medicare Fee Schedule but are allowable as an IME.

- K0108
- K0009
- E2300
- E1220

Determining Allowable Fee Amounts

Based on the DME exception processing information from CMS, determine the IME deduction amount for each one of the above miscellaneous codes as follows:

- Request the wholesale pricing in writing from the DME provider for each HCPCS miscellaneous code on the invoice.
- Multiply the wholesale price by 40% to obtain a markup amount.
- Add the wholesale price and markup amount for a total.
- Allow the total amount as an IME deduction.

Example: K0108 wholesale price is $350. $350 X 40% = $140. $140 is the markup amount. $350 + $140 = $490 total amount. $490 is the allowable IME.

Additional Instructions

If a DME provider does not provide the wholesale pricing for a particular HCPCS miscellaneous code, do not allow that particular HCPCS code as an IME deduction.

For HCPCS codes not on the Medicare fee schedule and not listed in this document, forward a clearance request to state office. As additional HCPCS codes are identified based on clearance requests, patterns or frequency, updates will be made to this document.